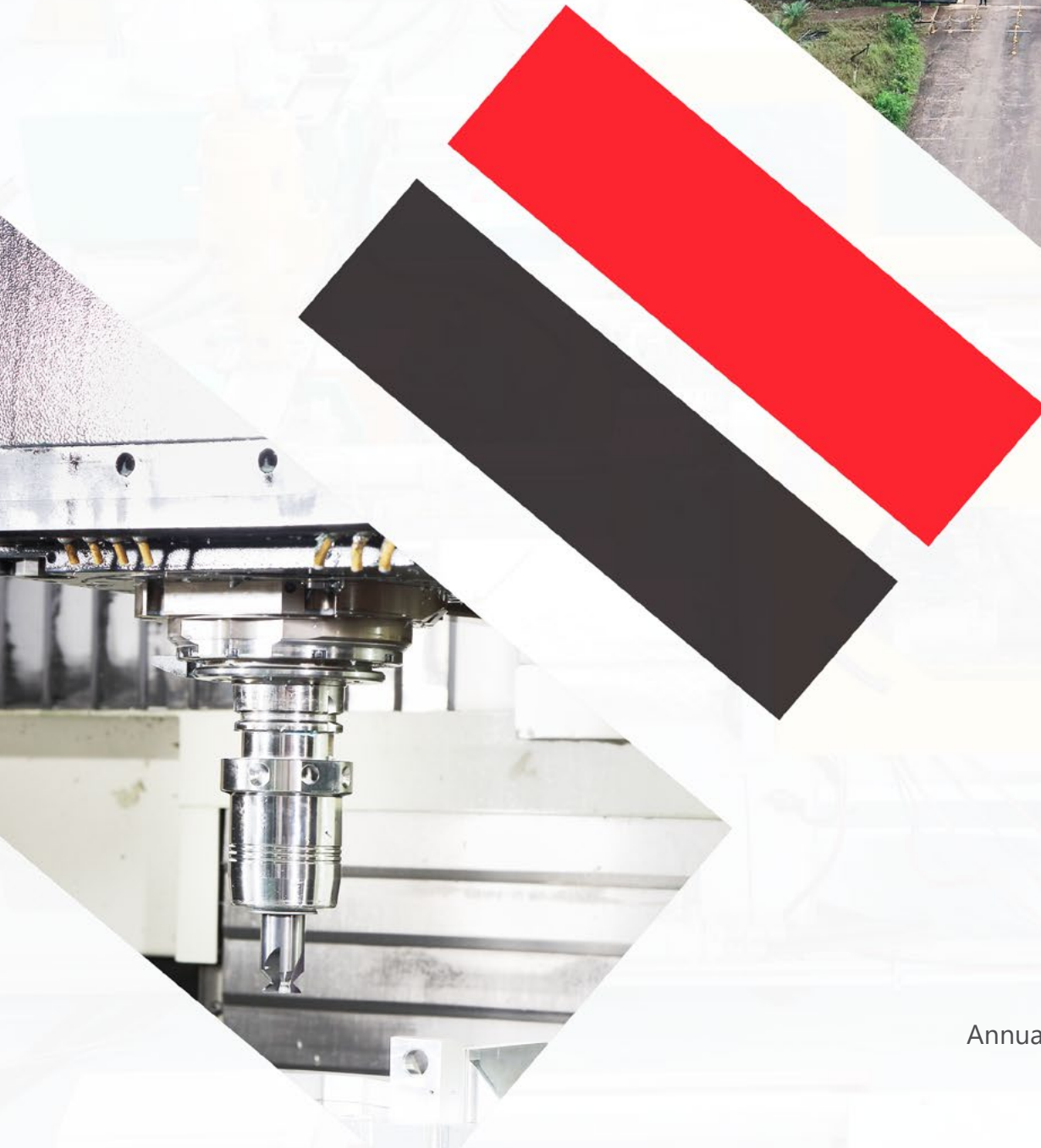


**Built on
Foundations.
Growing
Through Scale.**



Corporate Overview

02	— Who We Are
04	— Value at a Glance
05	— A New Chapter
06	— Executive Chairman & CEO's Message
08	— Managing Director's Message
10	— The Aequs Journey
11	— Key Financial Highlights
12	— The World of Aequs
14	— The Businesses Behind the Value
18	— The Aequs Manufacturing Ecosystem
22	— The People Who Make It Possible
26	— Engineering a Better Tomorrow
28	— Building Stronger Communities
30	— Governing with Purpose
32	— Recognitions Along the Way
33	— Corporate Information

Statutory Reports

34	— Management Discussion and Analysis
50	— Directors' Report
93	— Report on Corporate Governance
117	— Business Responsibility & Sustainability Report

Financial Statements

146	— Standalone Financial Statements
216	— Consolidated Financial Statements

Contents

Forward-looking statements

Some information in this report may contain forward-looking statements which include statements regarding Company's expected financial position and results of operations, business plans and prospects etc. and are generally identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. Forward-looking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

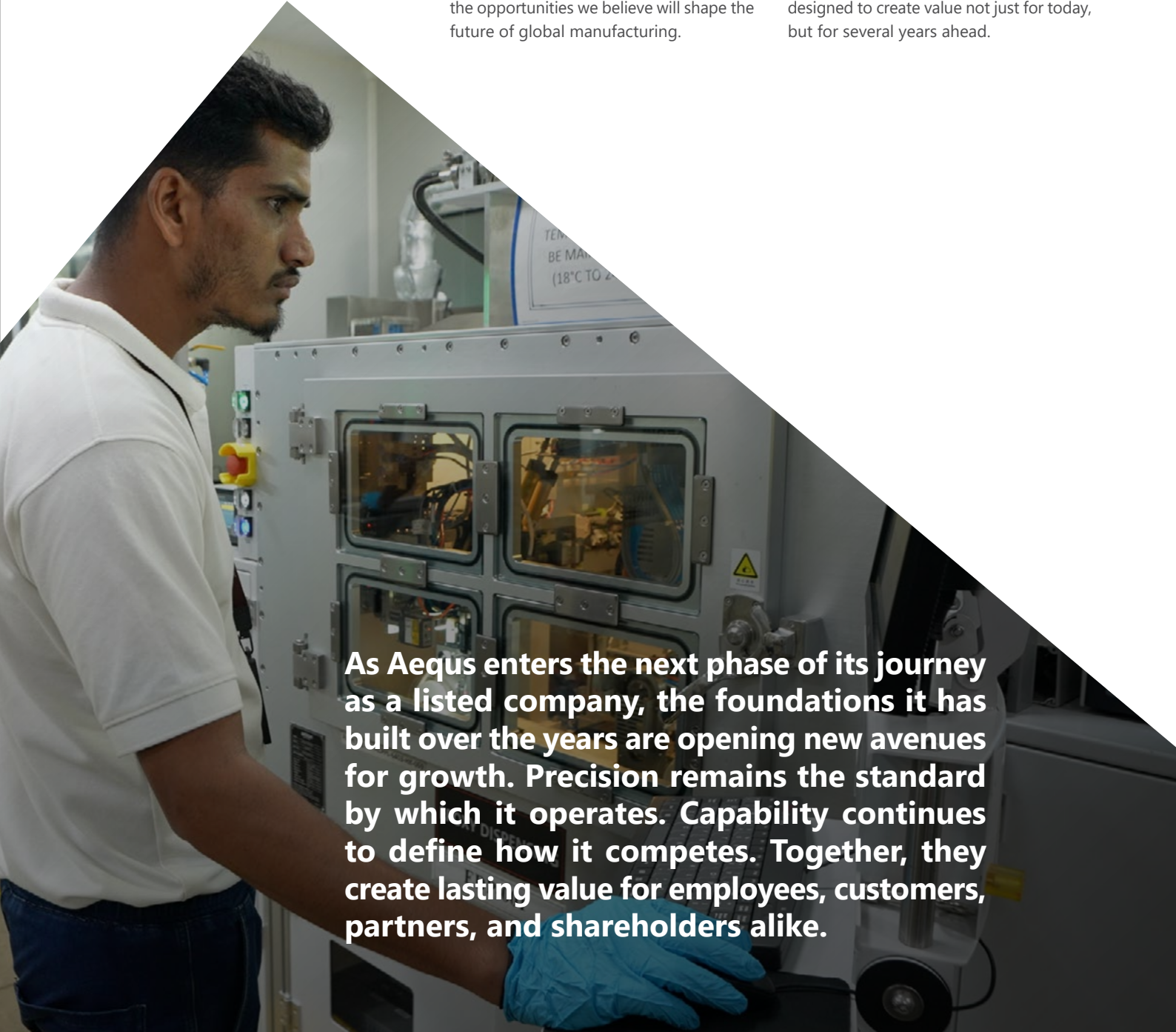


To know more
about us visit
www.aequs.com

We create value by patiently building our capabilities. This has been Aequus' approach from the very beginning. Every investment in technology, every manufacturing ecosystem, every customer relationship built and every new capability has been shaped with the belief that enduring value is built, one decision at a time.

The capabilities we operate today are the outcome of investments made over many years. In industries where qualification cycles are long, execution standards are exacting and customer relationships are built over decades, the foundations for future growth often need to be laid well before opportunities fully materialize. Our investments across manufacturing ecosystems have therefore been guided not only by present demand, but also by the opportunities we believe will shape the future of global manufacturing.

Today, that long-term approach is reflected in a business trusted by some of the world's leading companies in industries where precision, reliability and consistency leave little room for compromise. From aerospace to consumer goods, Aequus has steadily expanded its capabilities while remaining focused on operational excellence, disciplined execution and long-term partnerships. Each milestone has added another layer to a manufacturing ecosystem designed to create value not just for today, but for several years ahead.



As Aequus enters the next phase of its journey as a listed company, the foundations it has built over the years are opening new avenues for growth. Precision remains the standard by which it operates. Capability continues to define how it competes. Together, they create lasting value for employees, customers, partners, and shareholders alike.

Who We Are

Aequs Limited is a global precision manufacturing company delivering engineering-led solutions for leading OEMs around the world. Derived from the Latin word 'aequus', meaning equal. Our name reflects our belief in partnerships between equals, where our partners' contributions are as important as our own. This philosophy is embodied in our identity, with the two parallel strokes beneath the letter 'Q' symbolising collaboration and concerted efforts, complemented by our brand line, 'ecosystems of efficiency'. Operating across the Aerospace and Consumer sectors, we bring together advanced engineering expertise, vertically integrated manufacturing solutions and efficient supply chains to deliver high quality products and solutions at scale.

With manufacturing operations across India, France and the United States, including three manufacturing ecosystems in India, we combine global reach with integrated capabilities to drive operational excellence, continuous innovation and long-term value creation.

The industries we serve are characterized by demanding quality standards, lengthy qualification cycles and long product life-cycles. Over the years, we have focused on building integrated manufacturing ecosystems that strengthen customer relationships, create meaningful barriers to entry and position Aequs as a trusted long-term manufacturing partner to global OEMs.

Guided by our values of Transparency, Trust and Respect in every partnership, we work closely with our customers to build relationships that stand the test of time, deliver dependable manufacturing solutions and create lasting value for every stakeholder.

PRECISION

Zero error manufacturing, built on precision engineering solutions

INTEGRATION

Vertically integrated manufacturing platform, delivers value across sectors

SCALE

Global manufacturing solutions. Built in India, at scale



Our Vision

To be a preferred global partner in every market we serve.



Our Mission

To deliver increasing value to our stakeholders – employees, customers, suppliers, shareholders and community - through innovative, efficient, global ecosystems.



Our Values



Transparency



Trust



Respect

Hunger

Perpetuity

Growth

Valuing
People

Learning

Collaboration

Embedded
Quality

Continuous
Improvement

Investments

Building
Legacy

The Aequs Difference

Delivering integrated capabilities for increased customer value



Vertically integrated product solutions across aerospace, electronics and consumer industries



Diversified manufacturing platform



Powered by world-class talent



Driven by cutting-edge digital technologies



Reliable supply chain efficiencies



Global customer base with a global footprint

Value at a Glance

Financial Highlights

₹26,905 Mn	₹12,304 Mn	₹1,545 Mn	13%
Total Assets	Revenue	EBITDA	EBITDA Margin

Operational Highlights

ISO 9001:2015	4.70 Mn	62%	23%
Certified Manufacturing Facilities	Machining/molding hours Annual Installed Capacity	Aerospace Capacity Utilization (India Average - 70%)	Consumer Capacity Utilization

Sustainability Highlights

ISO 14001 and 45001	36,000	150+	34,000+
Certified for Environmental and Safety Standards	Trees Planted	Schools Covered Through CSR Activities	Students Impacted

Expanding Our Advantage

	Expanding Our Manufacturing Footprint	➤ Signed MoUs with the Governments of Tamil Nadu and Karnataka, including a ₹1,900 crore investment in Hosur to establish an integrated aerospace ecosystem focused on aero engine components and complex landing gear components. Additionally, the Company committed cumulative ₹2,856 crore investment to expand aerospace and consumer manufacturing across Belagavi and Hubballi.
	Scaling Consumer Electronics	➤ Commenced commercial production for Consumer Electronics during Q3 FY26, with further investments planned for FY27, including the ongoing construction of a new facility at Hubballi to support higher production volumes and meet growing customer demand.
	Building Order Visibility	➤ The aerospace order book increased to \$ 889 Mn, improving multi-year revenue visibility, reinforcing customer confidence and providing a strong foundation for growth.
	Advancing Research and Innovation	➤ Partnered with IIT Dharwad to establish an advanced materials R&D ecosystem focused on applied research, failure analysis, process simulation and manufacturing innovation.
	Integrated Defence Solutions	➤ Ajna Aerospace and Defense, established in 2026, aims to build an end-to-end Unmanned Aerial Systems (UAS) ecosystem, integration, manufacturing, testing, and commercialization. Leveraging Aequs' precision engineering capabilities, the venture will address India and global defense markets through advanced unmanned aerial platforms, including MALE/HALE systems.

A New Chapter

FY 2025-26 marked a defining moment in our journey with the successful listing of our equity shares on Indian Stock Exchanges on December 10, 2025, following our initial public offering. Reflecting strong investor confidence in our integrated manufacturing ecosystem, diversified business portfolio and long-term growth strategy, the IPO was oversubscribed by 101.63 times. This milestone broadened our shareholder base and marked the beginning of a new chapter built on transparency, accountability and long-term value creation.

While the listing represents an important milestone, the principles that have guided us remain unchanged. We continue to focus on disciplined capability building, customer-centric growth and investments that strengthen our competitive position across business cycles. As a listed company, we remain committed to creating sustainable value through long-term thinking, operational excellence and responsible capital allocation.

December 10, 2025

Listing Date

67,06,65,635

Total Shares Post Issue



Executive Chairman & CEO's Message

Dear Shareholders,

Financial Year 2025-26 is a defining year in your Company's journey. Aequs listed on the Indian stock markets in December 2025 after a successful public float, marking the beginning of a new chapter of institutional scale and long-term value creation. I extend a warm welcome to all our new shareholders and thank you for the trust you have placed in Aequs. I am equally grateful to our long-standing investors, whose confidence and support over many years have been instrumental in building this Company.

For nearly two decades, Aequs has been built on a simple belief: lasting businesses are made with patience, discipline, and a willingness to invest in partnerships for the future. We have consistently focused on building capabilities, creating integrated manufacturing ecosystems, and earning the trust of our customers, one milestone at a time. Becoming a publicly listed company is by no means the destination. It gives us greater strength to pursue the opportunities ahead, while our purpose remains what it has always been — to be a preferred global partner in every market we serve, and to deliver increasing value to all those who have a stake in this enterprise.

A preferred global partner in every market we serve.

The Year in Brief

FY 2025-26 was a year of substantial growth. Consolidated revenue grew 33% to ₹12,304 million and EBITDA grew 43% to ₹1,545 million, with EBITDA margin expanding to 13% from 12% in the prior year. The Aerospace business delivered on its programs and closed the year with an

order book of USD 889 million as at March 31, 2026, while our Consumer Electronics business crossed from pilot production into commercial scale.

At the net level, the Company reported a loss of ₹1,133 million in FY 2025-26, compared with a loss of ₹1,024 million in FY 2024-25. I want to address that directly rather than leave it to the notes. The loss reflects the depreciation and financing costs of capacity we have recently commissioned, together with a Consumer Electronics operation whose cost base is now largely in place while its revenue is still ramping up. This is the expected shape of the investment we have deliberately chosen to make, and laid out specific milestones: Consumer EBITDA breakeven by Q4 FY 2026-27, consolidated profit after tax breakeven in the first half of FY 2027-28, and Consumer profitability at the net level by FY 2029-30. Rajeev sets out the operating and financial detail of the year in his message that follows.

Positioned for a Structural Opportunity

We are living through a profound shift in global manufacturing. As supply chains are reconfigured, technology reshapes production, and OEMs seek trusted industrial partners, India's opportunity has never been greater. Aequs has spent nearly two decades preparing for precisely this moment — building integrated manufacturing ecosystems, investing in advanced capabilities, and earning the confidence of some of the world's most demanding customers.

Both the industries we serve are entering a period of sustained expansion. Global aerospace is growing steadily on the back of rising air travel, higher aircraft production rates and expanding MRO requirements, while India's push towards a more self-reliant aerospace ecosystem adds further momentum. In electronics

and consumer durables, rising domestic consumption and an expanding middle class are drawing global brands towards Indian manufacturing. What matters more than market size is our position within these markets — qualified and single-sourced on most of our parts, and entrusted with work that takes years to earn.

Extending the Ecosystem Playbook

Our integrated ecosystem model remains central to the Aequs value proposition. By bringing together specialized manufacturing capabilities, infrastructure and partnerships within connected platforms, we help customers reduce complexity, strengthen control over quality and delivery, and address a broader range of requirements from a single ecosystem. It is a model we have proven at Belagavi over fifteen years, and it is the reason customers bring us increasingly complex work.

We are now extending that model to the next frontier of aerospace manufacturing. During the year we signed a Memorandum of Understanding with the Government of Tamil Nadu setting out our intent to invest ₹1,900 crore over ten years at Hosur, towards an integrated ecosystem for aero-engine and landing-gear components. Separately, and as a firm commitment, we have approved investment of ₹2,856 crore over five years across our Belagavi and Hubballi clusters in Karnataka to expand Aerospace precision engineering and Consumer manufacturing capacity.

These are significant numbers, and they carry an obligation to explain how we will fund and pace them. The five-year plan we presented in June contemplates capital expenditure of approximately USD 350 to 450 million between FY 2026-27 and FY 2030-31, to be funded through a combination of internal accruals, calibrated debt and, at an appropriate point in the plan, an element of equity.

The Ecosystem Multiplier

Converting Capability into Returns

At our Investor Day in June 2026, held after the close of this financial year, we set out Vision 2031 in full: revenue growth of four to six times over the FY 2025-26 base, EBITDA margins of 18 to 22 per cent, and a steady-state return on capital employed of approximately 20 per cent by FY 2030-31. This material continues to be available on our website, and I would urge shareholders to read it for the clearest articulation of our long-term direction.

As we look ahead, our focus shifts decisively from building capability to converting it. This will require patience where qualification cycles and ecosystem creation take time, alongside discipline in how we allocate capital, measure progress and execute our plans. We will continue to invest in the processes, technologies, partnerships and leadership capabilities needed to build an institution that performs consistently across business cycles. We will scale without compromising the precision, reliability and responsibility that have shaped Aequus.

The next phase of our journey will be defined by converting capability into scale, scale into stronger cash generation, and cash generation into improved returns on capital. That is the sequence by which I would ask you to measure us. We enter

FY 2026-27 with a robust platform, significant opportunities ahead, and clear conviction in our ability to create enduring value.

Our People, Our Values and Our Communities

None of this is achieved by capacity alone. It is achieved by Aequus, our employees, whose engineering expertise and operational discipline are the real foundation of this platform. The values we hold — Transparency, Trust and Respect — are not aspirations we describe in a report; they are the terms on which our customers have chosen to depend on us for two decades, and the standard to which our new shareholders should hold us. Through the Aequus Foundation, we continue to invest in health, hygiene and STEAM education for children in the communities around our ecosystems in Belagavi, Hubballi and Koppal, because a business that does not lift the community around it has not been fully built.

I would also like to record my thanks to my colleagues on the Board, whose counsel and oversight through our first year as a listed company have been invaluable.

I remain deeply grateful to our employees, customers, suppliers, joint venture partners, shareholders, bankers and the communities in which we operate. Your trust, commitment and partnership continue to strengthen your Company and propel our journey forward.

Warm regards,

Aravind Melligeri

Executive Chairman & Chief Executive Officer



We have consistently focused on building capabilities, creating integrated manufacturing ecosystems, and earning the trust of our customers, one milestone at a time.

Managing Director's Message

Dear Shareholders,

FY 2025-26 was a year of strong execution and meaningful business expansion for Aequs. We scaled both our Aerospace and Consumer businesses, strengthened our financial position, and made the investments needed to support the next phase of growth. Our priorities through the year were clear: execute programs with discipline, deepen customer relationships, progress recently commissioned capacities towards commercial scale, and strengthen the organization's ability to absorb growth.

Financial Performance

Consolidated revenue grew 33% to ₹12,304 million and EBITDA grew 43% to ₹1,545 million, with EBITDA margin expanding to 13% from 12% in FY 2024-25. EBITDA here is stated on the Company's reference basis, which includes other income; the reconciliation to operating EBITDA is set out in the financial statements.

At the segment level, Aerospace revenue grew 27% to ₹10,464 million, supported by strong programme execution, while Consumer revenue grew 84% to ₹1,840 million as the Consumer Electronics business progressed from pilot production to commercial scale.

At the net level the Company reported a loss for the year. The principal drivers are depreciation and finance costs on capacity commissioned over the last twenty-four months, and a Consumer Electronics business whose fixed cost base is substantially in place while volumes are still ramping. Neither is a surprise; both are the arithmetic of an investment cycle that is now behind us in spending terms and ahead of us in returns.

Our balance sheet strengthened materially during the year. Together with retained IPO proceeds, this gives us headroom and flexibility to invest against our priorities and to pursue emerging opportunities without

straining the capital structure. We intend to phase investment in line with customer requirements, program visibility and capability needs, maintaining a clear focus on utilization, cash generation and returns.

Deepening Our Aerospace Advantage

Our Aerospace business strengthened through the year, supported by long-running programs, growing customer engagements and a robust order book. We provide end-to-end precision engineering solutions to leading global OEMs and Tier-1 suppliers, and our portfolio expanded to 5,654 SKUs during the year. Each new part undergoes rigorous qualification and is typically tied to a long-term programme, which creates high barriers to entry, deepens customer relationships and improves revenue visibility. Our order book stood at USD 889 million as at March 31, 2026.

Two reinforcing trends support the longer-term outlook. Rising aircraft production rates are increasing demand across the programs in which we participate. At the same time, global OEMs and Tier-1 suppliers are seeking to simplify fragmented supply chains and to work with partners capable of absorbing larger and more complex work packages. Our qualified portfolio, delivery record and vertically integrated ecosystem position us to participate in both. We are also deepening our participation in landing-gear and engine components, extending our opportunity beyond aerostructures into more complex applications while building on established customer credentials.



From Capability-led Entry to OEM-trusted Scale.

Scaling Our Consumer Business

Our Consumer segment delivers high-value manufacturing across electronics, toys and consumer durables for leading global brands. During the year the Consumer Electronics business progressed from pilot production to commercial scale, and the segment increased its contribution to consolidated revenue from 11% in FY 2024-25 to 15% in FY 2025-26. Our differentiation lies in complex, value-added component manufacturing, where deep in-house capability and higher value addition support the segment's long-term margin potential.

With much of the manufacturing infrastructure and operating cost base now in place, the work ahead is operational: stabilising processes, advancing the learning curve, improving throughput and progressively increasing utilization. As volumes scale and recently commissioned capacities mature, stronger fixed-cost absorption and operating leverage are expected to carry the segment towards sustainable profitability. We will continue to deepen engagement with existing customers, scale awarded programs, and expand the portfolio selectively where our engineering and manufacturing capabilities give us a clear advantage.

Executing the Investment Programme

At Hosur, our immediate focus is to bring a phased execution plan. Investment will be sequenced against customer requirements, identified programme opportunities and the specialized capabilities that aero-engine and landing-gear components demand. This customer-led approach

lets us pace capacity creation and industrialization deliberately — this is no ordinary greenfield, but one built on the considerable aerospace execution knowledge already established at Belagavi.

Across Belagavi and Hubballi, investment is directed towards strengthening manufacturing capability, supporting programme scale-up and improving operational readiness. As recently commissioned capacities mature, our emphasis will shift increasingly towards utilization, productivity improvement and operating leverage.

We also established a research collaboration with IIT Dharwad in advanced materials, covering material characterization, failure analysis and process simulation. This strengthens the technology and knowledge base required for advanced manufacturing and supports the industrialization of increasingly complex products and processes.

Building the Organization

Our ability to grow depends not only on physical capacity but on the systems, processes and people required to execute consistently at a larger scale. Aequus is supported by a workforce of 3,153 Aequus as at March 31, 2026 whose engineering expertise and operational discipline form the foundation of the platform. As programs, products and customer engagements multiply, repeatable processes, auditable quality, documented manufacturing knowledge and leadership depth become decisive. We are augmenting our Consumer Electronics leadership with senior industry talent drawn from global manufacturing environments, and continuing to invest in operational excellence, technology, talent development and process standardization across the organization.

These capabilities matter particularly in the industries we serve. Aerospace programs require rigorous qualification and dependable delivery over extended periods; Consumer manufacturing requires the same process discipline applied at significantly higher volumes. Our task is to scale both while preserving the quality, precision and reliability our customers expect.

Priorities for FY 2026-27

In Aerospace, we will focus on industrialising awarded programs, increasing our share of business with existing customers, expanding participation across complex component categories and broadening the customer base. In Consumer, we will focus on increasing utilization, stabilising manufacturing processes, improving productivity and unlocking the operating leverage embedded within recently commissioned capacities.

Across both businesses we will maintain discipline in capital deployment and monitor programme execution, utilization, cash generation and returns closely. We enter FY 2026-27 with a stronger balance sheet, a substantial Aerospace order book, growing Consumer programs and an organization increasingly equipped to execute at scale. The year ahead is about delivery.

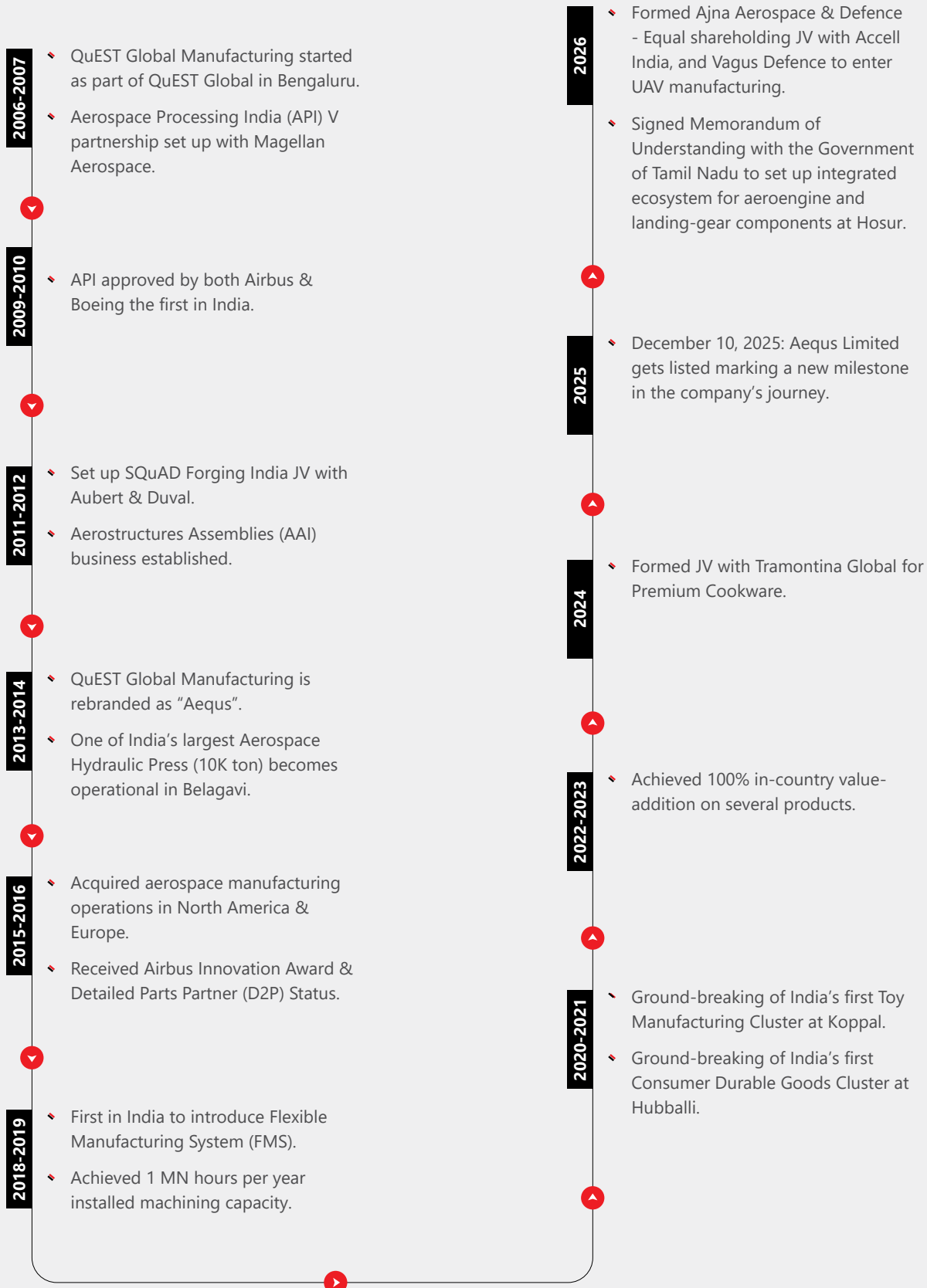
I thank our employees, customers, suppliers, joint venture partners, shareholders, bankers and the communities around our ecosystems for their continued trust and support. Their contribution remains central to our ability to execute and grow.

Warm regards,

Rajeev Kaul

Co-founder and Managing Director

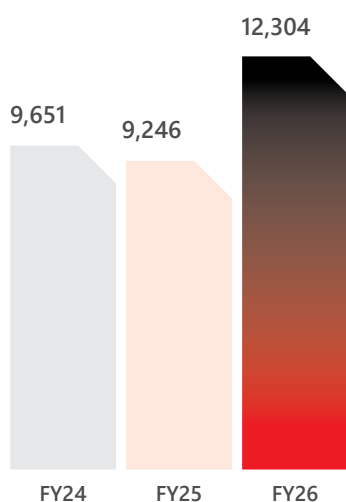
The Aequs Journey



Key Financial Highlights

Revenue (₹ Mn)

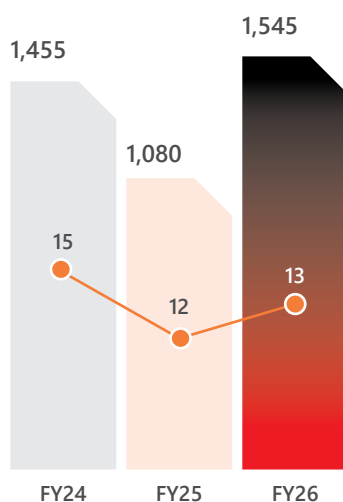
12,304



EBITDA (₹ Mn)

EBITDA Margin (%)

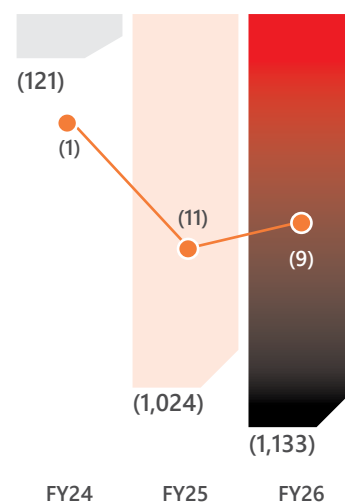
1,545



PAT (₹ Mn)

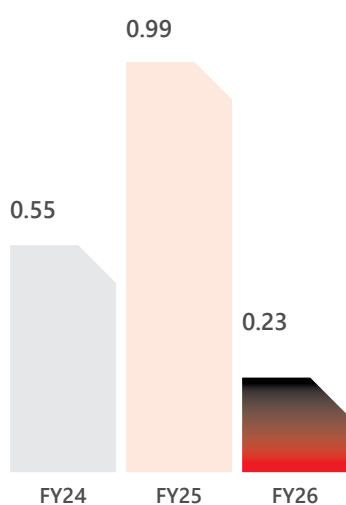
PAT Margin (%)

(1,133)



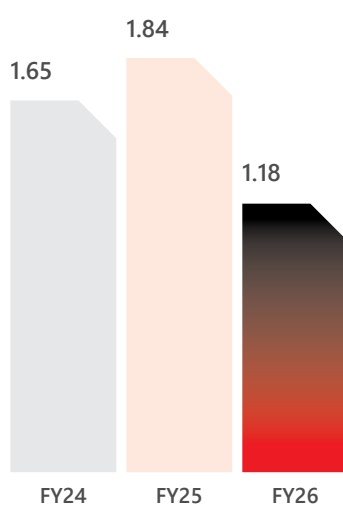
Net Debt/Equity (x)

0.23



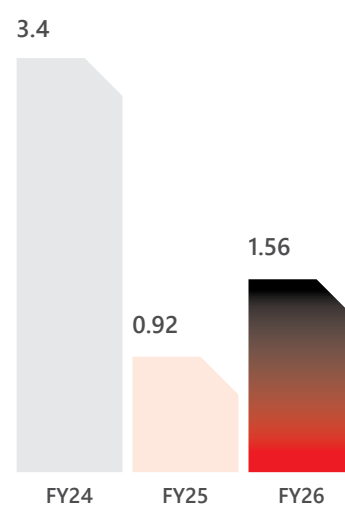
Fixed Asset Turnover

1.18



ROCE (%)

1.56



The World of Aequs

Our manufacturing footprint has been built with a clear purpose – to bring engineering expertise, integrated manufacturing and customer proximity together in one connected network. With strategically located manufacturing ecosystems and international operations, we combine global reach with local responsiveness to deliver high-precision solutions efficiently and at scale.

3 Continents

One Connected
Manufacturing Network

Global Operations

Background

2015

Acquisition of T&K Machine; renamed Aequs Aero Machine Inc

Capabilities

Produces machined parts and assemblies for the aerospace industry

Shared Benefits

Closer to US-based clients Boeing and Spirit

Background

2016

Acquisition of SIRA Groupe

Capabilities

Provided machining, assembly, fabrication and testing capabilities (eg for engines and landing gear)

Shared Benefits

Closer to our Europe-based clients Safran and Collins Aerospace



Paris, Texas

Aerospace Machining
(ITAR Compliant)

Cholet, France

Aero engine and
Landing Gear Parts

Indian Operations

Belagavi, Karnataka

Aerospace

Hubballi, Karnataka

Consumer Durables
(Electronics and Cookware)

Koppal, Karnataka

Toys

All Indian facilities are ISO-certified for quality, information security, employee safety and environment.

Belagavi, Karnataka

Aerospace

Hubballi, Karnataka

Consumer Durables
(Electronics and Cookware)

Koppal

Toys

Expansion projects

Hosur, Tamil Nadu

Aerospace

The Businesses Behind the Value

Aerospace

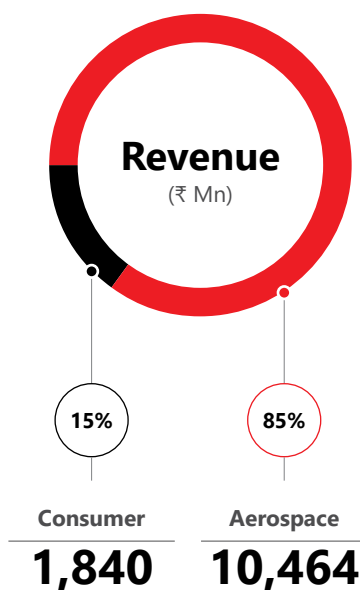


Key Business Segments



Consumer

Segment-wise Revenue Split



Aerospace

We have built a vertically integrated aerospace manufacturing ecosystem at Belagavi, Karnataka that delivers precision engineering solutions for leading global aerospace OEMs and Tier-1 suppliers. Backed by advanced manufacturing capabilities and long-standing customer relationships, we provide end-to-end manufacturing solutions that support some of the world's most demanding aerospace programs.

Aerospace manufacturing is characterized by rigorous qualification requirements, stringent quality standards and program life-cycles that often extend over several decades. Success in this industry depends on consistently delivering quality, reliability and execution excellence over extended periods, creating significant barriers to entry for new participants.

Designed as a fully integrated ecosystem, our aerospace platform encompasses the entire manufacturing value chain from raw materials to the finished product, all within a single location. This integrated model enhances sustainability by reducing the distance travelled by aerospace parts from a typical 5,000 kms to under 500 meters.

This approach also reduces the carbon footprint per part and enhances the sustainability of aerospace manufacturing. This also enables shorter lead times, greater operational efficiency and consistent quality, while strengthening our position as a trusted manufacturing partner across the global aerospace value chain.

Key Highlights

- Established India's first notified Engineering and Manufacturing SEZ in Belagavi in 2009.
- Operates a fully vertically integrated aerospace manufacturing value chain offering end-to-end manufacturing and integration solutions.
- Among India's large aerospace machining facilities with an annual capacity of 1.83 Mn machining hours.
- Manufacturing footprint spanning India, the US and France.
- Two multinational joint ventures with over 10 years of successful operations.
- First company in India to assemble Plug Doors and Over-Wing Exit Doors for global aerospace OEMs.
- Home to India's largest hydraulic presses (10,000 tons) for aerospace component manufacturing.
- First surface treatment facility in India approved by both Airbus and Boeing.

Customers Who Trust Aequs

Airbus	Boeing	Bombardier
Collins Aerospace	Safran	Triumph Group
Dynatomic Technologies	Eaton	Honeywell
GKN Aerospace	Mubea	

Aequs Product Portfolio

We manufacture the largest portfolio of unique aerospace parts in India. Supported by integrated manufacturing capabilities spanning forging, precision machining, surface treatment, and aerostructure assembly, we partner with leading global aerospace OEMs across a diverse range of commercial aircraft platforms.

Among India's Large

Aerospace Machining Facilities

1.83Mn

Machining Hours/Year

200+

CNC Machines

5,654

Aerospace Products

A220, A320, B737

Single-Aisle Aircraft

100%

In-Country Value Addition for Select Products

A330, A350, B767, B777, B787

Long-Range Aircraft

Products

Landing Systems



187

SKUs

Engine Systems



73

SKUs

Assemblies



283

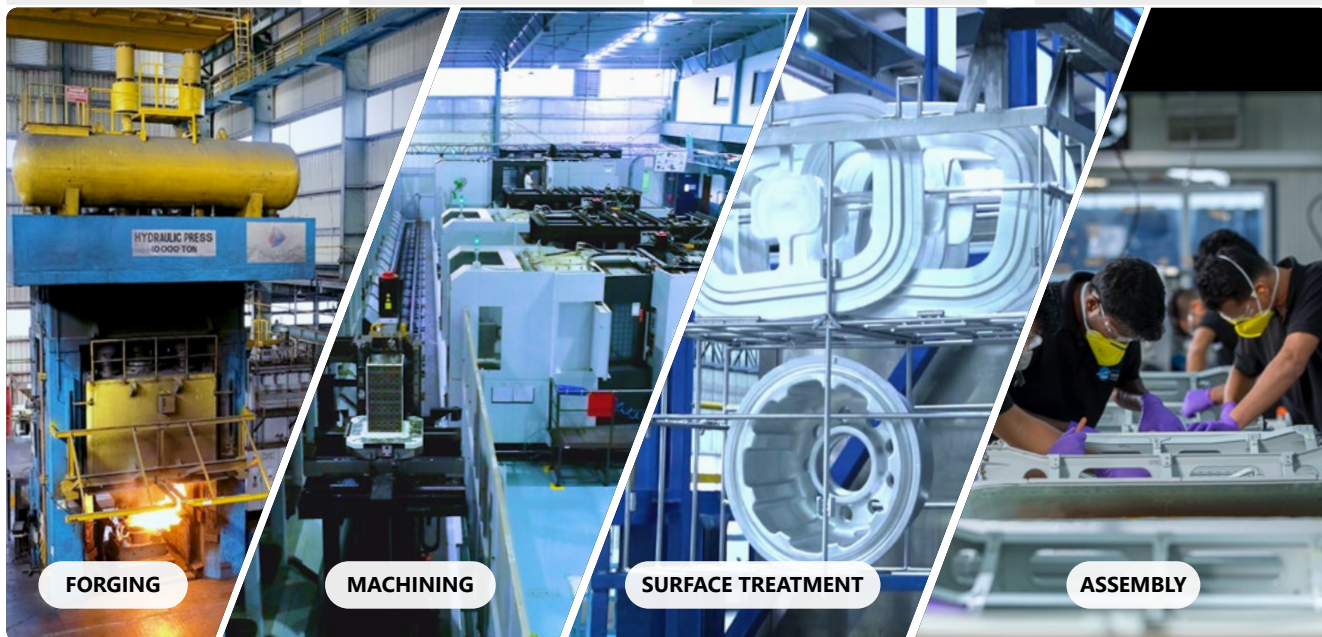
SKUs

Interiors and Cargo



519

SKUs



FORGING

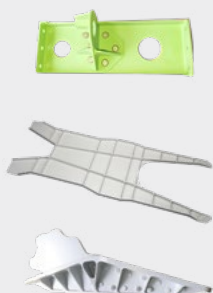
MACHINING

SURFACE TREATMENT

ASSEMBLY

4,227

SKUs



Structures

121

SKUs



Turnings

244

SKUs



Actuation Systems

Consumer

We have built a diversified consumer manufacturing business by combining precision engineering with integrated manufacturing capabilities and scalable production infrastructure. Today, our portfolio spans consumer electronics, toys and consumer durables, enabling us to partner with leading global brands and deliver high-quality manufacturing solutions across diverse product categories.

While aerospace remains our largest business today, the consumer segment represents an important long-term growth opportunity. Supported by increasing localization, expanding customer relationships and scalable manufacturing ecosystems, the business is positioned to benefit from evolving supply chains and growing manufacturing opportunities in India.

Key Highlights

- Established Toys Manufacturing ecosystem at Koppal.
- Developed Consumer Durables ecosystem at Hubballi.
- Diversified consumer portfolio spanning across toys, electronics and consumer durables.
- Integrated capabilities across molding, stamping, precision machining, secondary processes, and assembly.
- High-volume manufacturing supported by extensive secondary processing capabilities.
- First company qualified to manufacture and ship dual mechanical enclosure product lines for a leading global consumer electronics company.

170+

Molding Machines

218

CNC machines for Consumer Electronics

Trusted By

Consumer Electronics

The largest global technology brand

Toys

Mattel	Spin Master	Stomp Rocket
Märklin	Chicco	

Cookware

Tramontina	Wonderchef	Reliance Retail

Our Product Portfolio

	▶ Consumer Electronics Enclosures for portable computers and smart wearables
	▶ Toys Outdoor Toys Toy Vehicles Basic Dolls Toy sets Stem Toys
	▶ Consumer Durables Cookware & Pressure Cookers

The Aequs Manufacturing Ecosystem

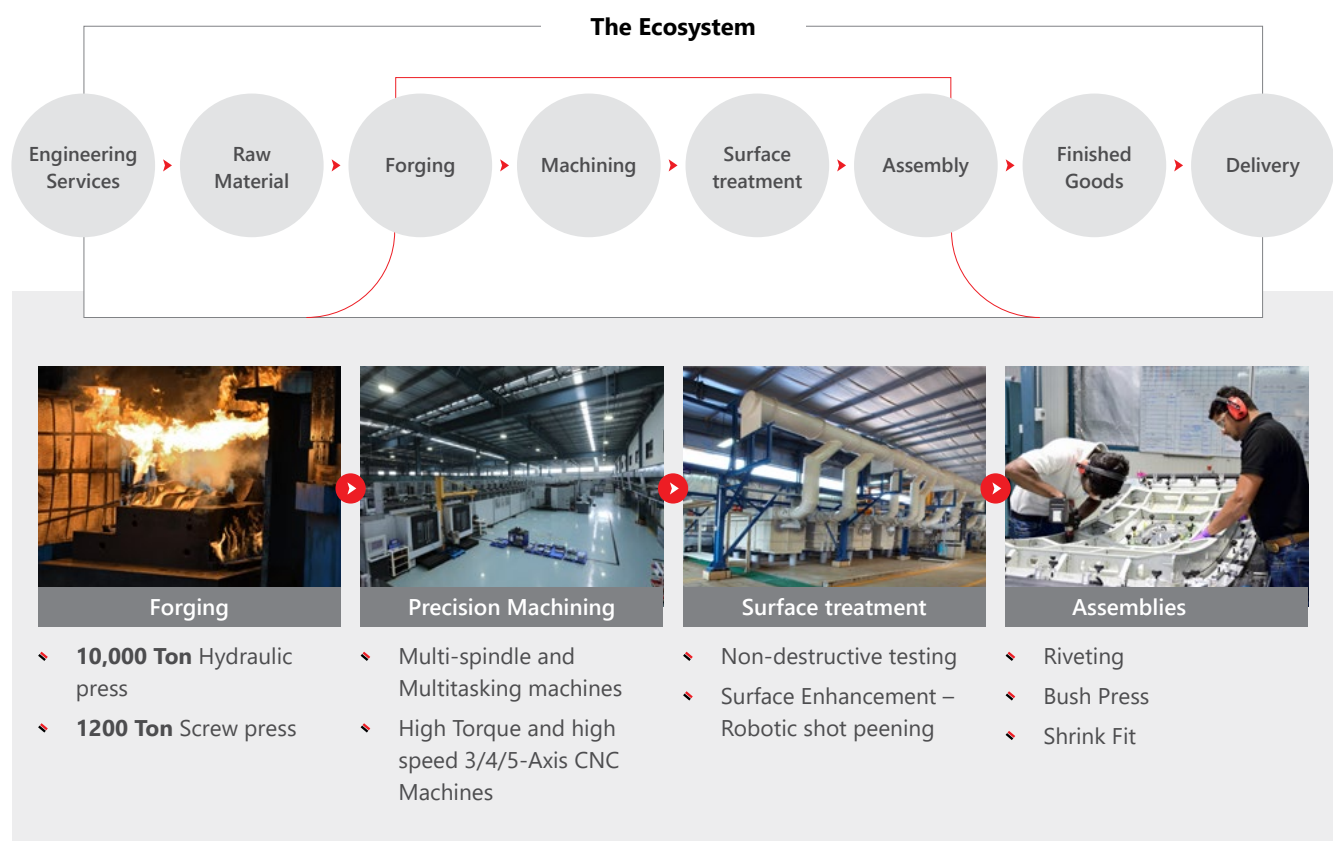
At Aequs, we have built our business around integrated manufacturing ecosystems that connect design, engineering and advanced production capabilities within a single platform. By bringing together every stage of the value chain from forging, precision machining and surface treatment to assembly and logistics- we deliver high-quality, end-to-end products and solutions across Aerospace and Consumer industries.

Strengthened by strategic partnerships, specialized infrastructure and certified capabilities, our ecosystem-driven model enhances efficiency, accelerates innovation and enables us to create long-term value for customers and stakeholders.

Manufacturing Excellence

Aerospace

Built around India's first notified Precision Engineering SEZ , the Belagavi Aerospace Cluster, brings together the entire manufacturing value chain from raw materials to the finished product, all within a single location, making it the most sustainable location by reducing the distance travelled by aerospace parts from the typical 5000 kms to just under 500 meters. This integrated approach reduces the carbon footprint per part making this a unique facility among aerospace facilities worldwide. By connecting every stage of the value chain, this model strengthens quality, shortens lead times and improves operational efficiency for leading global aerospace customers. It also enables Aequs to scale capabilities ahead of demand, participate in increasingly complex aerospace programs and deepen engagement with customers seeking integrated manufacturing solutions across multiple stages of production.



Why It Works



Integrated Manufacturing

Manufacture and assemble forged parts, engine and actuation systems, landing systems, structural and assembly parts for aerospace.



Strategic Partnerships

Aerospace Processing India Pvt Ltd (API), joint venture with **Magellan Aerospace**, provides innovative surface treatment solutions.

SQuAD Forging India Pvt Ltd, JV with Aubert and Duval enables advanced forging capabilities.



Certified Capabilities

Surface treatment facility approved by **Airbus** and **Boeing**, operated through the JV with **Magellan Aerospace**.



Manufacturing Scale

1.83 Mn machining hours and **200+ CNC machines** supporting high-precision manufacturing.

Our Certifications



NADCAP



ISO 45001:14001



ISO 9001 EN9100



AS 9100



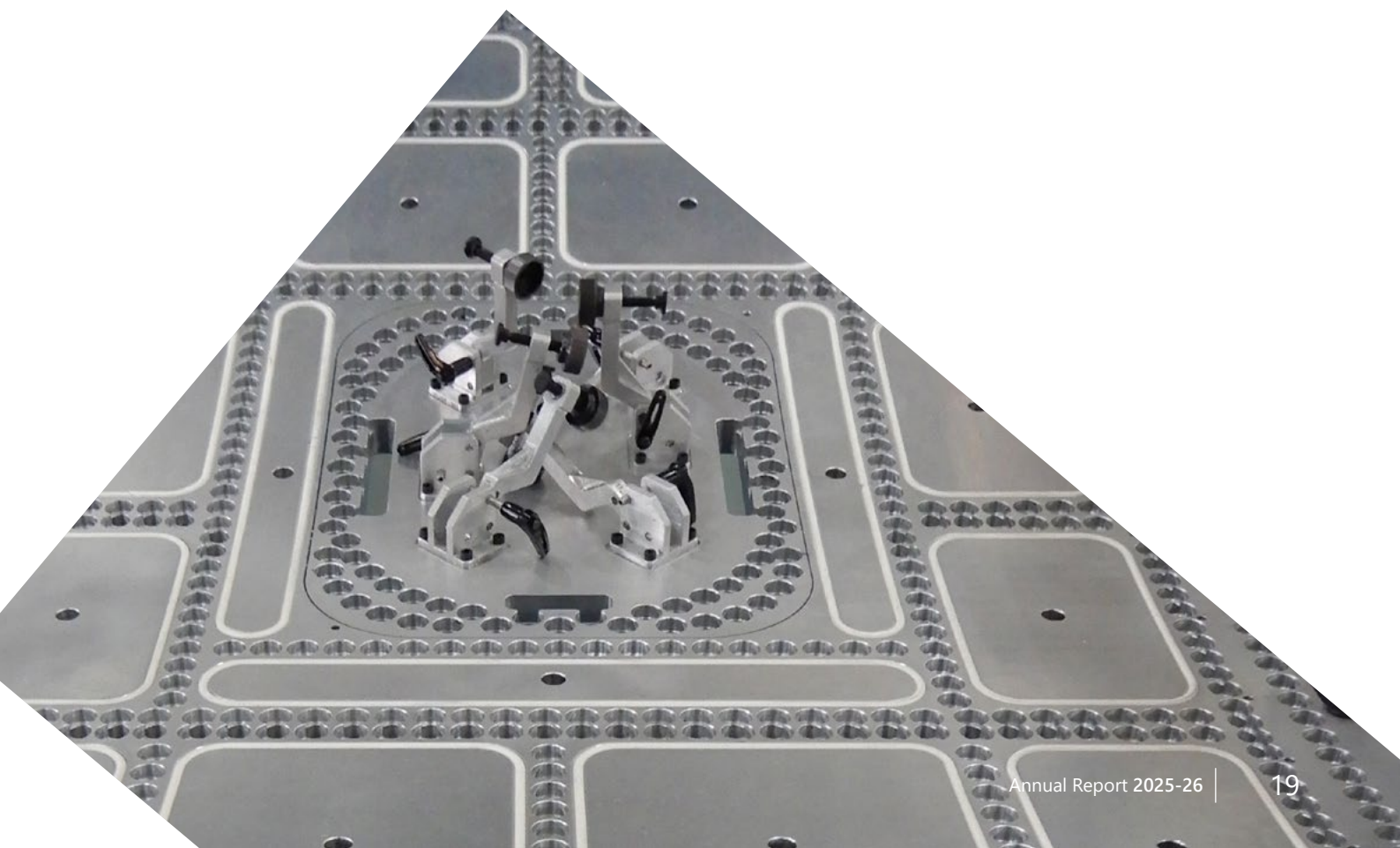
ISO 14001



OHSAS 18001



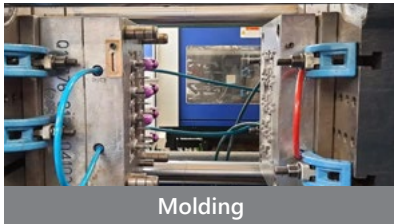
ISO/IEC
27001:2022



Consumer

Our integrated end-to-end capabilities bring together advanced molding, machining, stamping, surface treatment, special processes and automated assembly to deliver solutions across components for portable computers and smart devices, outdoor toys, figurines, toy vehicles, non-stick cookware. Supported by high-precision equipment, automated production lines and scalable manufacturing infrastructure, we deliver consistent quality, operational efficiency and the flexibility to meet the evolving needs of global consumer brands.

One Integrated Ecosystem



Molding

- ♦ Injection Molding
- ♦ Blow Molding



Stamping

- ♦ Mechanical Press – 200T
- ♦ Hydraulic Press – 400T Blanking, Punching, Deep Drawing and Forming
- ♦ Large and Thick Components



Machining

- ♦ Vertical and Horizontal Machining 3-axis and 4.5-axis
- ♦ Machining Surface, Pedestal and Cylindrical Grinding



Assembly

- ♦ Automatic and Semi-Automatic Assembly Lines
- ♦ High-speed Repeatable Processes
- ♦ Pneumatics, Sensors, PLC and Vision System Integration



Special Processes

- ♦ Digital Ink Jet Printing 2-axis and 7-axis
- ♦ Auto Spray Painting
- ♦ 5-axis Auto Polishing



Cosmetic Treatment

- ♦ Anodising (Aluminium and Titanium)
- ♦ Micro Abrasive Blasting
- ♦ Drag Fluid Polishing

What Sets Us Apart

Product Portfolio

Components for portable computers and smart devices, outdoor toys, figurines, toy vehicles and non-stick cookware, triply cookware & pressure cooker

Machining Capabilities

218 CNC machines dedicated to Consumer Electronics

Toy Molding Infrastructure

170+

Molding machines (80T–450T)

7

Blow molding machines (1–15L)

1.17 Mn

Annual molding hours

46

Assembly lines

Our Certifications



ISO 9001:2015

Certified for Quality, Information Security, Employee Safety and Environment

Built Through Partnership

Strategic partnerships have played an important role in shaping Aequus' growth story. By combining our manufacturing expertise with technology, capabilities and market access of global partners, we have expanded our presence across aerospace, consumer products and defense. These collaborations continue to deepen our capabilities, accelerate innovation and create long-term value for our customers and stakeholders.

Joint Venture	Partner(s)	Since	Core Capabilities	Strategic Highlights
API	Magellan Aerospace (50:50 JV)	2008	- Integrated surface treatment facility. - NDT : MPI , FPI , Conductivity. - Tartaric/Boric/Sulphuric Anodising. - Surface treatment capabilities include passivation, CAD plating, Zn-Ni plating and phosphating processes. - Advanced finishing operations encompass robotic shot peening, spray painting and robotic painting solutions. - Undertake specialized chemical conversion coating applications to enhance component performance and durability. - Provide dry film lubricant and walkway painting services for diverse operational requirements. - Equipped with part marking capabilities to ensure traceability and identification of components.	- India's First third party integrated treatment facility approved by Airbus and Boeing. - ISO 17025 certified testing lab. - Processes parts up to 4 metres long.
SQuAD	Aubert and Duval (50:50 JV)	2011	- Closed-die forged parts. 10,000 T Hydraulic Press. 1200T Screw Forge for Ti/St/Al. - Heat Treatment. - Finishing and Inspection Shops. - Metallurgy Laboratory.	- India's largest hydraulic press for aerospace forging (10,000 Tons). - SAFFRAN approved heat treatment facility. - NADCAP-qualified heat treatment facility.
ACPL	Tramontina (50:50 JV)	2024	- Manufacturing of cookware products. - Localized industrialization. - Leveraging AEQUUS' manufacturing ecosystem.	- Tramontina's first joint venture outside Brazil. - Combines global product expertise with AEQUUS' local presence and regulatory expertise. - Enables faster and smoother industrialization.
Ajna Aerospace and Defense	Accel India and Vagus Defense (equal tri-party JV)	2026	- End-to-end UAV ecosystem. - IP sourcing, licensing and integration. - Full stack execution- Build, testing and commercialization.	- Targets India and global defense markets - Leverages AEQUUS' precision engineering and assembly capabilities. - Operates in the Unmanned Aerial Systems (UAS) sector. - Plans to manufacture unmanned aerial systems including Medium and High-Altitude Long-Endurance (MALE/HALE) types.

The People Who Make It Possible

Our people are central to everything we build. Over the years, our people function has evolved alongside the business, creating an environment where talent can grow, leaders can thrive, and teams can perform their best. Guided by our people and culture playbook, and supported by thoughtful organization design, digital systems and streamlined processes, we continue to build a workplace that brings out the best in our people.



How We Grow Talent

Our people and culture operating system brings together talent acquisition, learning, leadership development and cultural alignment into one integrated framework. Through four connected pillars of Attract, Develop, Culture and Impact, we are building the capabilities, leadership and culture needed to support the Company's long-term growth.

ATTRACT

Talent from every platform

Multi-entity sourcing

- ◆ PGETs (Post Graduate Engineering Trainees) and MTs (Management Trainees) from Aerospace and Consumer businesses.

GET + Mobility doctrine

- ◆ Graduate Engineers for technical density and future-ready capability.

Rural talent engine

- ◆ Local talent, training and deployment through the skill development initiatives and on-the-job training.

DEVELOP

Skill at the speed of technology

Shop-floor enablement

- ◆ Structured upskilling, operator development and in-house skill center.

AIx Academy

- ◆ AI and Digital adoption through structured learning.

Leadership pipelines

- ◆ Competency-based leadership programs with premier institutions across levels.

CULTURE

Inculcate a culture of belongingness

Values Bootcamp + Code of Conduct

- ◆ Embedding ethics, governance and values into everyday decisions.

Leadership Practices

- ◆ Empowers and Develops.
- ◆ Empathy.
- ◆ Entrepreneurial Mindset.
- ◆ Customer Centricity.
- ◆ Execution Excellence.

IMPACT

Transform Talent into leadership

Multi-skilled operators

- ◆ Career lattices and continuous learning for technical capability.

OEM-benchmarked skilling

- ◆ Process certifications and competency development.

Succession pipelines

- ◆ Supervisor and Line-leader benches and leadership readiness through structured career progression.

Policies That Grow with Us

We continue to strengthen our people governance framework by modernizing policies to improve consistency, transparency and alignment across the organization. These initiatives have helped create a workplace that is more agile, well governed and better equipped to support both our people and our business.



Learning and Capability Development

Continuous learning remains at the heart of how we build capability across the organization. Through structured learning platforms, technical upskilling and leadership programs, we continued to enhance employee skills while preparing our teams for changing business needs and emerging technologies.

Key Highlights

- ◆ Facilitated **~1 lakh learning hours** for employees across the Company.
- ◆ Initiated the **Alx Academy** to build capabilities in emerging technologies.
- ◆ Formalized leadership development programs for **PGET** and **MT** cohorts.
- ◆ Expanded multi-skilling initiatives covering **CMM operations, turning programming and SPM operations**.



~1 lakh learning hours

Across all employees



Employee Engagement and Culture

We are continuing to strengthen employee engagement through structured feedback, recognition and participation initiatives that encourage collaboration and shared ownership. Together, these efforts reinforce our values while creating an environment where people feel connected, motivated and empowered to do their best work.

Key Highlights

- ◆ Leveraged the **Gallup Q12 framework** to measure and enhance employee engagement across the organization.
- ◆ Significant increase in participation of learning and culture initiatives.
- ◆ Continued a **multi-tier recognition framework** celebrating performance and value-led behaviors.

A Workplace for Everyone

Creating a workplace where people feel respected, included and supported remains an important priority for Aequs. Through focused initiatives, we continue to broaden opportunities, strengthen inclusion and promote the well-being of our people across the organization.

Key Highlights

- ◆ Continued **Project Ansh** to strengthen contract workforce inclusion.
- ◆ Advanced **LeadHERShip** to strengthen the leadership pipeline for women across the organization.



Growing Leaders

Developing future leaders remains central to building a stronger organization. Through structured leadership programs, performance alignment and focused onboarding initiatives, we continue to prepare our people for greater responsibilities while building capability across the business.

Key Highlights

- ◆ Continued **Aequs Leadership Practices** and **Aequs Ascend** programs.
- ◆ Introduced Balanced Scorecard-linked **goal setting** to better align individual goals with business priorities.
- ◆ Launched Aequs Global Operations Leadership Program (**AGOLP**) and Aequs Global Manufacturing Leadership Program (**AGMLP**) to provide structured onboarding for **PGET** and **MT** batches.



Engineering a Better Tomorrow

Sustainability is part of the way we build and operate. Across our manufacturing ecosystem, we continue to reduce our environmental impact through responsible resource management, cleaner energy, efficient water use and better waste practices. These efforts help us build a business that creates long-term value while remaining mindful of the resources we share.

Environment

The way we build matters as much as what we build. Across our manufacturing ecosystem, we continue to reduce our environmental footprint through responsible resource use, lower emissions and efficient operations, creating long-term value while using resources thoughtfully.

~90%

Green Energy usage
at Belagavi Aerospace
Cluster (BAC)

36,000+

Trees Planted

ISO 14001

Certified Environmental
Management System.



Clean Energy and Climate Action

Advancing our transition to a low-carbon future through renewable energy adoption and structured decarbonization initiatives.

Key Highlights

- ✦ **Green Energy:**
BAC operates on ~90% renewable power.
- ✦ **Decarbonization Roadmap:**
Aligned with the Paris Agreement and GHG Protocol.
- ✦ **Energy Monitoring:**
Continuous tracking by the EHS function.



Water Stewardship

Promoting responsible water use through efficient consumption, recycling and conservation practices across our operations.

Key Highlights

- ✦ **Water Monitoring:**
Consumption tracked across all entities.
- ✦ **Water Recycling:**
Treatment through ETPs and STPs.
- ✦ **Conservation Measures:**
Focus on reducing freshwater dependency.
- ✦ **Responsible Usage:**
Continuous improvement in water management practices.



Waste Management and Pollution Prevention

Minimising environmental impact through responsible waste handling, pollution control and robust environmental management practices.

Key Highlights

- ✦ **Compliance Monitoring:**
Regular tracking of hazardous waste, emissions and water quality.
- ✦ **Environmental Policies:**
Guided by environmental impact reduction plans.
- ✦ **Air Emissions:**
Managed through defined control procedures.
- ✦ **Waste Management:**
Structured handling of hazardous waste.



Building Stronger Communities

Established in 2016, the Aequs Foundation, an associate organization of our Company, works with communities around our manufacturing locations to create opportunities that deliver lasting social impact. Through a life-cycle approach, the Foundation is building an ecosystem of empowerment across our operational areas, supporting government school students from early childhood through graduation.

Its interventions focus on foundational literacy, STEAM education through hands-on science learning, and career support from school to higher education. These efforts are complemented by initiatives in health and hygiene, notebook distribution and employee volunteering.

Through these programs, we aim to help children realize their full potential and remain committed to extending our reach to more schools and deserving students across the communities we serve.

3

Districts Reached

34,000+

Lives Touched

150+

Schools Covered

12,00,000+

Learning Hours
Recorded

Cognitive Development Program

Building strong foundations in literacy, numeracy and essential life skills through early childhood interventions and community engagement.

- ♦ **Learning Camp:** Foundational learning through Teaching at the Right Level approach.
- ♦ **Early Childhood Education:** Training for Anganwadi workers and volunteers.
- ♦ **Mother's Groups:** Encouraging parental participation in learning.
- ♦ **Mother Melas:** Learning kits and home-based educational support.
- ♦ **School Readiness:** Remote learning and community-led events.





STEAM Education Program

Fostering curiosity, creativity and problem-solving through experiential learning in science, technology, engineering, arts and mathematics.

- ✦ **Anasuya Melligeri Center:** Hands-on science and digital learning.
- ✦ **Mobile Science Labs:** Bringing laboratories and teachers to schools.
- ✦ **Avishkar:** Science model-making competition and exhibition.
- ✦ **'Vasantha' after School Program:** Evening learning centers in villages.
- ✦ **Teacher Training:** Capacity building in STEAM pedagogy.
- ✦ **Yuvacharya:** Developing future science educators.



Student Excel Program

Empowering students to pursue higher education through career guidance, scholarships and academic support.

- ✦ **Ignite:** Career orientation, counseling and soft skill development.
- ✦ **Scholarship Support:** Scholarship assistance and mentoring.
- ✦ **Workbook Support:** Study materials for board examinations.
- ✦ **NMMS Training:** Coaching for scholarship examinations.



Health and Hygiene Education Program

Creating healthier learning environments through preventive healthcare, hygiene awareness and improved sanitation facilities.

- ✦ **WASH:** Sanitation, safe drinking water and hygiene awareness.
- ✦ **Health Education:** Structured modules on personal and community health.
- ✦ **Vision and Hearing Care:** Screenings and assistive support.

Other Initiatives

One Precious Notebook

Providing notebook support to government school students. Contributed **1,00,000+** notebook supporting **17,000+** students this year

AEQATRA - Employee Volunteering Program

The program is a platform for Aequus employees to contribute as volunteers towards various initiatives of Aequus Foundation. **974** volunteers have contributed **3412** volunteering hours this year



Governing with Purpose



Aravind Melligeri

Executive Chairman and CEO

Aravind Shivaputrappa Melligeri is the Executive Chairman and CEO and a Promoter of the Company. With over 25 years of experience in the aerospace sector, he has led AEQUS since its inception in 2000, playing a pivotal role in establishing its manufacturing clusters, including India's first precision engineering SEZ in Belagavi. He holds a Bachelor's degree in Mechanical Engineering from the Mangalore University, and a Master's degree in Mechanical Engineering from the Pennsylvania State University. He is also an alumnus of the National Institute of Technology, Karnataka. He was conferred with the title of 'Outstanding Engineering Alumnus' in recognition of his distinguished career and exemplary leadership abilities, by PennState College of Engineering.



Rajeev Kaul

Co-Founder and Managing Director

Rajeev Kaul is the Co-founder and Managing Director of the Company. He holds a Bachelor's degree in Arts (Mathematics) from the University of Delhi and is a member of the Institute of Chartered Accountants of India. He is responsible for the overall operations and performance of different verticals in the Company, including aerospace and consumer durable goods and has been associated with our Company since April 1, 2007. He has over 22 years of experience in finance and aerospace sectors. He was previously associated with QuEST Global Engineering Services Private Limited and A.F. Ferguson and Co.



Ajay Aravind Prabhu

Non-executive Director

Ajay Aravind Prabhu is a Non-executive Director on the Board. He holds a Bachelor's degree in Electronics and Communication Engineering from Mangalore University, and a Master's degree in Electrical and Computer Engineering and a Doctorate in Philosophy from the University of Massachusetts, USA. He has over 23 years of experience in operations and technology sectors. He is currently associated with QuEST Global Engineering Services Private Limited.



Dr. Klaus Richter

Independent Director

Eberhard Klaus Richter is an Independent Director on the Board. He holds a degree in Engineering and a Doctorate in Robotics from the Technical University of Munich. He has over 22 years of experience in the field of procurement, materials management and business management. Dr Richter was previously associated with Airbus SAS, Diehl Verwaltungs-Stiftung, the BMW Group and McKinsey and Company, Inc.



Vidya Sarathy

Independent Director

Vidya Sarathy is an Independent Director on the Board with over 23 years of experience in finance and secretarial compliance. She is a Chartered Accountant, Company Secretary and holds a Diploma in International Financial Reporting from the Association of Chartered Certified Accountant. Ms Vidya Sarathy has previously held leadership roles at Robert Bosch Engineering and Business Solutions Limited, 3M India Limited, Lifestyle International Private Limited, Tata Motors Limited, Tata Cummins Private Limited, AGP CGD Private Limited and SUD-Chemie India Private Limited.



Anup Wadhawan

Independent Director

Anup Wadhawan is an Independent Director on our Board. He holds a Bachelor's degree in Arts (honours) in Economics and a Master's degree in Arts in Economics from the University of Delhi, a Master's degree in Arts and a Doctorate in Philosophy from Duke University. He is a former Indian Administrative Services officer from the batch of 1985. Mr Wadhwan has held several important positions over the course of over 35 years, including Secretary in the Department of Commerce and Industry, Government of India, Joint Secretary in the Ministry of Finance, Government of India, and Director at the Prime Minister's Office. He is also associated with the World Bank as a consultant.

Recognitions Along the Way



Airbus Innovation Award
(2016)



Safran (SHE) Casing
Industrialization Award
(2020)



Collins Aerospace
Advanced Structures – Asia
Suppliers Award (2022)



Airbus Detailed Part
Supplier (D2P) Awards
since 2016



Airbus Challenger &
Operational Excellence
Awards (2023)



Airbus Supplier Quality
Improvement Program
(SQIP) – Accredited Award
(2023)



Airbus Pact Award
(2025)



Airbus SQIP Accredited
Award (2024)



Airbus "Ramp Up
Champion" Award (2024)



CH Industrial Innovation
Awards (2024)



Invest Karnataka
Recognition (2025)



Best Ecosystems
Accelerator Award – Wings
India (2024)



Boeing Premier Bidder
Program Recognition
(2024)

Corporate Information

Aequs Limited¹

(Formerly known as Aequs Private Limited)

Board of Directors

1. Mr. Aravind S Melligeri
2. Mr. Rajeev Kaul
3. Dr. Ajay Aravind Prabhu
4. Dr. Eberhard Klaus Richter
5. Ms. Vidya Sarathy
6. Dr. Anup Wadhawan

Company Secretary & Compliance Officer

Mr. Ravi Mallikarjun Hugar

Corporate Identification Number (CIN)

L80302KA2000PLC026760*

Registered Office

Aequs Tower, No. 55, Whitefield Main Road,
Mahadevapura Post, Bengaluru - 560048,
Karnataka, India
T: + 91 080 61348000

Corporate Office

Aequs SEZ, No. 437/A, Hattargi Village,
Hukkeri Taluk, Belagavi – 591243,
Karnataka, India
Tel: + 91 0831 4222500

Statutory Auditor

M/s. B S R & Co. LLP, Bengaluru
(Firm registration number: 101248W/W-100022)

Secretarial Auditor

M/s. BMP & Co. LLP, Bengaluru
(Firm registration number: L2017KR003200)

Internal Auditor

M/s. Guru and Jana LLP
Chartered Accountants, Bengaluru

Bankers

HDFC Bank
Axis Bank
ICICI bank
Canara Bank
Kotak Mahindra Bank
State Bank of India
HSBC Bank

¹ The Company has been converted into a public limited company w.e.f. May 07, 2025

* The Company became a listed company w.e.f. December 10, 2025

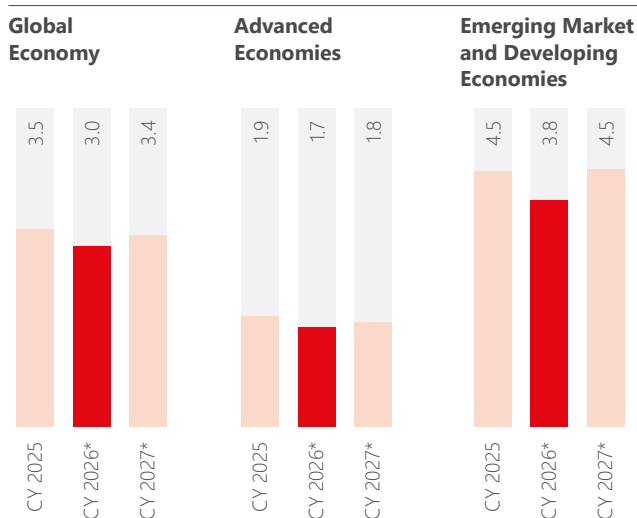
Management Discussion and Analysis

Economic Performance

Global Economic Review¹

Global GDP growth remained stable at 3.5% in CY 2025. Global inflation moderated to 4.1% in CY 2025 from 5.8% in CY 2024. Growth across Emerging Market and Developing Economies (EMDEs) remained resilient. Stronger net exports and higher investment activity supported this performance. However, global trade policies continued to reflect geopolitical and security priorities. These considerations outweighed efficiency and multilateral cooperation. After absorbing the impact of higher trade barriers and uncertainty, the global economy confronted fresh challenges. The conflict in the Middle East has added pressures to the global economic outlook. Despite these developments, global economic conditions are expected to remain broadly stable. Global GDP is projected at 3.0% in CY 2026 and 3.4% in CY 2027. However, geopolitical tensions and potential trade disruptions remain key risks. In this environment, coordinated policy actions will remain important. Such measures can help address evolving macroeconomic challenges in the years ahead.

Global GDP



IMF July 2026

*Projected

Indian Economic review

The Indian economy continued to demonstrate strong resilience during FY 2026. Real GDP growth accelerated to 7.7% despite heightened global uncertainty.² India remained one of the fastest-growing major economies globally for the fourth consecutive year. This growth in the economy was supported by strong domestic demand. Private Final Consumption Expenditure (PFCE) remained healthy, while investment activity gained momentum. Household consumption remained a major demand driver across both urban and rural markets. The Government of India

supported economic expansion through timely policy measures. These included GST rationalization and regulatory reforms to improve the ease of doing business. Amid global uncertainties, policy efforts focused on strengthening domestic growth drivers. The Government also prioritized resilience against external shocks and export diversification.

Industrial activity grew by 9.5% in FY 2025–26, compared to 8.7% in the previous year.³ Manufacturing led this growth, supported by easing input costs and stronger profitability. Robust domestic demand further supported manufacturing activity. The Index of Industrial Production (IIP) also expanded during the FY 2026. India remained among the fastest-growing industrial economies, despite uneven global industrial performance. Manufacturing contributed to export growth, while the services sector remained buoyant. Both sectors continued to support overall economic expansion.

On the external financing front, gross foreign direct investment (FDI) recorded strong growth. Both gross and net FDI inflows increased over the previous year. India continued to attract significant greenfield investment projects. Evolving global power dynamics and supply chain realignment expanded India–European Union (EU) engagement. The relationship has progressed beyond traditional trade and investment ties. The conclusion of the India–EU FTA at the 16th India–EU Summit marked a significant milestone. It positions both sides as trusted partners committed to open markets, predictability and inclusive growth. The EU remains one of India’s largest trading partners with bilateral trade in goods and services expanding steadily over time. The agreement offers preferential access for over 99% of Indian exports and this is expected to create substantial growth opportunities in the EU market. Additionally, under the India–US interim agreement, both countries agreed to eliminate tariffs on certain aircraft parts and machinery trade. The agreement also provides zero-duty access for aerospace components exported from India to the United States.

Looking ahead, India is expected to maintain its growth momentum. GDP growth for FY 2026–27 is projected at 6.6%.⁴ This outlook is supported by strong domestic demand, stable inflation and prudent macroeconomic policies. The Union Budget 2026–27 introduced the ‘Kartavyas’ framework. The framework focuses on accelerating growth through higher productivity, improved competitiveness and greater resilience to global volatility. The Budget also proposed a six-point plan to expand domestic manufacturing. The plan targets strategic and frontier sectors while revitalising legacy industries. Building on the three defined Kartavyas, the manufacturing sector is expected to play an important role in sustaining growth. It will support employment generation, export competitiveness and long-term economic transformation. Policy reforms and capital allocation measures continue to strengthen the sector.

¹<https://www.imf.org/en/publications/weo/issues/2026/07/08/world-economic-outlook-update-july-2026>

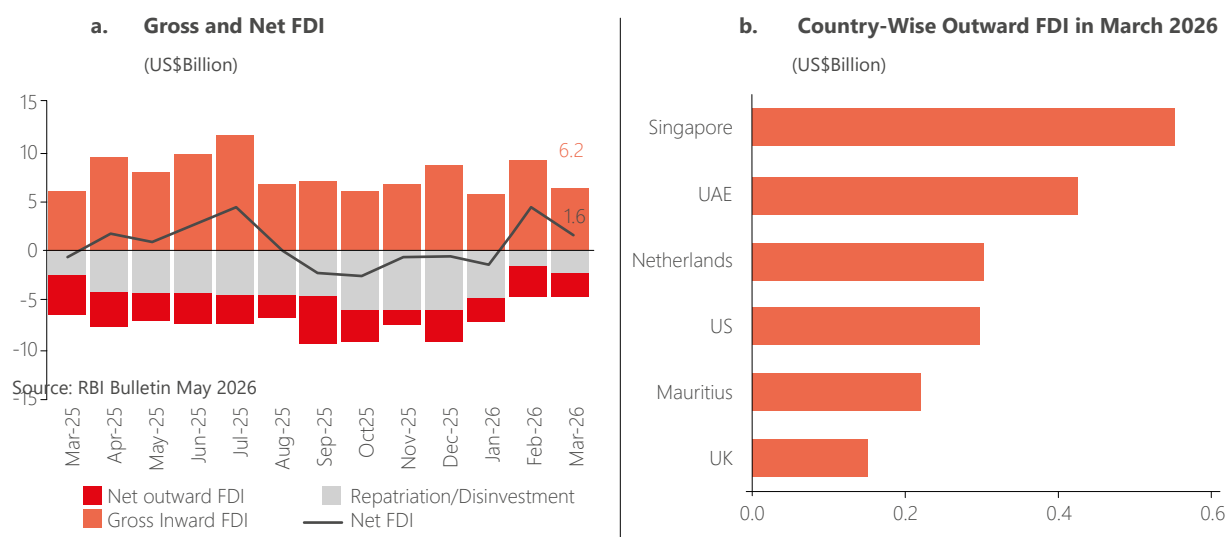
²<https://www.mospi.gov.in/themes/product/6-gross-domestic-product>

³<https://rbidocs.rbi.org.in/rdocs/Bulletin/PDFs/08BULT23042026FL5A726E38FAF84453B435F18A3709DD11.PDF>

⁴<https://rbidocs.rbi.org.in/rdocs/Bulletin/PDFs/BULLETINJUNE22062026C6FB415DA85745E485148DAD8F0A1912.PDF>

These initiatives are expected to support production, investment and business sentiment. FY 2027 is likely to be a period of adjustment. Businesses and households will adapt to evolving economic conditions. Domestic demand and investment activity are expected to remain supportive of growth.

Net FDI Remained Positive in March



Industry Performance

Aerospace Industry

Global Aerospace Industry

The aerospace industry remains one of the most technologically advanced and capital-intensive sectors. It encompasses the design, development and manufacturing of aircraft, spacecraft, missiles and related systems. These systems include propulsion engines, avionics and other critical components. The global aerospace industry maintained steady growth and is expected to grow from \$340.04 Billion in CY 2025 to \$356.93 Billion in 2026 at a compound annual growth rate (CAGR) of 5%.⁵ Growth was driven by rising global air travel and increased demand for commercial aircraft. Expansion of maintenance, repair and overhaul (MRO) services for ageing fleets also supported industry growth.

Demand has further benefited from the development of advanced aircraft components that improve efficiency and safety. The increasing adoption of drones and ultralight aircraft for commercial applications contributed to market expansion. Higher aircraft modification and overhaul activity, linked to fleet modernization, also supported growth. Global air travel and air cargo volumes increased during the year, reflecting stronger demand and economic activity.

The aerospace supply chain continued to evolve. Outsourcing of component manufacturing has increased as the industry seek cost efficiencies and access to specialized expertise. Original Equipment Manufacturers (OEMs) increasingly focused on design and final assembly activities. At the same time, Tier-1 and Tier-2 suppliers assumed a large role in component manufacturing. Artificial Intelligence (AI), big data and the Internet of Things (IoT) improved manufacturing efficiency, enabled predictive maintenance and enhanced supply chain optimization. Industry participants also invested in technology hubs, to strengthen their competitive position. North America remained the largest aerospace market in CY 2025 and is expected to remain the fastest-growing market globally. Looking ahead, the global aerospace market is projected to witness strong growth and reach \$445.64 Billion by CY 2030, reflecting a Compound Annual Growth Rate (CAGR) of 5.70%.⁶

This growth is expected to be supported by increasing demand for next-generation fuel-efficient aircraft. Rising investments in advanced manufacturing technologies for aircraft components and the expanding use of commercial drones are also expected to drive market growth. Key industry trends include greater adoption of composite materials, expansion of MRO capabilities across emerging markets, growth in commercial aircraft deliveries and higher investments in aerospace support equipment. These trends are expected to support the industry's long-term growth trajectory.

⁵<https://www.researchandmarkets.com/report/commercial-aerospace?srltid=AfmBOopKkFVMYDEX8R4n7p56J5iAt1ZmelFpm1zaF8G5y45DESNtonhM>

⁶<https://www.researchandmarkets.com/report/commercial-aerospace>

Indian aerospace Industry review

India is steadily emerging as an important hub for aircraft manufacturing, assembly and maintenance. Its strategic location and strong economic growth continue to support this transition. India's aviation sector has expanded significantly, driving growth in aircraft manufacturing activities. Rising demand for air travel and the rapid expansion of e-commerce activities have further accelerated market growth. Demand for air travel remained robust across both developed and developing regions, increasing the requirement for new aircraft.

The domestic aircraft manufacturing sector has also benefited from advancements in material technologies and sustainability initiatives. Additionally, Government-backed programs such as Make in India have further created a conducive environment for innovation and investment across the aerospace sector. The initiative has contributed significantly to the growth of India's commercial aerospace manufacturing industry by enhancing global competitiveness, promoting innovation, attracting investments and fostering a self-reliant manufacturing ecosystem.

India is also regarded as an attractive sourcing destination due to its cost competitiveness and availability of a highly skilled workforce. Combined with a growing domestic aviation market, expanding defense requirements and a greater focus on indigenization, India is increasingly recognized as an important participant in global aerospace supply chains. India's strong engineering and manufacturing capabilities have encouraged leading aerospace players to expand their aircraft parts and component manufacturing operations in India.

India has made significant progress in developing aerospace engineering and manufacturing capabilities. The Government of India has also set up a National Center of Excellence (NCoE) for Skilling in Aeronautics and Defense in partnership with the Government of the French Republic under the Pradhan Mantri Skilling and Employability Transformation through Upgraded ITIs program. The center will provide advanced training in aeronautics, Maintenance, Repair and Overhaul (MRO), airport operations, defense manufacturing and related areas. This initiative is expected to strengthen India's skilled workforce and support the growth of the aerospace and defense sector.

India continues to offer a significant cost advantage through competitive labor costs and lower overhead expenses compared with established aerospace manufacturing hubs such as the

United States and Europe. This cost efficiency enhances the country's attractiveness as a manufacturing destination for global aerospace companies. The domestic aerospace manufacturing market is projected to reach ₹257.09 Bn (\$3.06 Bn) by 2030. Looking ahead, India's aviation strategy is expected to gradually reduce dependence on external supply chains and support the development of a more diversified and self-reliant aviation ecosystem. This transition is expected to create substantial opportunities across domestic manufacturing, component production, maintenance services and technology partnerships. India is also progressing toward its long-term objective of becoming a major global aviation hub by 2047.⁵

Projected Market Growth by 2030⁸

₹104.58 Bn

Aerostructures

₹39.84 Bn

Landing Systems

₹22.41 Bn

Actuation Systems

₹21.17 Bn

Turnings

₹12.45 Bn

Engine Market

₹ 9.96 Bn

Interiors

₹7.47 Bn

Doors

⁷<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2278207&reg=6&lang=1>

⁸<https://www.aequs.com/wp-content/uploads/2025/10/Industry-Report.pdf>

Opportunities and Threats of Indian Aerospace industry



Opportunities

- ◆ Key players in the global aerospace industry are increasingly globalizing and diversifying their supply chains and this positions India as a dependable and competitive destination for aerospace manufacturing
- ◆ India's aerospace manufacturing industry continues to benefit from a strong manufacturing ecosystem, supported by cost competitiveness, IT capabilities and favorable Special Economic Zone policies that attract investments
- ◆ Government initiatives, including Make in India and Aatmanirbhar Bharat, continue to support aerospace manufacturing by promoting indigenous production, strengthening research and development and encouraging manufacturing infrastructure development



Threats

- ◆ Dependence on imported raw materials and components remains a key challenge, exposing the aerospace manufacturing industry to supply chain disruptions, geopolitical risk and fluctuations in input costs
- ◆ A mismatch between education and industry requirements continues to limit the availability of job-ready talent, resulting in higher training requirements and affecting productivity, quality and industry growth

Precision Manufacturing

Global Precision Manufacturing Industry Review

The global precision manufacturing industry involves the production of highly accurate and complex components using advanced machining technologies, additive manufacturing and robotics. These products, commonly referred to as Precision Engineered Components (PEC), are critical for high-performance applications across a wide range of industries. Sectors such as aerospace, defense, medical devices, semiconductors, energy and power rely extensively on precision-engineered components to maintain operational reliability and efficiency.

Industry participants are increasingly focused on enhancing product quality while meeting growing customization requirements. Consistent quality standards and the ability to scale production efficiently remain key industry priorities, supporting a favorable long-term outlook. The global precision machining market was valued at \$126.99 Billion in CY 2025.⁹ Industry growth is being driven by rising demand for high-precision components across the aerospace and automotive sectors among others. This demand is supported by the need for improved fuel efficiency and continued components miniaturization. From a regional perspective, Asia Pacific retained its leadership position in CY 2025 and is expected to remain the largest market over the coming years. The region benefits from a strong manufacturing base across China, Japan, South Korea and India. North America is projected to reach \$27.76 Billion in CY 2026, driven by sustained demand from aerospace and defense manufacturing, medical device production and electric vehicle manufacturing. Europe is expected to reach \$32.69 Billion

in CY 2026, supported by its established automotive industry in Germany and Italy, strong industrial machinery exports and continued aerospace production.

Indian Precision Manufacturing Industry Review

The Indian precision manufacturing sector has witnessed significant expansion, supported by technological advancements and growing demand across industries such as automotive, aerospace and electronics. Growth in the sector has also been driven by increasing demand for high-precision components from the aerospace and automotive industries. Government initiatives have played an important role in supporting industry development. Programs such as Make in India and the Production-Linked Incentive (PLI) schemes. These initiatives to strengthen domestic manufacturing capabilities and encourage investments across the precision engineering ecosystem. During the year, India's aerospace and defense precision engineering components market, semiconductor, precision engineering components and energy and power precision engineering components market recorded growth.

Going forward, the Indian Precision Engineered Components (PEC) market is expected to attain a market size of \$996.10 Million by 2034.¹⁰ Demand for precision engineering products continues to be driven by industries where accuracy and reliability are critical, including automotive systems, aerospace, electronics and medical devices. The sector is also witnessing emerging opportunities from the medical and electronics industries, where demand for miniaturized and highly precise components continues to increase.

⁹<https://www.fortunebusinessinsights.com/precision-machining-market-115757>

¹⁰<https://www.imarcgroup.com/india-precision-engineering-market>

Consumer Industry

Global Consumer Industry Review

The consumer durables sector is undergoing a structural transformation, with consumer preferences shifting from disposable products towards durable goods. This trend is driven by evolving consumption patterns and a growing focus on sustainability. Consumers are increasingly seeking products that enhance convenience and comfort in everyday life, particularly across appliances, electronics and furniture. The adoption of smart and connected devices enabled by Internet of Things (IoT) and Artificial Intelligence (AI) technologies is also emerging as a significant trend.

The global Electronic Manufacturing Services (EMS) market was valued at \$648.11 Billion in CY 2025. Consumer electronics represented the largest segment during the year, supported by continued large-scale production of smartphones, laptops, wearables and smart home devices. Asia Pacific accounted for 44.81% of the global EMS market in CY 2025. The industry serves multiple end-use industries, including consumer electronics, automotive, heavy industrial manufacturing, aerospace and defense, healthcare, IT and telecom, energy and utility and others.

The global EMS market is projected to grow from \$689.86 Billion in CY 2026 to \$1,192.68 Billion by CY 2034, reflecting a CAGR of 7.10% during the forecast period. China is expected to remain one of the largest markets globally, with revenues estimated at approximately \$85.69 Billion in CY 2026, representing nearly 12.40% of global sales. Europe is forecasted to grow at a CAGR of 5.80%, making it the third-largest regional market, reaching \$125.90 Billion by CY 2026. Growth in the region is expected to be driven by rising demand for high-precision and high-value electronics across industries such as automotive, industrial automation, aerospace and medical devices.¹¹

Global Toy Industry Review

The global toy industry has experienced significant transformation in recent years, driven by the growing influence of social media and digital marketing channels. These developments have reshaped how consumers discover, evaluate and purchase toys. The global toys market is expected to grow from \$117.83 Billion in CY 2025 to \$223.74 Billion by 2035¹². North America continued to account for the largest share of the global market at approximately 34%, while the United States remains the largest individual market worldwide. Traditional toys represent the largest product category, accounting for around 30% of the global market. The industry is projected to reach \$223.74 Billion by CY 2035, registering a CAGR of 6.62% between CY 2025 to CY 2035.⁸ Educational toys are also gaining prominence, as products that combine learning and play are increasingly viewed as contributors to child development rather than discretionary purchases.

Global Cookware Industry Review

The global cookware industry continued to be influenced by changing cooking habits, evolving urban lifestyles and increasing consumer awareness of food safety and material quality. The global cookware market was valued at \$35.70 Billion in CY 2025. Consumer preferences are increasingly shifting toward sustainable and health-conscious cooking solutions. As a result, materials such as stainless steel, ceramic and cast iron are witnessing stronger demand amid growing concerns regarding chemical coatings. Premiumization is another notable trend, with consumers increasingly opting for durable and long-lasting cookware products over lower-quality alternatives. This trend continues to support growth in premium product categories. The expansion of e-commerce has also transformed distribution channels by strengthening direct-to-consumer engagement. Another critical growth driver remains the increasing prevalence of home cooking across both developed and emerging economies.

The global cookware market is projected to grow from \$38.34 Billion in 2026 to \$67.87 Billion by CY 2034, registering a CAGR of 7.40% during the forecast period. The pressure cooker segment is expected to grow at a CAGR of 4.90% between CY 2026 and CY 2033, driven by its time-saving benefits, efficiency and suitability for evolving consumer lifestyles. Demand is also expected to be driven by rapid urbanization and the growing number of nuclear households across China, India, Southeast Asia and South Korea.¹³

Indian Consumer Industry Review

The consumer electronics and appliances sector remains a major contributor to India's economic growth. The industry continues to benefit from rising domestic demand, rapid urbanization and an expanding middle-class population. Improving product quality and affordability are driving higher consumer adoption. Rising disposable incomes and broader economic growth continues to support demand for consumer electronics across the country.

India's consumer durables, electricals and Electronic Manufacturing Services (EMS) sector is expected to witness gradual recovery in the coming years. Sustained demand for high-quality electronic products is likely to support this growth. Increasing internet access and adoption of emerging technologies are expected to accelerate market expansion.

These technologies include Artificial Intelligence (AI), Internet of Things (IoT), Augmented Reality (AR), Virtual Reality (VR), remote access systems, advancements in microcontrollers and advanced personalization solutions. Adoption is expected to remain strong among younger consumers and working professionals.

¹¹<https://www.fortunebusinessinsights.com/electronic-manufacturing-services-ems-market-105519>

¹²<https://www.marketresearchfuture.com/reports/toys-market-8001>

¹³<https://www.fortunebusinessinsights.com/cookware-market-111910>

Indian Toy Industry Review

The Indian toys and games market benefits from rising disposable incomes, rapid urbanization and growing demand for educational and learning-based toys. The expanding middle-class population continues to drive spending on entertainment and learning-focused products. Convenience, competitive pricing and wider product availability continue to support online sales. Expanding e-commerce penetration in Tier II and Tier III cities has further strengthened this channel. The industry exhibits moderate competitive intensity, with multinational corporations and regional manufacturers operating across different price categories. While domestic players focus on localized content and manufacturing strengths, international brands leverage global expertise and licensing arrangements to expand their market presence. North India accounted for the largest market share at 33% in 2025.¹⁴ This leadership position is supported by a strong manufacturing base in the Delhi-NCR region, higher consumer purchasing power, greater exposure to global toy trends and supportive government policies.

Growing awareness of child development is supporting demand for educational and skill-building toys. Products such as science kits, puzzles and building blocks are witnessing increased adoption. These products support early learning, creativity and problem-solving skills. The trend aligns with the increasing emphasis on STEM education and technology-enabled learning. Rising smartphone usage, expanding internet access and growing online retail penetration are expected to support industry growth. E-commerce is likely to remain a preferred platform for toy purchases.

Indian Cookware Industry Review

The Indian cookware industry is witnessing a period of transformation. Consumers are placing greater emphasis on convenience, health safety and product quality. Rising urbanization, increasing per capita income and growing preference for environmentally friendly, non-stick and premium cookware products continue to support market growth. Manufacturers are expanding their offerings to meet evolving consumer needs. Product categories include non-stick cookware, cast iron cookware, tri-ply stainless steel cookware and induction-compatible solutions. Growing awareness of health and environmental concerns is encouraging a shift towards safer and eco-friendly alternatives.

Demand for premium and multi-functional cookware products is also increasing. Consumers are seeking durable, versatile and high-performance kitchen solutions. Rising disposable incomes among middle and upper-middle-income households are driving upgrades from conventional aluminum cookware. Demand is increasing for hard-anodized, tri-ply stainless steel and induction-compatible products.

The Indian cookware industry is expected to continue to grow and by 2034, it is expected to attain a market size of \$5.70 Billion¹⁵. Growth is expected to be driven by continued urbanization, technological advancements and evolving consumer preferences. Demand for modern, efficient and high-quality kitchenware products is expected to remain strong.

About the Company

Aequs Limited

Aequs has built its business around its Ecosystems of Efficiency model, combining engineering expertise with precision manufacturing capabilities. The Company designs and delivers innovative products and solutions for OEM customers. It specializes in providing zero-error manufacturing solutions across the Aerospace and Consumer industries.

Within the Aerospace Segment, Aequs is the only precision component manufacturer in India operating from a single special economic zone with fully vertically integrated manufacturing capabilities. Its integrated manufacturing model and end-to-end capabilities differentiate it from other contract manufacturers. The Company operates through three engineering-led manufacturing ecosystems in India. These ecosystems support the large-scale production of precision engineered products while ensuring timely delivery and compliance with stringent quality and safety standards. Aequs manufactures high-quality, components for leading global brands, including aerospace OEMs, Tier 1 suppliers and consumer companies. Its ability to combine scale with vertically integrated manufacturing ecosystems and qualified engineering talent enables efficient production scaling. These

capabilities help maintain delivery commitments while meeting rigorous quality and safety standards. They have also enabled the Company to achieve 100% in-country value addition for selected products.

To strengthen quality control, Aequs conducts regular supplier quality assessments to ensure compliance with customer specifications and internal quality standards. While Aerospace remains the principal operating segment, the Company has expanded its presence across consumer electronics, consumer durables and toys. Its product portfolio includes cookware, toy vehicles, figurines and components used in smart devices and portable computers. The Company has also established joint ventures to strengthen its product development and engineering capabilities. These leverage complementary expertise in the aerospace domain and support the manufacturing of complex and niche products for customers. A deep understanding of OEM customer requirements enables the Company to enhance its capabilities, promote innovation and deliver complex products within short timelines. In line with its long-term objective of building a resilient and scalable institution, Aequs continues to strengthen its integrated manufacturing capabilities across precision manufacturing segments.

¹⁴<https://www.imarcgroup.com/india-toys-games-market>

¹⁵<https://www.imarcgroup.com/india-cookware-market>

₹12,304 Mn

Revenue in FY 2026

4.70 Mn

Machining /Molding hours

2

Business segments (Aerospace & Consumer)

5,654

Aerospace product portfolio in FY 2026

2.22 Mn sq. ft. area

Across manufacturing plants

3,153

Workforce*

15 years Avg.

Relationship with top 3 customers

100%

In-country value addition for select products

*Includes full-time employees, fixed term employees, apprentices and trainees as of March 2026

Key Strengths



Manufacturing Capabilities

- ◆ Forging
- ◆ Precision Machining
- ◆ Molding
- ◆ Pressing / Stamping
- ◆ Surface treatment and painting
- ◆ Assembly



Ecosystem in which the Company operates

- ◆ Co located manufacturing facilities
- ◆ Supply chain efficiency
- ◆ Fully integrated campuses with managed services



Geographic presence

- ◆ Presence across India, France and the US
- ◆ New capabilities and footprint expansion
- ◆ Strategic proximity to global OEM



Comprehensive product portfolio

- ◆ 5,654 Products within the aerospace segment under a variety of manufacturing and assembly programs
- ◆ Components for portable computers and smart devices, figurines, toy vehicles and premium cookware



Long standing relationships

- ◆ Extensive testing and validation process requirements
- ◆ Deep understanding of OEM customers' requirements
- ◆ Complex products with quick turnaround times

Aequs is the only Precision Component Manufacturer operating within a Single Special Economic Zone in India to offer fully vertically integrated manufacturing capabilities in the Aerospace segment

Operational Performance in FY 2026

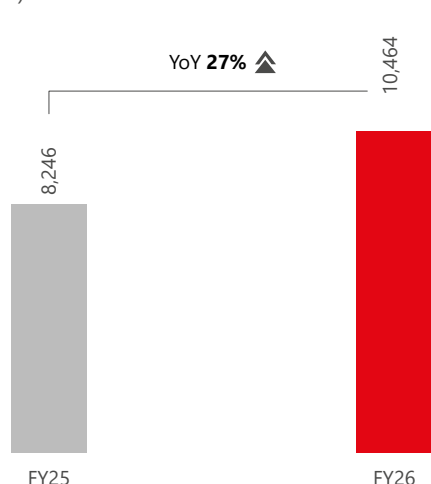
Aerospace Segment

The Aerospace Segment remained profitable during FY 2026, backed by a strong order book of \$889 Million. The Company also enhances its capabilities through strategic partnerships. These include collaboration with Magellan Aerospace for surface treatment operations and Aubert & Duval for forging activities. In addition, Aequus partnered with Accel India and Vagus Defense to enter the Unmanned Aerial Vehicles (UAV) market. The initiative is primarily focused on addressing India's defense requirements. Aequus maintains a diversified aerospace product portfolio comprising more than 5,654 products. These products span aero engine systems, landing systems, aero-structures, assemblies, cargo and interiors and turning solutions for aerospace customers. The portfolio also includes products for clients across consumer electronics, toys and consumer durables. The Company continues to focus on high-value-added products, particularly engine and landing system components.

*as of June 2026

Revenue Growth - Aerospace Segment

(₹ Mn)



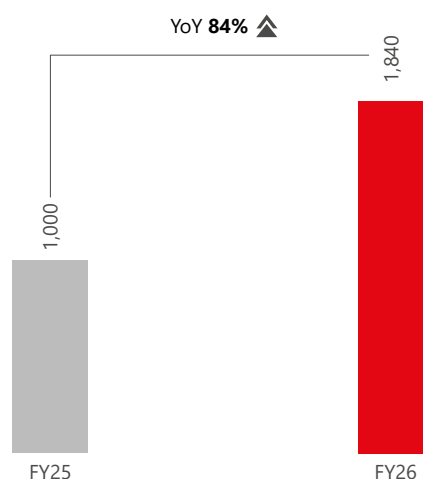
Consumer Segment

Although the Aerospace Segment has historically accounted for the majority of the Company's revenues, Aequus has progressively increased the contribution of its Consumer Segment. The Company maintains a diversified portfolio of products and continues to strengthen its presence across fundamental consumer categories. As part of this strategy, Aequus partnered with Tramontina, a Brazilian multinational company, to expand its presence in the global cookware market. Several of these relationships have extended for more than a decade, reflecting customer confidence in the Company's scale, expertise and execution capabilities.

During the year, the Company commenced product deliveries to a leading toy brand marking an important milestone in the growth of the Consumer Segment. In addition, consumer electronics programs awarded in previous years were fully industrialized. Revenues from these programs commenced during the year, contributing to segment growth.

Revenue Growth - Consumer Segment

(₹ Mn)



Manufacturing Excellence- Aerospace

Only company within a single SEZ with end-to-end manufacturing capabilities for the Aerospace Segment in India

Ability to manufacture components from nose-to-tail

Forging



- ◆ 10,000 Ton Hydraulic press
- ◆ 1200 Ton Screw press

Precision Machining



- ◆ Multi-spindle and Multitasking machines
- ◆ High Torque & high speed 3/4/5-Axis CNC Machines

Surface Treatment



- ◆ Non-destructive testing
- ◆ Surface Enhancement - Robotic shot peening

Assemblies



- ◆ Riveting, Bush press & Shrink fit

Manufacturing Excellence- Consumer

Integrated manufacturing capabilities across plastics, metals and consumer electronics for leading global OEMs

Ability to develop and manufacture precision components and finished products across consumer electronics, toys, cookware and homeware.

Molding



- ◆ Injection Molding
- ◆ Blow Molding

Stamping



- ◆ Mechanical Press - 200T
- ◆ Hydraulic Press - 400T

Machining



- ◆ Vertical and Horizontal machining
- ◆ 3/4/5 axis Machines

Secondary Process



- ◆ 10 Processes

Chemical Surface Treatment



- ◆ Anodizing

Assembly



- ◆ Ultrasonic Welding
- ◆ Pneumatic Press

Financial Performance

Financial Overview

(₹ in Mn)

Particulars	FY 2026	FY 2025
Revenue from Operation	12,304	9,246
EBITDA	1,545	1,080
Profit before tax	(715)	(941)
Profit for the year	(1,133)	(1,024)
Net Worth	14,855	7,160
Return on net worth	(7.60%)	(14.30%)
EBITDA Margin (%)	13%	12%
Net profit margin (%)	(9%)	(11%)

Key Financial Ratios

Sr. No	Ratio	Numerator	Denominator	Unit	As of March 31, 2026	As of March 31, 2025	Change	Explanation for the change in the ratio by more than 25% as compared to the previous year
1	Current Ratio	Current Assets	Current Liabilities	Times	1.58	1.10	44%	Increased due to IPO proceeds.
2	Debt-Equity Ratio	Total Debt	Total Equity	Times	0.23	0.99	76%	Reduced due to increase in equity and debt repayment.
3	Debt Service Coverage Ratio	Profit before tax + Finance cost + ESOP exp. + Non-cash Item	Finance cost + Lease payment + Principal repayment of long-term debt	Times	0.34	0.07	> 100%	Improved on account of increased revenue and better operating leverage.
4	Return on Equity	Profit After Tax	Shareholder's Equity	%	(7.63%)	(14.30%)	47%	Changed due to increase in equity base.
5	Inventory turnover	Cost of Goods Sold	Average Inventories	Times	1.01	1.03	(1%)	Not a major variance
6	Trade receivables turnover	Revenue from Operations	Average Trade Receivables	Times	5.84	6.3	(7%)	Not a major variance
7	Trade payables turnover	Cost of Goods Sold	Average Trade Payables	Times	1.79	1.81	(1%)	Not a major variance
8	Net profit ratio	Net profit after tax	Revenue from Operations	%	(9.21%)	(11.08%)	17%	Not a major variance
9	Return on capital employed	Earnings Before Interest and Taxes (EBIT)	Total Equity + Current / Non current borrowings and lease liability less Cash and Bank balance	%	1.56%	0.92%	69%	Improved due to higher EBIT.
10	Return on investment	EBIT	Average Total Asset	%	1.25%	0.71%	76%	Improved due to higher earnings.

Manufacturing, Technology and Intellectual Property



Manufacturing

The Company operates from a three clusters (Special Economic Zone/ DTA) in India and provides end-to-end manufacturing capabilities for the aerospace and consumer segments. These capabilities include machining, forging, surface treatment and assembly operations.

Aerospace

It's extensive machining infrastructure supports the timely and large-scale production of critical and complex components, including engine systems, aero structures and landing systems.

The Company also operates in the precision manufacturing vertical for electronic components and offers advanced manufacturing solutions across the precision manufacturing value chain. The core capabilities include 3/4/5 axis milling and turned machining of various grades of material such as aluminium, steel, inconel and titanium. Along with this, it also includes forging, metal forming, advanced surface treatments and secondary processes, such as precision surface finishing and post-processing and aero structures assembly. These capabilities enable the Company to manufacture some of the most critical and technically complex products within the Aerospace Segment.

Consumer segment

Within the Consumer Segment, the Company leverages similar capabilities to manufacture high-precision products. These include components for portable computers and smart wearable devices, as well cookware and toys such as toy vehicles, figurines and outdoor toys. In FY 2026, the Company signed an MoU with the Government of Tamil Nadu for a ₹1,900 crore investment in Hosur to establish an integrated aerospace ecosystem. Additionally, the Company confirmed a proposed investment of ₹2,856 crore in Karnataka to support the expansion of its aerospace and consumer electronics manufacturing operations across Belagavi and Hubballi.



Technology

The Company's information technology (IT) function has implemented process and technology controls across its infrastructure, systems, networks and applications. Data security remains a key focus area. The Company provides 24/7 IT support, which includes on-demand services and technical assistance.

To strengthen network security and system performance, the IT team conducts periodic internal network vulnerability assessments, monitors network performance and enables restricted internet access through proxy-based controls. The Company has implemented SAP S/4HANA as its enterprise resource planning platform across all business operations. The platform supports critical business functions, including finance and controlling, warehouse management, production planning, plant maintenance, quality management and business objective planning.



IP and Trademarks

The Company holds a worldwide, exclusive, perpetual and non-transferable license to use the trade name and trademark 'Aequs', together with its related trademarks. Further the Company owns two registered trademarks relating to the logo and trade name 'ECOSPHERE'. Both trademarks are registered under Class 41 in accordance with the provisions of the Trade Marks Act.



IT Ecosystem is Broadly Organized into Three Pillars

Infrastructure

Core IT infrastructure is built and operated aligned to the business and continuity requirements through classical solutions and services management. The Company has implemented state-of-the-art IT infrastructure on systems, networking and standard business software. Solutions are designed to achieve scalability, reliability and performance, built with adequate capacities to address changing business conditions. The IT architecture is built on virtualization technologies, segmentation, differentiated services, fault tolerant models to keep up the uptime of critical components and services. The team adopts centralized and de-centralized structures to meet with timely technical support requirements of the local environments. The

team has implemented enterprise class IT solutions to achieve its intended objectives. Cybersecurity and compliances to legal, regulatory and contractual requirements is an integral part of infrastructure development and management processes. The team has implemented cyber resilience measures to address current and emerging threats to the IT environment and continues to strengthen these measures in line with the evolving threat landscape.

The IT operations team leverages infrastructure and service level monitoring to meet uptime requirements and provide timely technical support. The IT infrastructure is sustained through life-cycle management of systems, periodic technology refreshes and the phased replacement of obsolete systems and technologies. The IT team also performs internal and external audits to improve its systems and processes in line with industry best practices and benchmarks.

Information Systems

As part of its digital transformation journey, the Company has commenced the deployment of MES and APS solutions across the organization. The initiative will enhance shop-floor visibility, enable data-driven production planning, improve operational control, and support scalable manufacturing through real-time monitoring, traceability, and process optimization.

The APS platform enhances planning accuracy by considering factors such as machine capacity, material availability, tooling constraints and delivery commitments. This will support improved resource utilization, reduced lead times and enhanced on-time delivery performance. Moreover, the MES and APS initiative forms a key digital transformation program for the organization and will establish a foundation for Industry 4.0 capabilities, including data-driven decision-making, predictive analytics, continuous process improvement and enhanced operational excellence across manufacturing operations.

Applications and Products (SAP) and Enterprise Resource Planning (ERP)

The Company has implemented ERP solution and modules to support manufacturing operations across business units, customized work flows ie, Procure to Pay, Order to Cash, Sourcing, warehousing and associated financial processes. The SAP environment is managed by a dedicated team comprising functional experts, qualified administrators of SAP environment to manage routine and emerging requirements across businesses of the enterprise. The ERP system has adopted segmented architecture so that it helps in achieving scalability and fault tolerance.

Environment

The Company undertakes several environmental initiatives aimed at promoting sustainable business practices, conserving natural resources and ensuring responsible resource utilization. It has implemented measures to ensure Zero discharge of effluents and hazardous substances from its manufacturing facilities into the air and water bodies. Electricity and water consumption

are monitored at both the entity level and by the Environment, Health and Safety (EHS) department.

As part of its efforts to improve energy sustainability, Aequs has adopted several measures, including the procurement of green energy, which accounts for ~90% of its total electricity consumption. To support water sustainability, the Company recycles wastewater through its Effluent Treatment Plants (ETP) and Sewage Treatment Plants (STP).

In addition, the Company has implemented a decarbonization strategy that outlines its pathway to achieving net-zero greenhouse gas emissions, aligned with globally recognized frameworks such as the Paris Agreement and the GHG Protocol. Additionally, the Company conducts regular environmental monitoring, including monthly, quarterly and half-yearly testing of ambient air quality, drinking water, food, soil and storm water. It also performs annual testing of 12 air emission parameters in accordance with the National Ambient Air Quality Standards (NAAQS).



ISO 14001 & ISO 45001



ISO 14064-1 GHG Certified

Green Energy

- ◆ Around 90% of energy at BAC is sourced from renewable energy
- ◆ 2 MW rooftop solar plant installed at BAC, with plans for further expansion
- ◆ 6% reduction in greenhouse gas emissions (FY25–FY26) driven by structured Scope 2 tracking

Water Recycling and Reuse

- ◆ 70–80% reduction in water consumption through advanced Zero Liquid Discharge (ZLD) systems
- ◆ Over 30 Million litres of water reused annually through recycling and closed-loop processes

Circularity & Resource Efficiency

- ◆ BAC campus is ISO 14064-1 certified
- ◆ ~200 kg of biogas generated per month from organic waste, delivering up to 14% LPG savings

- ◆ Recycled aluminum dust reused in cement and concrete, enabling ~5% reduction in cement consumption
- ◆ High adoption of company-provided buses reduces reliance on personal vehicles and lowers the overall carbon footprint

Biodiversity & Ecosystem

- ◆ 36,000+ trees planted across BAC, Hubballi Durables Cluster (HDC) and Koppal Toy Cluster (KTC); 7.09% improvement in carbon absorption (Y-o-Y)
- ◆ ~9,700 trees geotagged across ~60 species within the BAC campus

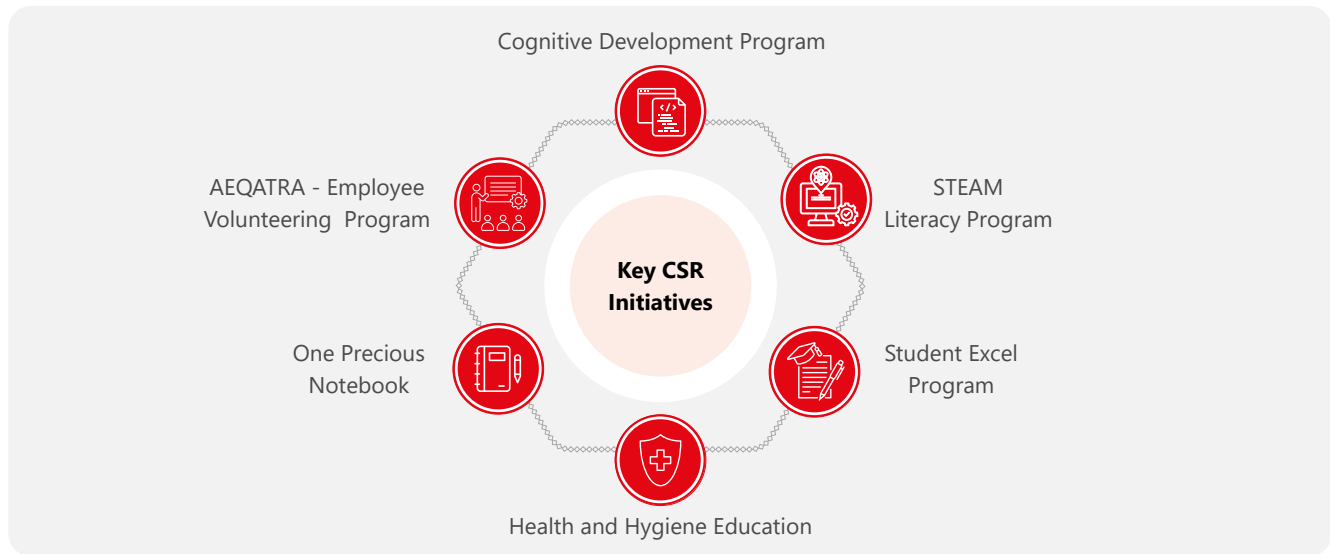
These initiatives reflect a consistent, system-led approach where sustainability is integrated into our design, operations and continuous improvement. Each of us continues to contribute to this progress.

Human Resource

The Human Resources function plays a key role in supporting the Company's long-term growth objectives by attracting, developing and retaining talent. It's people strategy is built around four interconnected pillars including Attract, Develop, Culture and Impact which strengthen capabilities, leadership and organizational culture, thereby supporting Aequs's growth. Access to a skilled workforce with diverse expertise and backgrounds enhances innovation and strengthens manufacturing capabilities across operations. The Company also continued to strengthen employee engagement through structured feedback, recognition and participation initiatives that encourage collaboration and shared ownership. Building future leaders remains a key priority and is supported through structured leadership programs, performance alignment and focused onboarding initiatives. In FY 2026, Aequs also implemented the HerSpace and LeadHERShip initiatives to support women's participation in the workforce.

Community Development

The community development initiatives of the Company are focused on creating lasting social impact through associate company, Aequs Foundation. By delivering continuous interventions in early learning, hands on science learning, career development and health, the Aequs Foundation helps children studying in Government schools in communities around Belagavi Aerospace Cluster (BAC), Hubballi Durable Goods Cluster (HDC) and Koppal Manufacturing Cluste (KMC) to learn, grow and achieve their full potential. Through its various programs and projects, the Company has positively impacted 34,000+ students across 150+ schools during the reporting year.



Cognitive Development Program	Aequs Foundation's Cognitive Development program focuses on strengthening foundational literacy and numeracy among Anganwadi and school students through continuous and structured interventions.
Science, Technology, Engineering, Arts, and Mathematics (STEAM) Literacy Program	The Science, Technology, Engineering, Arts, and Mathematics (STEAM) Literacy Program aims to enhance awareness, curiosity, confidence, knowledge and the practical application of STEAM education. The program is implemented through various initiatives, including science centers, mobile science labs, evening classes teacher training programs and science fairs.
Student Excel Program	The Student Excel Program support students in achieving excellence in both curricular and co-curricular activities. The program provides workbook assistance, career orientation support and scholarship assistance to students.
Health And Hygiene Education Program	The Health and Hygiene Program focuses on behavior change towards health and hygiene practices among students. It includes training on personal heath, menstrual health and adolescent health awareness.
One Precious Notebook	The One Precious Notebook initiative involves the annual distribution of notebooks to students studying in government schools and this initiative is undertaken through employee volunteering program.
Aeqatra Employee Volunteering Program	AEQATRA – Employee Volunteering Program for Aequs employees to participate and contribute in the various activities of Aequs Foundation. It includes activities including, notebook donation, plantation drives, donation of clothes, career guidance etc.

Strategy

The Company has established a strong foundation for its business and believes that these strengths will support long-term value creation. This foundation is expected to drive sustained growth and strengthen its strategic position.

The Company's strategy is centered on building a differentiated precision manufacturing enterprise through technological excellence, integrated manufacturing and enduring strategic partnerships. By continuously enhancing its core capabilities and scaling its strategic growth platforms, Aequus has developed a resilient business model that is well-positioned to capture long-term opportunities. The Company believes that global supply chain diversification, increasing outsourcing of complex manufacturing programs and India's growing competitiveness as a manufacturing destination continue to reinforce the relevance of its business model. Against this backdrop, the Company's strategy is anchored around four mutually reinforcing priorities.

Strengthen Strategic Partnerships

Aequus aims to deepen engagement with existing customers by expanding participation across manufacturing programs and the value chain, while selectively broadening its global customer base. It will also pursue collaborations that enhance technology, capabilities and market access, reinforcing its position as a trusted long-term manufacturing partner.

Scale Strategic Growth Platforms

The Company remains focused on scaling both its Aerospace and Consumer businesses as complementary growth platforms.

Aerospace will deepen participation across higher-value manufacturing programs, while the Consumer business will expand across consumer electronics and other consumer-focused categories. Each platform leverages deep precision manufacturing expertise and disciplined operational practices, enabling growth and margin expansion through improved capacity utilization, productivity and scale.

Extend Core Manufacturing Capabilities

The Company will leverage its integrated manufacturing model to pursue complementary opportunities that build on its precision engineering strengths. This approach supports growth while preserving strategic focus, operational efficiency and execution excellence.

Drive Technology Leadership and Operational Excellence

Investment in advanced manufacturing technologies, automation, digital capabilities and workforce development will enhance productivity, quality and competitiveness. Continuous improvement, resilient supply chains and responsible manufacturing practices will further strengthen the Company's ability to deliver differentiated value across its businesses. Together, these strategic priorities are designed to strengthen the Company's competitive position, create multiple avenues for sustainable growth and consolidate Aequus' standing as a globally trusted precision manufacturing partner, delivering long-term value for all stakeholders.

Risk Management

Risk Description	Mitigation Strategy
Foreign Exchange Risk Adverse movements in exchange rates between the Indian Rupee and foreign currencies may affect the value of the Company's equity shares, irrespective of its operating performance and financial results.	The Company mitigates foreign exchange risk through a combination of natural hedging and prudent treasury management
Industry Demand Risk Any slowdown or decline in demand within the Aerospace segment may adversely affect the Company's business operations, financial condition, results of operations and cash flows.	Over the years, the Company has expanded its product portfolio to serve customers across consumer durables. Building on its existing expertise in precision machining and special processes, the Company intends to establish similar long-term engagements with other OEMs to enhance its market share and expand its Consumer segment portfolio, thereby reducing its reliance on the Aerospace Segment. Additionally, it has developed advanced engineering, machining and special process capabilities within its Aerospace Segment, which can be replicated across other precision-driven sectors. The Company aims to leverage these capabilities to further increase its market share with global OEMs.

Risk Description	Mitigation Strategy
Customer Concentration Risk The Company derives a significant portion of its revenue from its ten largest customer groups. Any deterioration in these customer relationships adversely affect business operations, financial condition, operating performance and cash flows.	The Company's expertise in the Aerospace Segment strengthens its ability to explore opportunities in adjacent precision-driven business segments. Its large-scale, advanced manufacturing ecosystems have enabled the Company to build a platform to identify and leverage opportunities for future expansion of its product lines. The Company also benefits from strong client stickiness and high retention levels, supported by the collaborative nature of its manufacturing engagements with OEM customers. Further, its in-depth understanding of OEM customers' requirements enables continuous innovation and enhancement of capabilities to develop complex products with shorter turnaround times.
Capital Investment Risk The Company's operations require substantial capital expenditure for the maintenance, replacement and upgradation of equipment and machinery. Any constraints in accessing adequate capital may adversely affect its business operations, financial condition, results of operations and cash flows.	The Company maintains a prudent capital structure, monitors key financial ratios and ensures compliance with lender covenants. Regular capital planning, strong cash flow management and access to diversified funding sources support long-term investment requirements.
Geographic Concentration Risk All manufacturing cluster units are located in Karnataka, India. Consequently, the Company remains exposed to region-specific risks that may adversely affect its business operations, financial condition, results of operations and cash flows.	As part of its mitigation strategy, Aequs Limited plans to establish a manufacturing facility at the upcoming greenfield Aerospace & Defence manufacturing cluster near Hosur, Tamil Nadu, to complement and expand its existing aerospace capabilities in North Karnataka. The facility will focus on aero-engine and gear box systems requiring complex, ultra-precision manufacturing capabilities. The proposed initiative is aimed at deepening Aequs Limited's participation in the global aerospace engine supply chain by progressively expanding capabilities across forging, precision machining, and specialized surface treatment for engine-grade alloys, thereby addressing a critical industry requirement.
Regulatory and Compliance Risk Non-compliance with applicable corporate, environmental, labor and safety regulations, or changes in such laws and regulatory requirements, may adversely affect the Company's business, financial condition, results of operations and cash flows.	The Company maintains a robust compliance framework supported by periodic audits, internal controls, employee training and continuous monitoring of regulatory changes. Periodic governance by the management ensures timely compliance with applicable laws and standards.
Supply Chain Risks Risks may arise from global and domestic disruptions, including geopolitical developments, trade restrictions, logistics bottlenecks, material shortages, dependence on single-source suppliers, and vendor financial instability. These factors could affect the availability, cost, and timely delivery of critical inputs.	The Company mitigates supply chain risk by qualifying multiple vendors, with key suppliers approved by large OEM customers. Alternate sourcing strategies, periodic vendor audits, comprehensive due diligence and long-term contractual agreements help ensure supply continuity and reliability.

Key Concern in FY 2026

A significant portion of the Company's revenue is generated from customers located outside India, while its operations also involve sourcing raw materials, components and equipment from global suppliers. This exposes the Company to risks arising from changes in global economic conditions, political developments and regulatory environments. Current geopolitical developments and regional conflicts impacting global shipping, energy and logistics networks may adversely affect the Company's operations. Such developments may lead to delays in the receipt of raw materials and components, higher

input, freight, or insurance costs and other factors that could adversely impact manufacturing schedules, cost structure and results of operations.

Internal Control and its adequacy

The Company has an adequate internal control system commensurate with the nature, size and complexity of its operations. The framework is designed to safeguard assets, ensure reliability of financial and operational information, improve operational efficiency and ensure compliance with applicable laws, regulations and internal policies.

The internal control system is supported by a defined organizational structure with clear roles, responsibilities and authority levels. The Company periodically reviews its control environment to ensure its continued effectiveness and alignment with business requirements. The Audit Committee oversees the internal audit function and reviews the annual internal audit plan to ensure appropriate coverage of key risk areas. Internal audits are conducted on a risk-based approach across various functions and processes to evaluate the adequacy and effectiveness of internal controls, risk management practices and compliance mechanisms. The findings of internal audits, along with management responses and corrective actions, are periodically reviewed by the Audit Committee.

The Company continuously undertakes measures to strengthen its internal control framework and believes that the controls are adequate and operating effectively.

Cautionary Statement

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be forward-looking statements within the meaning of applicable laws and regulations. Several factors could make significant difference to the Company's operations and actual results may differ materially from those expressed or implied in such statements due to factors such as but not limited to economic conditions affecting demand and supply, government regulations and taxation, natural calamities, etc. over which the Company does not have any direct control. The Company makes no commitment to publicly amend, change, or revise any forward-looking statements based on subsequent developments.

Glossary

EMDEs	Emerging Market and Developing Economies
PFCE	Private Final Consumption Expenditure
EU	European Union
CAGR	Compound Annual Growth Rate
MRO	Maintenance, Repair, and overhaul
OEMs	Original Equipment Manufacturers
AI	Artificial Intelligence
IoT	Internet of Things
NCoE	National Center of Excellence
PEC	Precision Engineered Components
EMS	Electronic Manufacturing Services
AR	Augmented Reality
IoT	Internet of Things
VR	Virtual Reality
BAC	Belagavi aerospace Cluster
HDC	Hubballi Durables Cluster
KTC	Koppal Toy Cluster

Directors' Report

To,
The Members,
Aequs Limited
(Formerly known as Aequs Private Limited)

Dear Members,

The Board of Directors ("Board") is pleased to present the Twenty-Sixth Directors' Report of Aequs Limited, formerly known as Aequs Private Limited ("Company"), together with the audited financial statements and auditors' report for the financial year ended March 31, 2026 ("Financial Year").

This Directors' Report should be read together with the Corporate Governance Report, Management Discussion and Analysis Report, Business Responsibility and Sustainability Report, Secretarial Audit Report, and the relevant statutory annexures forming part of the Annual Report.

Summary of Financial Results

The Company's financial performance for the Financial Year is summarized below.

All amounts given in this report are in ₹ Millions, unless expressly mentioned otherwise.

Sl. No	Particulars	Standalone		Consolidated	
		2025-26	2024-25	2025-26	2024-25
1	Total Income	1,783.92	1,118.11	12,958.15	9,592.13
2	Total Expenses	1,228.05	843.94	11,413.65	8,512.44
3	EBITDA	555.87	274.17	1,544.50	1,079.69
4	Less: Finance income, Finance cost, Depreciation, amortization expenses and exceptional items*	(4.42)	979.68	2,259.86	2,020.48
5	Profit /(loss) before tax and other items*	560.29	(705.51)	(715.36)	(940.79)
6	Tax expenses and other items*	62.30	35.27	417.55	83.40
7	Profit /(loss) after tax	497.99	(740.78)	(1,132.91)	(1,024.19)

*For more details on other items, refer financial statements

Performance Review and State of the Company's affairs:

On standalone basis, during the Financial Year, the Company has generated total income of approx. ₹ 1,784 (Indian Rupees One Billion Seven Hundred Eighty-Four Million only) as compared to ₹ 1,118/- (Indian Rupees One Billion One Hundred Eighteen Million only) for the financial year ended on March 31, 2025 ("Previous Year") and posted a net profit of ₹ 498 (Indian Rupees Four Hundred Ninety-Eight Million only) as compared to net loss of ₹ 741/- (Indian Rupees Seven Hundred Forty-One Million only) for the Previous Year.

On consolidated basis, the Company has incurred net loss of approx. ₹ 1,133 (Indian Rupees One Billion One Hundred Thirty-Three Million only) as against the net loss of ₹ 1,024 (Indian Rupees One Billion Twenty-Four Million only) for the Previous Year.

During the Financial Year, the Company was converted into a public limited company w.e.f. May 07, 2025.

Initial Public Offering & Listing of Equity Shares of the Company

During the year under review, your Company completed an Initial Public Offering (IPO) comprising a Fresh Issue of Equity Shares aggregating up to ₹ 6,700.5 million and an Offer for Sale of aggregating up to ₹ 2,517.6 million by certain existing shareholders (collectively referred to as the "Offer").

The issue opened on December 03, 2025 and closed on December 05, 2025. The issue was led by Book Running Lead Managers, viz., JM Financial Limited, IIFL Capital Services Limited (formerly known as IIFL Securities Limited), and Kotak Mahindra Capital Company Limited.

Pursuant to the IPO, the equity shares of the Company are listed on the National Stock Exchange of India Limited and BSE Limited effective December 10, 2025.

Your Directors thank the Merchant Bankers, Legal Counsels, regulators and other stakeholders for their support in the successful completion of the IPO and listing process.

Your Directors further extend their sincere appreciation to the shareholders for investing in the IPO and continued confidence in the Company and its management.

Performance of Subsidiaries, Associates & Joint Ventures

As per the provisions of sub section 3 of Section 129 of the Companies Act, 2013 (hereinafter referred as "the Act"), the statement containing salient features of the Financial Statements of the Company's subsidiaries, associates and joint ventures is provided in Form AOC - 1 which is attached as **Annexure 1** to this report.

The consolidated financial statements of the Company for the Financial Year 2025-26 are prepared in compliance with the applicable provisions of the Act including Indian Accounting Standards specified under Section 133 of the Act.

Audited financial statements of each of the subsidiary companies are available on the website of the Company and can be accessed at <https://www.aequs.com/investor/>.

Apart from the financial aspects, the following is a brief description of highlights on the performance and financial position of the Company's subsidiaries, associates and joint ventures:

Subsidiaries

Aerospace Manufacturing Holdings Private Limited, India

Aerospace Manufacturing Holdings Private Limited ('AMHPL') registered under the Companies Act, 1956, bearing CIN: U65191KA2012PTC065904 and having its registered office at Aequs Tower, No. 55, Whitefield Main Road, Mahadevapura Post, Bengaluru - 560048 Karnataka. AMHPL was incorporated to carry on the business of investments in aerospace subsidiaries, associates and joint venture companies and also to provide auxiliary services to group companies.

During the Financial Year, AMHPL has earned net profit of approx. ₹4 (Indian Rupees Four Million only).

Aerostructures Assemblies India Private Limited, India

Aerostructures Assemblies India Private Limited ('AAIPL') is a company registered under the Companies Act, 1956, bearing CIN: U29253KA2013PTC067804, and having its registered office at Aequs SEZ, No. 437/A, Hattargi village, Hukkeri Taluk, Belagavi. AAIPL is in the business of assembly of aerostructure parts and operates from its Unit located at Aequs SEZ, Hattargi, Belagavi 591243.

During the Financial Year, AAIPL generated total income of approx. ₹ 919 (Indian Rupees Nine Hundred Nineteen Million only) and earned net profit of approx. ₹ 53 (Indian Rupees Fifty-Three Million only).

AeroStructures Manufacturing India Private Limited, India

AeroStructures Manufacturing India Private Limited ('ASMIPL') registered under the Companies Act, 1956, bearing CIN: U29253KA2013PTC067763, and having its registered office at Aequs Tower, No. 55, Whitefield Main Road, Mahadevapura Post, Bengaluru - 560048 Karnataka and Corporate Office at Aequs Special Economic Zone, No.437/A, Hattargi Village, Hukkeri Taluk, Belagavi - 591243, Karnataka India. ASMIPL is in the business of machining of parts for the aerospace sector.

ASMIPL has three (3) operating Units located at Aequs SEZ, Hattargi, Belagavi - 591243, Karnataka, India.

During the Financial Year, ASMIPL generated total income of approx. ₹ 6,847 (Indian Rupees Six Billion Eight Hundred Forty-Seven Million only) and earned net profit of approx. ₹ 607 (Indian Rupees Six Hundred Seven Million only).

The Board of Directors of ASMIPL, vide its board resolutions dated April 23, 2026, and May 26, 2026, has approved the scheme of Amalgamation ('Scheme') between AeroStructures Manufacturing India Private Limited, Aequs Engineered Plastics Private Limited and Aequs Force Consumer Products Private Limited with Aequs Limited. As of the date of this Board's report, necessary approvals on the Scheme are pending. Upon receipt of the requisite approvals and completion of all formalities associated with the amalgamation, ASMIPL will be merged with the Company and will cease to exist as a separate legal entity.

Aequs Aerospace LLC, USA

Aequs Aerospace LLC ('AALLC') is a limited liability company incorporated and operating under the Laws of Delaware, USA, bearing registration no. 5673441 and having its registered office at 108 West 13th Street, Wilmington, Delaware 19801. AALLC is in the business of investments in the aerospace sector particularly in North America.

During the Financial Year, AALLC has generated total income of approx. ₹ 32 (Indian Rupees Thirty-Two Million only) and incurred a net loss of approx. ₹ 508 (Indian Rupees Five Hundred and Eight Million only).

Aequs Aero Machine Inc., USA

Aequs Aero Machine Inc. ('AAM') is a limited liability company incorporated and operating under the Laws of Texas, USA, bearing registration no. 25317400 and having its registered office at 2220 Park Street, Paris, Texas, 75460. AAM is engaged in the machining of parts for aerospace sector.

During the Financial Year, AAM has generated a total income of approx. ₹1,706 (Indian Rupees One Billion Seven Hundred Six Million only) and incurred a net loss of approx. ₹199 (Indian Rupees One Hundred Ninety-Nine Million only)*

Aequs Aerospace B V, Netherlands

Aequs Aerospace B V ('AABV') is a limited liability company incorporated and operating under the Laws of Netherlands, bearing registration no. 61294225 and having its registered office at Joop Geesinkweg 701, Rembrandt room, 1114AB Amsterdam-Duivendrecht Netherlands. AABV is in the business of investments in the aerospace sector particularly in Europe.

During the Financial Year, AABV has generated a total income of approx. ₹ 682 (Indian Rupees Six Hundred Eighty-Two Million only) and earned net profit of approx. ₹ 608 Million (Indian Rupees Six Hundred Eight Million only)*

Aequs Holdings France SAS, France

Aequs Holdings France SAS, France ('AHF') is a limited liability company incorporated and operating under the Laws of France, bearing registration no. 817 785 405 and having its registered

*Based on the unaudited financials

office at ZI de l'Appentière 49280 MAZIERES-EN- MAUGES. AHF is in the business of investments in aerospace sector for entities operating in France.

During the Financial Year, AHF has booked net profit of approx. ₹ 1 Million (Indian Rupees One Million only).

Aequs Aerospace France SAS, France

Aequs Aerospace France SAS ('AAF') is a limited liability company incorporated and operating under the Laws of France, bearing registration no. 490 362 241 and having its registered office at ZI de l' Appentiere 49280 Mazieres-en-Mauges.

During the Financial Year, AAF generated total income of approx. ₹1,307 (Indian Rupees One Billion Three Hundred Seven Million only) and booked net loss of approx. ₹ 50 (Indian Rupees Fifty Million only).

Aequs Oil & Gas LLC, USA

Aequs Oil & Gas LLC ('AOGLLC') is a limited liability company incorporated in Delaware and operating under the Laws of Texas, USA, bearing registration no. 801498629 and having its office at 9595 Six Pines Drive, The Woodlands, Tx 77380. AOGLLC was in the business of supply of products for both D&E (Drilling & Evaluation) and C&P (Completion & Production) for the major Oil & Gas Service and Aerospace Companies.

Operations of AOGLLC have been closed. During the Financial year AOGLLC has booked net loss of approx. ₹ 6 (Indian Rupees Six Million only).

Aequs Engineered Plastics Private Limited, India

Aequs Engineered Plastics Private Limited ('AEPPL') is a company registered under the Companies Act, 2013, bearing CIN: U22209KA2015PTC078777 and having its registered office at Aequs Tower, No. 55 Whitefield Main Road, Mahadevapura Post, Bengaluru Karnataka, 560 048, India. The AEPPL is formed to carry on the business of manufacturing of all sorts of plastic products, light and heavy automobile parts and toys. The Company has its manufacturing facility at Aequs Special Economic Zone, Hattargi, Belagavi, Karnataka.

During the Financial Year, AEPPL generated total income of approx. ₹ 1,330 (Indian Rupees One Billion Three Hundred Thirty Million only) and booked net loss of approx. ₹ 173 (Indian Rupees One Hundred Seventy-Three Million only).

The Board of Directors of AEPPL, vide its board resolutions dated April 23, 2026, and May 26, 2026, has approved the scheme of Amalgamation ('Scheme') between AeroStructures Manufacturing India Private Limited, Aequs Engineered Plastics Private Limited and Aequs Force Consumer Products Private Limited with Aequs Limited. As of the date of this Board's report, necessary approvals on the Scheme are pending. Upon receiving the requisite approvals and completing all formalities associated with the amalgamation, the AEPPL will be merged with the Company and will cease to exist as separate legal entity.

Aequs Toys HongKong Private Limited , Hong Kong

Aequs Toys HongKong Private Limited ('ATHKPL') is a company incorporated and operating under the Laws of Hong

Kong and has its office at Units 17/F, Beautiful Group Tower, 77 Connaught Road Central, Hong Kong and the ATHKPL is into the business of providing marketing, business development and technical services.

Operations of ATHKPL have been closed and ATHKPL has made an application for closure by way of Member's Voluntary Liquidation ('MVL') and the liquidation is under process.

Aequs Force Consumer Products Private Limited, India

Aequs Force Consumer Products Private Limited ('AFCPPL') is a company registered under the Companies Act, 2013, bearing CIN: U28191KA2018PTC114901 and having its registered office at Aequs SEZ, No. 437/A, Hattargi Village, Hukkeri Taluk, Belagavi - 591243, Karnataka. AFCPPL is into the business of manufacturing of all sorts of consumer products and toys.

During the Financial Year, AFCPPL generated total income of approx. ₹14 (Indian Rupees Fourteen Million only) and booked net loss of approx. ₹235 (Indian Rupees Two Hundred Thirty-Five Million only).

The Board of Directors of AFCPPL, vide its board resolutions dated April 23, 2026, and May 26, 2026, has approved the scheme of Amalgamation ('Scheme') between AeroStructures Manufacturing India Private Limited, Aequs Engineered Plastics Private Limited and Aequs Force Consumer Products Private Limited with Aequs Limited. As of the date of this Board's report, necessary approvals on the Scheme are pending. Upon receiving the requisite approvals and completing all formalities associated with the amalgamation, AFCPPL will be merged with the Company and will cease to exist as separate legal entity.

Aequs Consumer Products Private Limited, India

Aequs Consumer Products Private Limited ('ACPPL') is a company registered under the Companies Act 2013, bearing CIN: U28995KA2019PTC129087, and having its registered office at Ground floor, Aequs Towers, No. 55, Whitefield Main Road, Mahadevapura Post, Bengaluru - 560048 Karnataka. It is formed to carry on the business of manufacturing of consumer products and all types and varieties of parts, components, elements, units, fittings, constituents, assemblies, and accessories to be used in electronic, electrical, digital devices, apparatus, and appliances.

During the Financial Year, ACPPL generated total income of approx. ₹ 572 (Indian Rupees Five Hundred Seventy-Two Million only) and booked net loss of approx. ₹1,458 (Indian Rupees One Thousand Four Hundred Fifty-Eight Million only).

Aequs Home Appliances Private Limited, India

Aequs Home Appliances Private Limited ('AHAPL') is a company registered under the Companies Act, 2013, bearing CIN: U31904KA2021PTC150511 and having its registered office at Aequs Tower, No. 55 Whitefield Main Road, Mahadevapura Post, Bengaluru Karnataka, 560 048, India. AHAPL is engaged in the business of manufacturing and sale of all kinds of kitchenware and consumer durable goods. AHAPL has sold its business as a going concern on a slump sale basis to Aequs Consumer Products Private Limited, holding company of AHAPL with effect from December 07, 2022.

During the Financial Year, on April 23, 2025, the application was made to Registrar of Companies for strike off of AHAPL and subsequently AHAPL has been struck off w.e.f. June 27, 2025, from the Register of Companies and is dissolved under provisions of Section 248 of the Act.

Aequs Toys Private Limited, India

Aequs Toys Private Limited ('ATPL') is a company registered under the Companies Act 2013, bearing CIN: U26400KA2021PTC150503, and having its registered office at Aequs Tower, No. 55, Whitefield Main Road, Mahadevapura Post, Bengaluru - 560048 Karnataka. ATPL is incorporated to carry on the business of manufacturing and sale of all sorts of toys and related products.

During the Financial Year, ATPL generated total income of approx. ₹ 26 (Indian Rupees Twenty-Six Million only) and booked net loss of approx. ₹ 243 (Indian Rupees Two Hundred Forty-Three Million only).

Koppal Toys Molding COE Private Limited, India

Koppal Toys Molding COE Private Limited ('KTM') is a company registered under the Companies Act 2013, bearing CIN: U36999KA2021PTC150753, and having its registered office at Aequs Tower, No. 55, Whitefield Main Road, Mahadevapura Post, Bengaluru - 560048 Karnataka. KTM is incorporated to carry on the business of manufacturing and molding of all kinds of toys and toy products.

During the Financial Year, KTM generated total income of approx. ₹127 (Indian Rupees One Hundred Twenty-Seven Million only) and booked net loss of approx. ₹94 (Indian Rupees Ninety-Four Million).

Aequs Rajas Extrusion Private Limited, India

Aequs Rajas Extrusion Private Limited ('AREPL') is a company registered under the Companies Act, 2013, bearing CIN: U25200KA2021PTC148763, and having its registered office at Aequs Tower, No. 55, Whitefield Main Road, Mahadevapura Post, Bengaluru- 560048, Karnataka, India. AREPL is incorporated to carry on the business of manufacture and sale of all sorts of products manufactured by plastic extrusion process and to produce, prepare, assemble, alter, build, brand, mould, and otherwise to deal in all sorts of extruded products in toys and consumer goods sector etc.

During the Financial Year, AREPL booked net loss of approx. ₹ 2 (Indian Rupees Two Million only).

Joint Venture Companies

Aerospace Processing India Private Limited, India

Aerospace Processing India Private Limited ('API') is a company registered under the Companies Act, 1956, bearing CIN: U35303KA2007PTC043311, and having its registered office at Aequs SEZ, No. 437/A, Hattargi Village, Hukkeri Taluk, Belagavi. API is a joint venture between Aequs Limited and Magellan Aerospace of Canada and is located in Aequs SEZ,

Belagavi. API provides aerospace surface treatments that were not readily available in India. The fully integrated, scalable facility has been operational since 2009. This is the First and only Third-party Company whose facility is approved by Airbus and Boeing in India. The Company holds 50% of equity capital in API.

During the Financial Year, API generated total income of approx. ₹833 (Indian Rupees Eight Hundred Thirty-Three Million only) and earned net profit of approx. ₹158 (Indian Rupees One Hundred Fifty-Eight Million only).

SQuAD Forging India Private Limited, India

SQuAD Forging India Private Limited ('SQuAD') is a company registered under the Companies Act, 1956, bearing CIN: U28910KA2011PTC056681, and having its registered office at Aequs SEZ, No. 437/A, Hattargi village, Hukkeri Taluk, Belagavi. SQuAD is a joint venture between Aequs Limited and Aubert & Duval SAS, France. It is located in Aequs SEZ, Belagavi. SQuAD specializes in forging of aerostructural parts, landing gear and braking system components in aluminum, steel, titanium or nickel base alloys. SQuAD also manufactures critical parts for automotive, power generation, and oil & gas markets. The Company holds 50% of equity capital in SQuAD.

During the Financial Year, SQuAD generated total income of approx. ₹1,160 (Indian Rupees One Billion One Hundred Sixty Million only) and earned net profit of approx. ₹ 289 (Indian Rupees Two Hundred Eighty-Nine Million only).

Aequs Cookware Private Limited, India

Aequs Cookware Private Limited ('ACPL') is a company registered under the Companies Act, 2013, bearing CIN: U27504KA2024PTC189903, and having its registered office at HDGC, Sy No 11, Hissa No., 12, Ittigatti Village, Kanavihonnapur, Dharwad, Karnataka, India, 580114. ACPL is a joint venture between Aequs Limited and Tramontina Internacional S.A. of Brazil. This joint venture is established with an object to manufacture and sell all sorts of domestic, household, including commercial use cookware appliances and kitchenware appliances and any parts/accessories thereof. The Company holds 50% of equity capital in ACPL.

During the Financial Year, ACPL generated total income of approx. ₹403 (Indian Rupees Four Hundred Three Million only) and incurred a net loss of approx. ₹199 (Indian Rupees One Hundred Ninety-Nine Million only).

Ajna Aerospace & Defence Private Limited

Ajna Aerospace & Defence Private Limited ('AADPL') is a company registered under the Companies Act, 2013, bearing CIN U30400KA2025PTC209996, and having its registered office at No.55, Whitefield Main Road, Mahadevapura Post, Bengaluru - 560048, Karnataka, India. AADPL is a joint venture between Aequs Limited, Accel India VIII (Mauritius) Limited of Mauritius and Vagus Defence Tech & Aerospace Fund I. AADPL joint venture is a newly incorporated company and the said company has been incorporated to carry out the business of (i) sourcing, acquiring, licensing intellectual property rights for

unmanned aerial vehicles from overseas licensors and owners; (ii) developing own IP; and (iii) manufacturing, assembling, testing, marketing and selling unmanned aerial vehicles ("UAVs") and related products in India and internationally in accordance with applicable laws.

As AADPL was incorporated on October 22, 2025, it is currently in the process of commencing its commercial operations.

Associate Companies

Aequs Foundation, India

The Company had co-established Aequs Foundation (AF) as part of its Corporate Social Responsibility initiative. AF is engaged in inspiring and educating children in Health & Hygiene, Education (including STEM-Science, Technology, Engineering and Mathematics) and Safety through various community and regional initiatives that bring measurable and sustainable changes to society and improve quality of life. The formative years of 5 to 10 are crucial for every child as they have a direct impact on how the child develops learning skills as well as social and emotional abilities. Accordingly, AF has designed its program and project portfolio with these focused objectives and structure in mind.

Previously the Company had transferred its 50% shareholding in AF to Aequs SEZ Private Limited. Further during the Financial Year, the Company has again acquired 50% Stake in AF from Hubballi Durable Goods Cluster Private Limited.

The names of companies which have become or ceased to be its subsidiaries, joint ventures or associate companies during the year

Details of companies which have become the subsidiaries, joint ventures or associate during the Financial Year are as follows:

Sl. No.	Name of the Company	Type
1.	Ajna Aerospace & Defence Private Limited	Joint Venture
2.	Aequs Foundation	Associate

Details of companies which ceased to be the subsidiaries, joint ventures or associate during the Financial Year are as follows:

Sl. No.	Name of the Company	Type
1.	Aequs Home Appliances Private Limited	Subsidiary

The Company does not have any other subsidiaries, joint ventures or associate companies which were incorporated/ceased to exist during the Financial Year.

Material Subsidiaries

The Board of Directors of the Company has adopted a Policy for determining material subsidiaries in line with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'). The Policy is available on the Company's website at <https://www.aequs.com/wp-content/uploads/2025/09/Policy-on-Material-Subsidiary.pdf>

On the basis of audited financial statements of the Company for the year ended March 31, 2025, AeroStructures Manufacturing India Private Limited (ASMIPL), Aequs Aerospace France SAS, Aequs Aerospace BV (AABV), Aequs Consumer Products Private Limited (ACPPL), Aequs Engineered Plastics Private Limited (AEPPL), Aequs Aero Machine Inc, (AAM) and Aequs Oil & Gas LLC (AOGLLC) are categorized as material subsidiary(s) of the Company for the Financial Year 2025-26, as per the thresholds laid down under the SEBI Listing Regulations.

Dividend

The Board has not recommended any dividend for the Financial Year.

In terms of Regulation 43A of the SEBI Listing Regulations, the Dividend Distribution Policy is available on the Company's website and can be accessed at <https://www.aequs.com/wp-content/uploads/2025/09/Dividend-Distribution-Policy.pdf>.

Transfer to reserves

The total profit earned by the Company during the Financial Year, i.e. ₹ 497.99/- (Indian Rupees Four Hundred Ninety-Seven Point Ninety-Nine Millions only) is transferred to the reserves of the Company.

Share Capital

Authorised Share Capital

The Authorised Share Capital of the Company as on March 31, 2026 is ₹ 10,146,299,340/- (Indian Rupees Ten Billion One Hundred Forty-Six Million Two Hundred Ninety-Nine Thousand Three Hundred Forty only) divided into 1,014,629,934 (One Billion Fourteen Million Six Hundred Twenty-Nine Thousand Nine Hundred Thirty-Four) equity shares of ₹ 10/- (Indian Rupees Ten only) each.

Issued, Subscribed and paid-up Share Capital

The issued, subscribed and paid-up share capital of the Company is ₹ 6,706,656,350/- (Indian Rupees Six Billion Seven Hundred Six Million Six Hundred Fifty Six Thousand Three Hundred and Fifty only), divided into 670,665,635 (Six Hundred Seventy Million Six Hundred Sixty Five Thousand Six Hundred and Thirty-Five only) equity shares of face value of ₹ 10/- (Indian Rupees Ten only) each.

Changes during the year

Details of change in the share capital of the company during the year are as below:

Date of allotment of equity shares	Number of equity shares allotted	Face value per equity share (in ₹)	Issue price per equity share (in ₹)	Nature of allotment	Nature of consideration	Name of allottees/ shareholders
02/05/2025	1,71,73,024	10/-	74.64/-	Right Issue	Cash	Various existing shareholders
08/07/2025	30,00,000	10/-	74.64/-	Private Placement	Cash	Aequs Stock Option Plan Trust
14/07/2025	30,00,000	10/-	74.64/-	Private Placement	Cash	Aequs Stock Option Plan Trust
10/11/2025	1,16,15,713	10/-	123.97/-	Private Placement	Cash	1. SBI Optimal Equity Fund 2. SBI Emergent India Fund 3. DSP India Fund 4. Think India Opportunities Master Fund
08/12/2025	53,870,967	10/-	124/-	Public Issue	Cash	Various Investors
	176,991	10/-	113/-	Public Issue	Cash	Various eligible employees of the Company

The change in the nature of business, if any

During the Financial Year, there has been no change in the nature of business of the Company.

Particulars of loans, guarantees or investments under section 186 of the Act

The particulars of loans, guarantees and investments as per Section 186 of the Act, are disclosed in the Standalone Financial Statement. (Please refer to Note Nos. 6, 7 & 31).

Particulars of Employees Stock Option Scheme

The Aequs Employee Stock Option Plan 2025 ("ESOP 2025" / "Plan") was adopted by the Board of Directors at its meeting held on May 10, 2025 and members by passing the special resolution at its extraordinary general meeting held on May 13, 2025 by consolidating all the existing Employee Stock Option Plans namely Aequs Employee Stock Option Plan, 2013, Aequs Employee Stock Option Plan, 2016, Aequs Employee Stock Option Plan, 2020 and Aequs Employee Stock Option Plan, 2022 ("Prior ESOP Plans") into "Aequs Employee Stock Option Plan 2025" ("ESOP 2025") in line with the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEB Regulations"). Subsequently, the Plan was ratified and amended by the shareholders by passing a special resolution through Postal Ballot on March 27, 2026.

The Aequs Stock Option Plan Trust administers the ESOP 2025 in accordance with the Act, SEBI SBEB Regulations and SEBI Listing Regulations.

The brief details on the Employees' Stock Option Scheme as of the year ended as required to be provided under the provisions of rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 are mentioned below:

Sr. No.	Particulars	ESOP Plan 2025
1	Options Granted during the year	3,215,000
2	Number of options vested during the year 2025-26	966,381
3	Options Exercised during the year	1,992,313
4	Total number of shares arising as a result of exercise of option	1,992,313
5	Options lapsed during the year	1,251,374
6	Exercise price	As per the grant letters issued to the grantees
7	Variation of terms of options	No variations have been made of terms of options during the year
8	Money realized by exercise of options	₹ 44,212,513
9	Total number of options in force (As on March 31, 2026)	10,446,893

Sr. No.	Particulars	ESOP Plan 2025
10	Employee wise details of options granted to:	
	a. Key Managerial personnel:	-
	Rajeev Kaul	-
	Dinesh Iyer*	-
	Ravi Mallikarjun Hugar	-
	b. Any other employee who receives a grant of options in any one year of option amounting to 5% or more of options granted during that year	-
	c. Identified employees who were granted option, during one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	

*Mr. Dinesh Iyer ceased to hold office as Chief Financial Officer w.e.f. June 30, 2026

The disclosures that include details of options granted, shares allotted upon exercise, etc. as required under the SBEB Regulations are available on the Company's website at <https://www.aequs.com/wp-content/uploads/2026/08/ESOP-Disclosures-FY-2025-26.pdf>. No employee was issued stock options during the year equal to or exceeding 1% of the issued capital of the Company at the time of grant.

The Company has received a certificate from M/s. BMP & Co. LLP, Secretarial Auditors of the Company, stating that the ESOP 2025 has been implemented in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. The said certificate will be made available to the shareholders, if requested during the 26th AGM of the Company.

Material changes and commitments

There are no material changes and commitments affecting the financial position of the Company, which have occurred between the end of the Financial Year and the date of the report except as mentioned below.

The Board of Directors of the Company, vide its board resolutions dated April 23, 2026, and May 26, 2026, has approved the Scheme of Amalgamation of certain wholly owned subsidiaries i.e., AeroStructures Manufacturing India Private Limited, Aequs Engineered Plastics Private Limited and Aequs Force Consumer Products Private Limited with itself. As of the date of this Board's report, necessary approvals on the Scheme are pending.

Deposits

The Company has not accepted any Deposits during the Financial Year.

The details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

There are no such significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

Internal financial controls

The Company has laid down adequate internal financial controls commensurate with the scale and size of the operation of the Company. The key internal financial controls have been documented, automated wherever possible and embedded in the respective business processes. These internal financial controls are periodically reviewed and monitored effectively.

The Company has in place adequate policies and procedures for ensuring the orderly and effective control of its business, including adherence to the Company's policies, safeguarding its assets, prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures. The Company has an adequate system of internal control commensurate with its size and nature of business. The Company believes that these systems provide a reasonable assurance in respect of providing financial and operational information, safeguarding of assets of the Company, adhering to the management policies besides ensuring compliance.

Directors and Key Managerial Personnel ("KMP")

The composition of the Board of Directors is in due compliance with the Act and SEBI Listing Regulations.

The details of Directors and KMP appointed or resigned during the Financial Year:

Sl. No.	Name of the Directors & KMPs	Designation	DIN	Date of change
1	Mr. Aravind S Melligeri	Executive Chairman & CEO	00787735	Appointed as Executive Chairman & CEO w.e.f. May 13, 2025, pursuant to the approval of the shareholders at the Extraordinary General Meeting (EGM) held on May 13, 2025
2	Mr. Rajeev Kaul	Co-Founder & Managing Director	01468590	NA
3	Dr. Ajay Aravind Prabhu	Non-Executive Director	00477195	NA
4	Dr. Eberhard Klaus Richter	Independent Director	07427610	Appointed as an Independent Director with effect from April 25, 2025, pursuant to the approval of the shareholders at the Extraordinary General Meeting (EGM) held on April 25, 2025.
5	Ms. Vidya Sarathy	Independent Director	01689378	Appointed as an Independent Director with effect from April 25, 2025, pursuant to the approval of the shareholders at the Extraordinary General Meeting (EGM) held on April 25, 2025.
6	Dr. Anup Wadhawan	Independent Director	03565167	Appointed as an Independent Director with effect from April 25, 2025, pursuant to the approval of the shareholders at the Extraordinary General Meeting (EGM) held on April 25, 2025.
7	Mr. Dinesh Iyer*	Chief Financial Officer	NA	NA
8	Mr. Ravi Mallikarjun Hugar	Company Secretary & Compliance Officer	NA	Appointed as Compliance Officer w.e.f. May 30, 2025

*Mr. Dinesh Iyer ceased to hold office as Chief Financial Officer w.e.f. June 30, 2026

During the year under review, the Non-Executive/ Independent Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses, if any.

None of the Directors of the Company are disqualified under Section 164(1) or Section 164(2) of the Act.

Retirement by Rotation & Re-appointment

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Rajeev Kaul (DIN: 01468590), is liable to retire by rotation at this Annual General Meeting ("AGM") and being eligible offers himself for re-appointment.

The Board of Directors of the Company, based on the recommendation of the Nomination and Remuneration Committee, have recommended his re-appointment. The necessary resolution and disclosures pertaining to Director being re-appointed as required under the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, is provided and forms part of this Notice convening the AGM for reference of the Shareholders.

Board Meetings

During the Financial Year under review, 18 (Eighteen) Board Meetings were held. The maximum time gap between any two consecutive meetings was not more than one hundred and twenty days.

Following are the details of meetings along with attendance of each of the Director at the Board Meetings held during the period under review:

Sl. No.	Date of Meeting	Total No. of Directors as on date of meeting	Attendance	
			No. of Directors attended	% of Attendance
1.	April 09, 2025	5	5	100
2.	April 21, 2025	5	5	100
3.	May 08, 2025	6	5	83.33
4.	May 10, 2025	6	6	100
5.	May 13, 2025	6	6	100
6.	May 30, 2025	6	5	83.33

Sl. No.	Date of Meeting	Total No. of Directors as on date of meeting	Attendance	
			No. of Directors attended	% of Attendance
7.	August 12, 2025	6	6	100
8.	September 20, 2025	6	6	100
9.	September 24, 2025	6	6	100
10.	September 30, 2025	6	5	83.33
11.	October 30, 2025	6	5	83.33
12.	November 14, 2025	6	5	83.33
13.	November 26, 2025	6	6	100
14.	December 05, 2025	6	5	83.33
15.	January 10, 2026	6	5	83.33
16.	January 29, 2026	6	6	100
17.	February 23, 2026	6	6	100
18.	March 24, 2026	6	6	100

The Committees of the Board

The Board of Directors of the Company have constituted the following committees and the details of meetings of these Committees held during the financial year 2025-26 along with information relating to attendance of each director/committee member is provided in the Corporate Governance Report, which forms part of this Annual Report.

- Audit Committee
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee
- Stakeholders Relationship Committee
- Risk Management Committee
- Independent Director Committee
- IPO Committee
- Administrative Committee

Implementation of risk management policy

The Company has risk management mechanism in place that enables sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business. In line with the SEBI Listing Regulations, the Company has constituted a Risk Management Committee ('RMC') comprising members of the Board of Directors. Terms of reference of the Committee and composition thereof including details of meetings held during the financial year 2025-2026 forms part of the Corporate Governance Report, which forms part of this Annual Report.

The Company recognizes that the objective of risk management is not to eliminate risk totally, rather to provide a structural means to identify, prioritize and manage risks involved in the Company's activities. It requires a balance between the cost of managing and mitigating risks and anticipated benefits derived therefrom.

Risk Management Policy of the Company can be accessed at <https://www.aequs.com/wp-content/uploads/2025/11/Risk-Management-Policy-Charter.pdf>

Auditors

Statutory Auditors

M/s. B S R & Co. LLP., Chartered Accountants, Bangalore (FRN: 101248W/W-100022) are appointed as Statutory Auditors of the Company at the Annual General Meeting of the Company held on October 25, 2024 for further period of 5 (Five) years to hold office from the conclusion of Twenty Forth (24th) Annual General Meeting held in FY 2024-25 till the conclusion of Twenty Ninth (29th) Annual General Meeting of the Company to be held in FY 2029-30.

The Auditors' Report provided by M/s. B S R & Co. LLP., Chartered Accountants, for the Financial Year, is enclosed with the financial statements in the Annual Report. The Auditors' Report does not contain any qualifications, observations or adverse remarks.

Internal Auditors

M/s. Guru & Jana LLP, Chartered Accountants, has been appointed by the Audit Committee of the Board as Internal Auditors in accordance with the provisions of Section 138 of the Act. M/s. Guru & Jana LLP, Chartered Accountants, has assigned to provide independent and objective assurance services to create and preserve value by continuous improvement to the Company's systems, processes and internal controls. They are supported in the discharge of duties by the in-house team and external service providers leveraged on a need basis, providing comprehensive assurance on governance, risk and controls.

Secretarial Auditors

M/s. BMP & Co., LLP, a peer reviewed firm of Practicing Company Secretaries has conducted the Secretarial Audit of the Company for the financial year 2025-26. The Secretarial Audit Report is appended as **Annexure 2** to this report.

The resolution for appointment of M/s. BMP and Co. LLP as the Secretarial Auditor for a term of five years, commencing from the conclusion of the 26th Annual General Meeting and until the conclusion of the 31st Annual General Meeting of the Company, to be held in FY 2031-32 is being taken up at the ensuing Annual General Meeting.

Further as per the requirements of Regulation 24A (1) (a) of the SEBI Listing Regulations, M/s. Prathibha Priya & Associates, a peer reviewed firm of Practicing Company Secretaries, the Secretarial Auditors of the unlisted material subsidiaries incorporated in India have undertaken Secretarial Audit of for financial year ended March 31, 2026 and issued the Secretarial Audit Reports in Form MR-3 which is appended as **Annexure 3**. The reports does not contain any qualification, reservation or adverse remark.

Cost Auditors

Pursuant to Rule 4(3)(ii) of the Companies (Cost Records and Audit) Rules, 2014, the provisions relating to Cost Audit are not applicable to the Company, as the Company operates from a Special Economic Zone (SEZ). Accordingly, the Company is not required to appoint a Cost Auditors for the financial year under review.

Cost Records

The Company has maintained the cost records as specified by the Central Government under sub section (1) of Section 148 of the Act.

Particulars of employees

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the prescribed format and appended as **Annexure 4** to this Report.

Details of amount received from the Director or a relative of the Director

During the year under review, the Company has not received any amount from any Director or relative of the Director pursuant to Rule 2 (1)(c) (viii) of the Companies (Acceptance of Deposits) Rules, 2014.

Disclosure on Managing Director and Key Managerial Personnels receiving remuneration and commission from holding company or subsidiary company:

Except Mr. Aravind S Melligeri, Executive Chairman & Chief Executive Officer, none of the other Key Managerial Personnels (KMPs) of the Company have received remuneration and commission from any of the subsidiary companies or holding company of the Company. The details of remuneration of Mr. Aravind S Melligeri, Executive Chairman & Chief Executive Officer, has been provided in the Corporate Governance Report, which forms part of this Annual Report.

Conservation of energy, technology absorption, foreign exchange earnings and outgo

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act, are provided in **Annexure 5** to this Report.

Status on cases filed under Sexual Harassment of Women at workplace (Prevention, Prohibition & Redressal) Act, 2013

The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company has zero tolerance towards harassment of employees that may fall under the sphere of sexual harassment at workplace and is fully committed to uphold and maintain the dignity of employees across the organization. Your Company has established a Policy on prevention, prohibition and redressal of sexual harassment at workplace that provides for protection against sexual harassment of employees at workplace and for prevention and redressal of such complaints. To build awareness in this area, the Company has been conducting necessary training in the organization on an ongoing basis.

Details of complaints during the Financial Year under review:

Sl. No.	Particulars	Number
1	Number of complaints of sexual harassment received in the year	Nil
2	Number of complaints disposed off during the year	Not Applicable
3	Number of cases pending for more than ninety days	Not Applicable

Compliance with the Maternity Benefit Act, 1961

The Company has complied with the provisions of the Maternity Benefit Act, 1961, including all applicable amendments and rules framed thereunder. The Company is committed to ensuring a safe, inclusive, and supportive workplace for women employees. All eligible women employees are provided with maternity benefits as prescribed under the Maternity Benefit Act, 1961.

Number of employees as on the closure of Financial Year

The gender wise composition of the Company's workforce as on the March 31, 2026:

Male	Female	Transgender	Total
168	7	0	175

Whistle Blower Policy/ Vigil Mechanism Policy

The Company has a Whistle Blower Policy (Vigil Mechanism Policy) in place which provides a platform to the employees and Directors for raising genuine concerns in relation to misuse or abuse of authority, fraud or suspected fraud, violation of Company's rules and policies, manipulations, negligence causing danger to public health and safety, misappropriation of monies, and other matters or activity on account of which the interest of the Company is affected and to report the same in accordance with the Policy.

During the Financial Year under review, the Company has received one Complaint and the same has been concluded as per the Whistle Blower Policy (Vigil Mechanism Policy) of the Company.

During the Financial Year under review, the subsidiaries and Joint Venture companies of the Company have not received any complaint under the Whistle Blower Policy (Vigil Mechanism Policy).

Whistle Blower Policy/ Vigil Mechanism Policy is available at the website of the Company at <https://www.aequs.com/wp-content/uploads/2025/09/Whistle-Blower-Policy.pdf>

Related Party Transactions

In line with the provisions of the Act and the SEBI Listing Regulations, the Board has approved a policy on related party transactions. The policy on related party transactions has been placed on the Company's website at <https://www.aequs.com/wp-content/uploads/2026/03/Policy-on-RPT.pdf>.

Prior omnibus approval of the Audit Committee is obtained for the transactions which are foreseeable and of a repetitive nature. All related party transactions are placed on a quarterly basis before the Audit Committee for its review. All contracts, arrangements and transactions entered by the Company with related parties during financial year 2025-26 were in the ordinary course of business and on an arm's length basis. Further, shareholder's approval for material related party transactions for the financial year 2026-27 with Aequs SEZ Private Limited has been obtained on March 27, 2026.

Further, the disclosure of transactions with related parties during the financial year, as per Indian Accounting Standard (Ind AS) 24 on Related Party Disclosures, is provided under Note no. 31 to the Annual Audited Standalone Financial Statements.

The particulars of contracts or arrangements with related parties referred to in Sub-Section (1) of Section 188 of the Act in the Form AOC-2 is attached with this report as **Annexure 6**.

Corporate Social Responsibility ("CSR")

The provisions of Corporate Social Responsibility as prescribed under Section 135 of the Act and the rules prescribed thereunder were applicable to the Company for the Financial Year. In view thereof the Board has formulated and adopted the CSR Policy of the Company.

As the Company had an average loss for the last three financial years, there was no CSR obligation for the Company for the Financial Year.

The detailed Annual Report on CSR activities of the Company is enclosed as **Annexure 7**.

Annual Performance Evaluation of the Board of Directors of the Company

The Company has a policy for performance evaluation of the Board, Committees and other individual Directors (including Independent Directors) which includes criteria for performance evaluation of Non-Executive Directors and Executive Directors. The policy on

evaluation of the performance of the board of directors is available on the website of the Company at <https://www.aequs.com/wp-content/uploads/2025/11/Policy-on-evaluation-of-performance.pdf>.

In a separate meeting of Independent Directors held on March 18, 2026, performance of non-independent directors, the Board as a whole and Chairman of the Company was evaluated, taking into consideration the views of the Executive Directors and Non-Executive Directors.

Further, Nomination and Remuneration Committee at its meeting held on May 26, 2026, reviewed the performance of the Board and identified certain areas of improvement and recommended appropriate actions for implementation.

Thereafter, at its meeting held on July 29, 2026, the Board of Directors carried out the annual performance evaluation of the Board, its Committees and Individual Directors in accordance with the manner specified under the Policy on Evaluation of the Performance of the Board of Directors.

The evaluation was undertaken after considering the inputs received from the Independent Directors and the Nomination and Remuneration Committee, and was based on various criteria including the Board's composition and structure, effectiveness of Board processes, quality, adequacy and timeliness of information provided to the Board, and overall functioning of the Board and its Committees.

The performance evaluation of each Independent Directors were carried out by the rest of the Board.

Familiarization Program for Board Members

The familiarization program aims at making the Independent Directors familiar with the businesses, operations and amendments in roles and responsibilities of directors through various structured familiarization programs. The Company organizes such a program for directors as and when required. The said familiarization programs are available on the website of the Company at: <https://www.aequs.com/wp-content/uploads/2026/03/Details-of-Familiarisation-programme-imparted-to-Independent-Directors-for-FY-2025-26.pdf>

Policy on Directors' Appointment and Remuneration

Pursuant to Section 178(3) of the Act and Regulation 19 & Schedule II Part D of the SEBI Listing Regulations, the Company has adopted the Nomination and Remuneration Committee Policy which provides the criteria and process for appointment of Directors, Independent Directors, Key Managerial Personnel and Senior Management Personnel.

The Nomination and Remuneration Committee Policy is available on the website of the Company at <https://www.aequs.com/wp-content/uploads/2025/09/NRC-Policy-and-Charter.pdf>

The Policy on Remuneration of Directors, Key Managerial Personnel and Other Employees is available on the website of the Company at <https://www.aequs.com/wp-content/uploads/2025/09/NRC-Policy-on-Remuneration-on-Dir-KMP-Other-Employees.pdf>

Corporate Governance Report

Your Company provides utmost importance to the best Governance practices and is designed to act in the best interest of its stakeholders. The Corporate Governance Report along with the Auditor's Certificate for the year under review, as stipulated under SEBI Listing Regulations forms part of the Annual Report and the same is appended as **Annexure 8**.

Management Discussion and Analysis Report

The Management's Discussion and Analysis Report for the year under review, as stipulated under the SEBI Listing Regulations forms part of the Annual Report and is appended.

Business Responsibility and Sustainability Report

The Business Responsibility and Sustainability Report for the year under review, as stipulated under the SEBI Listing Regulations forms part of the Annual Report and is appended.

Annual Return

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return of the Company in Form MGT-7 is available on the website of the Company at <https://www.aequs.com/investor/>.

Details in respect of fraud reported by auditors under sub-section (12) of section 143 other than those which are reportable to the Central Government

The Auditors of the Company have not reported any fraud under Section 143(12) of the Act. Accordingly, the disclosures of details prescribed thereunder are not applicable.

Explanation or comments on qualification, reservation or adverse remark in the audit report

The Statutory Auditors Report for the Financial Year does not contain any qualification, reservation or adverse remark.

Remarks from the Secretarial Auditor for the Financial Year:

Consequent to the aforesaid investment, the Company was required to file Form DI with the Authorised Dealer Bank within the timeline prescribed under the applicable provisions of the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019. However, the Company is yet to re-file Form DI, pursuant to the clarifications sought by the Authorised Dealer Bank, resulting in delay with the prescribed reporting requirements.

Management Reply

The Company had filed the Form DI with the Authorised Dealer Bank within the timeline prescribed under the applicable provisions of the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019. However, the filed Form DI is rejected seeking more clarifications and documents. Company is

yet to re-file the Form DI, as company is working closely with Authorised Dealer Banker before we initiate actions for providing the clarifications. However as any subsequent re-filing of Form DI will be considered as fresh filing and hence would be considered as delayed filing.

Declaration by Independent Directors

Pursuant to the provisions of Section 149(7) of the Act, the Independent Directors have submitted declarations that each of them meets the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations. The Board has taken on record the said declarations. The independent directors have affirmed compliance with the Code of Conduct. The Independent Directors also affirmed compliance under Section 150 of the Act including any amendments/ notifications issued from time to time.

Pursuant to the provisions of Rule 8(5)(iia) of the Companies (Accounts) Rules, 2014, our Company's Board is of the opinion that all Independent Directors possess requisite qualifications, experience and expertise and hold highest standards of integrity.

Further, all Independent Directors have confirmed that they have registered with the data bank of Independent Directors maintained by and are either exempt or have completed the online proficiency self-assessment test conducted by the Indian Institute of Corporate Affairs in accordance with the provisions of Section 150 of the Act.

Secretarial Standards of Institute of Company Secretaries of India (ICSI)

The Company has complied with Secretarial Standards on Meetings of Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2).

Details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the Financial Year

There are no proceedings pending under the Insolvency and Bankruptcy Code, 2016.

Details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof

There was no instance of onetime settlement with any Bank or Financial Institution.

Downstream Investment Compliance

The Company has obtained a certificate from the Statutory Auditors of the Company as required under Rule 23(6) of Foreign Exchange Management (Non-debt Instruments) Rules, 2019.

Utilization of Proceeds of Initial Public Offer

The proceeds of the funds raised by the Company through IPO are in line with the details mentioned in the Prospectus and there were no instances of deviation(s) or variation(s) in the utilization of proceeds of the IPO, as mentioned in the objects of Offer in the Prospectus dated December 05, 2025, in relation to the IPO of the Company. Accordingly, disclosure of the Statement of Deviation(s) or Variation(s) as required under Regulation 32(4) of the SEBI Listing Regulations, is not applicable to the Company.

The report of the monitoring agency disclosed to stock exchanges on a quarterly basis are available on our website at <https://www.aequs.com/investor/>.

Details of utilization of funds raised through preferential allotment or qualified institutional placement as specified under Regulation 32(4) and 32(7A) of the SEBI Listing Regulations

During the period under review and prior to the listing of the Company's equity shares on the Stock Exchanges, the Company raised funds through a Pre-IPO Placement undertaken in accordance with the provisions of Sections 42 and 62 of the Act and the rules made thereunder.

The aforesaid fundraising was neither a preferential issue nor a qualified institutions placement (QIP) as contemplated under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. Accordingly, the disclosure requirements prescribed under Regulation 32(7A) are not applicable to the Company.

Disclosure with respect to Demat Suspense/ Unclaimed Suspense Account pursuant to Schedule V(F) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The provisions relating to the disclosure requirements under Schedule V(F) of the SEBI Listing Regulations are not applicable to the Company during the financial year under review, as no shares were required to be transferred to or held in any Demat Suspense Account or Unclaimed Suspense Account. Accordingly, no such account was required to be opened or maintained by the Company.

Disclosure under rule 4 (4) of the Companies (Share Capital and Debentures) Rules, 2014

The Company has not issued any shares carrying differential rights as referred to under Section 43(a)(ii) of the Act during the year under review. Accordingly, the disclosure requirements prescribed under the provisions of Rule 4 (4) of the Companies

(Share Capital and Debentures) Rules, 2014 are not applicable to the Company.

Disclosure under rule 8(13) the Companies (Share Capital and Debentures) Rules, 2014

The Company has not issued any sweat equity shares as referred to under Section 54 of the Act during the year under review. Accordingly, the disclosure requirements prescribed under the provisions of Rule 8(13) of the Companies (Share Capital and Debentures) Rules, 2014 are not applicable to the Company.

Details of Penalties/Punishment/ Commitments affecting the financial position of the Company between the end of the Financial Year and the date of the Directors' Report

There were no penalties/punishment/commitments affecting the financial position of the Company between the end of the financial year and the date of this report.

Directors' Responsibility Statement

In accordance with the provision of Section 134 (3) (c) and 134 (5) of the Act, the Board of Directors, to the best of its knowledge and ability, affirms that:

- a) In the preparation of the annual accounts for the financial year ended March 31, 2026, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) Such accounting policies have been selected and applied consistently and judgments and estimates that have been made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2026 and of profit of the Company for the year ended on that date.
- c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provision of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The accounts for the year ended March 31, 2026 have been prepared on a going concern basis.
- e) They have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- f) Systems to ensure compliance with the provisions of all applicable laws were in place and such systems were adequate and operating effectively.

Appreciation/ Acknowledgements

The Board of Directors take this opportunity to place on record their deep sense of appreciation for the co-operation, commitment and dedicated services of Aequus (employees of Aequus) at all levels for successful operational performance of the Company as well as the support extended by the shareholders, customers, vendors, bankers and all concerned. Without this it would be impossible to achieve an overall growth of the Company.

Your Directors also thank the Government of India, particularly the Ministry of Corporate Affairs, Department of Electronics, Customs and Excise departments, Cochin Special Economic Zone, Ministry of Commerce, and Reserve Bank of India, the State Government, and other Government and semi government agencies and delegated authorities for their support during the Financial Year and look forward to their continued support in the future.

For Aequus Limited

Mr. Aravind S Melligeri

Executive Chairman & CEO

(DIN: 00787735)

Address: Aequus SEZ, No. 437/A, Hattargi
Village, Hukkeri Taluk, Belagavi – 591243,
Karnataka, India

Place: Belagavi

Date: August 07, 2026

Mr. Rajeev Kaul

Co-Founder & Managing Director

(DIN: 01468590)

Address: Aequus SEZ, No. 437/A, Hattargi
Village, Hukkeri Taluk, Belagavi – 591243,
Karnataka, India

Place: Belagavi

Date: July 29, 2026

Annexure 1

Form No. AOC-1

Financial Year 2025-26

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/ joint ventures

Part A: Subsidiaries

Number of Subsidiaries: 17 (Seventeen)

(Information in respect of each Subsidiary is presented with amounts in ₹ Millions)

Sl. No.		1	2	3	4	5	6
1.	Name of the Subsidiary	Aerospace Manufacturing Holdings Private Limited	AeroStructures Manufacturing India Private Limited	Aequs Aerospace BV ⁴	Aequs Holdings France	Aequs Aerospace France SAS	Aequs Aerospace LLC
2.	The date since when subsidiary was acquired	September 13, 2012	February 07, 2013	August 22, 2014	November 26, 2016	January 12, 2017	January 13, 2015
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA	NA	NA	NA	NA
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	NA -	NA -	Euro 1 Euro = ₹ 108.73	Euro 1 Euro = ₹ 108.73	Euro 1 Euro = ₹ 108.73	USD 1 USD = ₹ 94.78
5.	Share capital	550	566	2,997	0	551	1,247
6.	Reserves & surplus	-560	4,862	-2,999	-8	-687	-792
7.	Total assets	0	9,984	459	145	1,416	873
8.	Total Liabilities	10	4,556	460	153	1,552	418
9.	Investments	0	755	166	144	1	485
10.	Turnover	-	6,612	-	-	1,272	-
11.	Profit/(Loss) before taxation	4	938	608	-1	-50	-506
12.	Provision for taxation	-	331	-	-	-	-2
13.	Profit/(Loss) after taxation	4	607	608	-1	-50	-508
14.	Proposed Dividend	-	-	-	-	-	-
15.	% of shareholding	100%	100%	100%	100%	100%	100%

Sl. No.		7	8	9	10	11	12
1.	Name of the Subsidiary	Aequs Aero Machine Inc ⁵	Aequs Oil and Gas LLC	Aerostructures Assemblies India Private Limited	Aequs Engineered Plastics Private Limited	Aequs Toys Hong Kong Private Limited	Aequs Force Consumer Products Private Limited
2.	The date since when subsidiary was acquired	Financial Year 2016	July 01, 2006	December 11, 2021	December 06, 2021	December 06, 2021	December 04, 2021
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA	NA	NA	NA	NA
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	USD 1 USD = ₹ 94.78	USD 1 USD = ₹ 94.78	NA -	NA -	USD 1 USD = ₹ 94.78	NA -

¹Based on the unaudited financials

²Based on the unaudited financials

Sl. No.		7	8	9	10	11	12
5.	Share capital	458	1,127	289	2,126	1	1,575
6.	Reserves & surplus	-280	-1,263	53	-1,929	-1	-1,543
7.	Total assets	1,097	0	782	1,112	-	491
8.	Total Liabilities	919	137	441	914	-	459
9.	Investments	-	-	-	0	-	-
10.	Turnover	1,595	-	903	1,308	-	2
11.	Profit/(Loss) before taxation	-199	-6	75	-173	-	-234
12.	Provision for taxation	-	-	22	-	-	-
13.	Profit/(Loss) after taxation	-199	-6	53	-173	-	-235
14.	Proposed Dividend	-	-	-	-	-	-
15.	% of shareholding	100%	95%	100%	100%	100%	100%

Sl. No.		13	14	15	16	17
1.	Name of the Subsidiary	Aequs Consumer Products Private Limited	Aequs Home Appliances Private Limited	Aequs Toys Private Limited	Koppal Toys Molding COE Private Limited	Aequs Rajas Extrusion Private Limited
2.	The date since when subsidiary was acquired	December 04, 2021	August 09, 2021	August 06, 2021	August 16, 2021	June 19, 2023
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA	NA	NA	NA
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries.	NA -	NA -	NA -	NA -	NA -
5.	Share capital	1,062	-	1,350	476	0
6.	Reserves & surplus	3,940	-	-802	-288	-8
7.	Total assets	9,723	-	1,202	561	5
8.	Total Liabilities	4,721	-	654	372	13
9.	Investments	-	-	272	-	-
10.	Turnover	520	-	23	118	-
11.	Profit/(Loss) before taxation	-1,458	-	-243	-94	-2
12.	Provision for taxation	-	-	-	-	-
13.	Profit/(Loss) after taxation	-1,458	-	-243	-94	-2
14.	Proposed Dividend	-	-	-	-	-
15.	% of shareholding	100%	100%	100%	100%	100%

Names of subsidiaries which are yet to commence operations:

1. Aequs Rajas Extrusion Private Limited

Names of subsidiaries which have been liquidated or sold during the year:

2. Aequs Home Appliances Private Limited

Part B - Associates and Joint Ventures

Number of Associate/ Joint Venture: 4 (Four)

(₹ in Millions except shares related data)

Associate Companies and Joint Ventures

Sl. No.	Name of Associates /Joint Ventures	Aerospace Processing India Private Limited	SQuAD Forging India Private Limited	Aequs Cookware Private Limited	Ajna Aerospace & Defence Private Limited
1	Latest audited Balance Sheet Date	March 31, 2026	March 31, 2026	March 31, 2026	March 31, 2026
2	Date on which the Associate or Joint Venture was associated or acquired	July 2, 2007	January 19, 2011	September 30, 2024	January 16, 2026
3	Shares of Associate/Joint Ventures held by the Company on the year end				
	No.	8,444,923	83,711,087	4,150,000	10,000
	Amount of Investment in Associates/Joint Venture	₹ 84	₹ 837	₹ 41.50	₹ 0.10
	Extent of Holding %	50%	50%	50%	33.33%
4	Description of how there is significant influence	Company holds 50% of voting rights	Company holds 50% of voting rights	Company holds 50% of voting rights	Company holds 33.33% of voting rights
5	Reason why the associate/joint venture is not consolidated	Considered in consolidated financials as JV	Considered in consolidated financials as JV	Considered in consolidated financials as JV	Considered in consolidated financials as JV
6	Net worth attributable to Shareholding as per latest audited Balance Sheet	588	1380	-145	288
7	Profit / Loss/ Surplus for the year	160	290	-199	-10
	i. Considered in Consolidation	75	145	-100	-3
		50%	50%	50%	33.33%
	ii. Not Considered in Consolidation	85	145	-99	-7

Names of associates or joint ventures which are yet to commence operations

Ajna Aerospace & Defence Private Limited

Names of associates or joint ventures which have been liquidated or sold during the year : NIL

For Aequs Limited

Mr. Aravind S Melligeri

Executive Chairman & CEO
(DIN: 00787735)

Address: Aequs SEZ, No. 437/A, Hattargi
Village, Hukkeri Taluk, Belagavi – 591243,
Karnataka, India

Place: Belagavi

Date: August 07, 2026

Mr. Rajeev Kaul

Co-Founder & Managing Director
(DIN: 01468590)

Mr. Ravi Mallikarjun Hugar

Company Secretary & Compliance Officer
M. No. – A20823

Annexure 2

Form No. MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st MARCH 2026

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Aequs Limited
CIN: L80302KA2000PLC026760
Aequs Tower, No. 55, Whitefield Main Road,
Mahadevapura Post, Bangalore,
Karnataka, India, 560048

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Aequs Limited** (hereinafter called the "Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2026, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed, and other records maintained by the Company for the financial year ended on March 31, 2026 according to the provisions of:

- i. The Companies Act, 2013 ('the Act') and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
 - a. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

- b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- e. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; - Not Applicable as Company has not issued debt securities during the year under review;
- g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with the client - Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review;
- h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - Not applicable as the Company has not delisted its equity shares from any stock exchange during the financial year under review; and
- i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - Not applicable as the Company has not done any buyback of its securities during the financial year under review.

We have been informed by the Company that there is no specific sectoral law applicable to the Company.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI)
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Ltd.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that: -

- i. The Board of Directors of the Company is duly constituted with a proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the compositions of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- ii. Except in case of meetings being convened at shorter notice, adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- iii. Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.
- iv. We further report that based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary and taken on record by the Board of Directors at their meeting(s), we are of the opinion that the management has adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines; and
- v. As informed, the Company has responded to notices for demands, claims, penalties etc. levied by various statutory / regulatory authorities and initiated actions for corrective measures, wherever necessary.

During the year under review, the Board of Directors, at its meeting held on January 1, 2026, approved an investment in the equity share capital of the Company's wholly owned subsidiary, AeroStructures Manufacturing India Private Limited. Pursuant thereto, the Company invested ₹2,30,71,20,210 and was allotted 79,89,750 equity shares of face value ₹10 each at a premium of ₹278.76 per equity share on February 17, 2026.

Consequent to the aforesaid investment, the Company was required to file Form DI with the Authorised Dealer Bank within the timeline prescribed under the applicable provisions

of the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019. However, the Company is yet to re-file Form DI, pursuant to the clarifications sought by the Authorised Dealer Bank, resulting in delay with the prescribed reporting requirements.

We further report that during the period under review, the Company has undertaken the following activities:

a. Conversion from Private to Public Company:

The Board of Directors in their meeting held on April 09, 2025 approved the conversion of the Company from Private Company to Public Company and alteration to the Memorandum and Articles of Association pursuant to the conversion, which was subsequently approved by the Shareholders in the extraordinary general meeting held on April 25, 2025.

b. Allotment of Equity shares on Rights basis

The Board in its meeting held on March 26, 2025, approved issuance of 17,282,982 (Seventeen Million Two Hundred Eighty-Two Thousand Nine Hundred Eighty-Two) equity shares on rights basis to the existing shareholders of the Company. Accordingly, the Board approved allotment of 17,173,024 equity shares on May 02, 2025 on rights basis.

c. Issuance of equity shares under Initial Public Offer:

The Company has, vide special resolution passed by the members at their meeting held on May 13, 2025, approved the Initial Public Offer (IPO) of Equity Shares comprising of a fresh issue of equity shares aggregating up to ₹ 7,600,000,000/- (Rupees Seven Billion Six Hundred Million only) (the "Fresh Issue") with an option to the Company to retain an over-subscription to the extent of 1% of the net offer and an offer for sale of Equity Shares by existing and eligible shareholders of the Company.

d. Issue of equity shares on private placement basis:

- a) The Board in its meeting held on May 10, 2025 approved issuance of 6,000,000 equity shares to Aequs Stock Option Plan Trust on private placement/preferential allotment basis which was subsequently approved by the shareholders in the extraordinary general meeting held on May 13, 2025. The Company allotted 3,000,000 equity shares each to the Aequs Stock Option Plan Trust on July 8, 2025 and July 14, 2025, respectively.
- b) The Board in its meeting held on October 30, 2025 approved issuance of 11,615,713 equity shares on private placement/preferential allotment basis which was subsequently approved by the shareholders in the extraordinary general meeting held on November 03, 2025. The Company allotted 11,615,713 equity shares on November 10, 2025.

e. Allotment of securities under Initial Public Offer

The IPO Committee of the Board of Directors, at its meeting held on December 8, 2025, approved the allotment of 5,40,47,958 equity shares pursuant to the fresh issue and the transfer of 2,03,07,393 equity shares pursuant to the offer for sale, at an offer price of ₹ 124/- per equity share {(including a share premium of ₹ 114 per Equity Share (offered a discount of ₹11/- per equity share to the eligible employees bidding in the employee reservation portion)) to the respective applicants under the Initial Public Offer of the Company.

The equity shares of the Company were listed on BSE Limited and National Stock Exchange of India Limited on December 10, 2025.

For BMP & Co. LLP,
Company Secretaries

CS Komal S. Shrimankar

Partner

Place: Mumbai

Date: August 07, 2026

UDIN: A047702H001042949

ACS No.: 47702 CP. No.: 27905

Peer Review Certificate No. 6562/2025

This report to be read with our letter of event date which is annexed as **Annexure A** and forms an integral part of this report.

'Annexure A'

To,
The Members,
Aequs Limited
CIN: L80302KA2000PLC026760
Aequs Tower, No. 55, Whitefield Main Road,
Mahadevapura Post, Bangalore,

Karnataka, India, 560048

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. We further report that, based on the information provided by the Company its officers, authorised representatives during the conduct of the audit and also on the review of quarterly compliance report by the respective departmental heads/Company Secretary/Managing Director, taken on record by the Board of the Company, in our opinion adequate systems and process and control mechanism exist in the Company to monitor compliance with applicable general laws like labour laws, & Environment laws and Data protection policy.
8. We further report that the Compliance by the Company of applicable financial laws like Direct & Indirect tax laws has not been reviewed in this audit since the same has been subject to review by the statutory financial audit and other designated professionals.

For BMP & Co. LLP,
Company Secretaries

CS Komal S. Shrimankar
Partner

ACS No.: 47702 CP. No.: 27905
Peer Review Certificate No. 6562/2025

Place: Mumbai
Date: August 07, 2026
UDIN: A047702H001042949

Annexure 3.1

FORM NO. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED March 31, 2026

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members

Aequs Consumer Products Private Limited

CIN: U28995KA2019PTC129087

Regd. Off: Ground Floor, Aequs Towers, No. 55

Whitefield Main Road, Mahadevapura Post

Bengaluru- 560048, Karnataka, India

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Aequs Consumer Products Private Limited** (hereinafter called "**the Company**") in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on verification of the Company's books, papers, Minutes book, forms and returns filed and other records maintained by the Company and also information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, during the audit period covering the financial year ended on March 31, 2026 ("the audit period"), the Company has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, Minutes book, forms and returns filed, and other records maintained by the Company for the financial year ended on March 31, 2026, according to the provisions of:

- i. The Companies Act, 2013 ("the Act") and the rules made thereunder.
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder (**Not applicable to the Company during the audit period**).
- iii. The Depositories Act, 1996 and the Regulations and by-laws framed thereunder.
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder (**Not applicable to the Company during the audit period**).

- v. The regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') (**Not applicable to the Company during the audit period**).
- iv. I have also examined compliance with the applicable clauses of the following:
 - a. Secretarial Standards issued by the Institute of Company Secretaries of India with respect to the Board of Directors Meetings and General Meetings.
 - b. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**Not applicable to the Company during the audit period**).

I report that during the audit period:

- The Board of Directors of the Company is duly constituted as required under the Companies Act, 2013, and the Articles of Association of the Company. The changes in the composition of the Board of Directors that took place were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent as required under the Act and Articles of Association of the Company, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- As per the Minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous, and no dissenting views have been recorded.
- I report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

- I further report that during the audit period the following events / actions occurred having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.
 - i. Upon conversion of the holding company into a public limited company with effect from May 7, 2025, the Company, being its subsidiary, became a deemed public company pursuant to the first proviso to Section 2(71) of the Companies Act, 2013.
 - ii. Dr. Ravi Chudamani Guttal (DIN: 06453125) was appointed as a Whole-time Director of the Company with effect from November 16, 2025.
 - iii. Mr. Devenahalli Muniyappa Lakshmisha was appointed as Chief Financial Officer (CFO) of the Company with effect from September 04, 2025.
 - iv. Ms. Vidya Sarathy (DIN: 01689378) was appointed as Independent Director on Board of the Company with effect from March 27, 2026.

For Prathibha Priya & Associates

Company Secretaries
FRN: S2016KR445700

M. R. Prathibha Priya

FCS: 12224; CP No. 11362

Date: July 22, 2026 ICSI Peer Review Certificate No. 3878/2023

Place: Bengaluru

UDIN: F012224H000915665

This Report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

ANNEXURE – A

To

The Members

Aequs Consumer Products Private Limited

CIN: U28995KA2019PTC129087

Regd. Off: Ground Floor, Aequs Towers, No. 55,

Whitefield Main Road, Mahadevapura Post,

Bengaluru- 560048, Karnataka, India

Our report of even date is to be read along with this letter:

Our Secretarial audit report for the financial year ended March 31, 2026, of even date is to be read along with this letter:

Management's Responsibility

1. It is the responsibility of the Management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records based on our audit.
3. We have conducted the audit as per the applicable Auditing Standards issued by the Institute of Company Secretaries of India.
4. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
5. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

Disclaimer

7. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
8. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

For Prathibha Priya & Associates

Company Secretaries

FRN: S2016KR445700

M. R. Prathibha Priya

FCS: 12224; CP No. 11362

ICSI Peer Review Certificate No. 3878/2023

UDIN: F012224H000915665

Date: July 22, 2026

Place: Bengaluru

Annexure 3.2

FORM NO. MR-3 **SECRETARIAL AUDIT REPORT** FOR THE FINANCIAL YEAR ENDED March 31, 2026

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members
Aequs Engineered Plastics Private Limited
CIN: U22209KA2015PTC078777
Regd. Off: Aequs Tower, No. 55, Whitefield Main Road,
Mahadevapura Post, Bangalore – 560048, Karnataka, India

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Aequs Engineered Plastics Private Limited** (hereinafter called "**the Company**"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on verification of the Company's books, papers, Minutes book, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, during the audit period covering the financial year ended on March 31, 2026 ("the audit period"), the Company has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, Minutes book, forms and returns filed, and other records maintained by the Company for the financial year ended on March 31, 2026, according to the provisions of:

- i. The Companies Act, 2013 ("the Act") and the rules made thereunder.
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder (**Not Applicable to the Company during the audit period**).
- iii. The Depositories Act, 1996 and the Regulations and By-laws framed thereunder.
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment and External Commercial Borrowings (**Regulations with respect to the Foreign Direct Investment are not applicable to the Company during the audit period**).

- v. The regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') (**Not Applicable to the Company during the audit period**).
- vi. I have also examined compliance with the applicable clauses of the following:
 - a. Secretarial Standards issued by the Institute of Company Secretaries of India with respect to the Board of Directors Meetings and General Meetings.
 - b. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**Not Applicable to the Company during the audit period**).

I report that during the audit period:

- The Board of Directors of the Company is duly constituted as required under the Companies Act, 2013, and the Articles of Association. The changes in the composition of the Board of Directors that took place were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent as required under the Act and Articles of Association, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- As per the Minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous, and no dissenting views have been recorded.
- I report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

- I further report that the following events / actions occurred having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

[a] Upon conversion of the holding company into a public limited company with effect from May 7, 2025, the Company, being its subsidiary, became a deemed public company pursuant to the first proviso to Section 2(71) of the Companies Act, 2013.

[b] Mr. Shirish Dundappa Ganamukhi [DIN: 09246883] was appointed as a Whole-Time Director at the Extra-ordinary General Meeting held on March 27, 2026.

[c] Ms. Vidya Sarathy [DIN: 01689378] was appointed as an Independent Director of the Company at the Annual General Meeting held on September 29, 2025.

[d] Mr. Manjunath Meti was appointed as the Chief Financial Officer of the Company with effect from September 18, 2025.

For Prathibha Priya & Associates

Company Secretaries

FRN: S2016KR445700

M. R. Prathibha Priya

FCS: 12224; CP No. 11362

Date: June 24, 2026 ICSI Peer Review Certificate No. 3878/2023

Place: Bengaluru

UDIN: F012224H000669507

This Report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

ANNEXURE – A

To
The Members
Aequs Engineered Plastics Private Limited
CIN: U22209KA2015PTC078777
Regd. Off: Aequs Tower, No. 55, Whitefield Main Road
Mahadevapura Post, Bangalore – 560048, Karnataka, India

Our report of even date is to be read along with this letter:

Our Secretarial audit report for the financial year ended March 31, 2026, of even date is to be read along with this letter:

Management's Responsibility

1. It is the responsibility of the Management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records based on our audit.
3. We have conducted the audit as per the applicable Auditing Standards issued by the Institute of Company Secretaries of India.
4. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
5. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

Disclaimer

7. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
8. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

For Prathibha Priya & Associates

Company Secretaries
FRN: S2016KR445700

M. R. Prathibha Priya

FCS: 12224; CP No. 11362
ICSI Peer Review Certificate No. 3878/2023
UDIN: F012224H000669507

Date: June 24, 2026
Place: Bengaluru

Annexure 3.3

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED March 31, 2026

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members

AeroStructures Manufacturing India Private Limited

CIN: U29253KA2013PTC067763

Regd. Off: Aequs Tower, No. 55, Whitefield Main Road,
Mahadevapura Post, Bangalore – 560048, Karnataka, India

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **AeroStructures Manufacturing India Private Limited** (hereinafter called "**the Company**"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on verification of the Company's books, papers, Minutes book, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2026 ("the audit period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, Minutes book, forms and returns filed, and other records maintained by the Company for the financial year ended on March 31, 2026, according to the provisions of:

- i. The Companies Act, 2013 ("the Act") and the rules made thereunder.
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder (**Not Applicable to the Company during the audit period**).
- iii. The Depositories Act, 1996 and the Regulations and By-laws framed thereunder.
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment and External Commercial Borrowings (**Regulations with respect to the Foreign Direct Investment are not applicable to the Company during the audit period**).

- v. The regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') (**Not Applicable to the Company during the audit period**).
- vi. I have also examined compliance with the applicable clauses of the following:
 - a. The Secretarial Standards issued by the Institute of Company Secretaries of India with respect to the Board of Directors Meetings and General Meetings.
 - b. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**Not Applicable to the Company during the audit period**).

I report that during the audit period:

- The Board of Directors of the Company is duly constituted as required under the Companies Act, 2013, and the Articles of Association. The changes in the composition of the Board of Directors that took place were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent as required under the Act and Articles of Association, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- The Minutes of the meetings are duly recorded and signed by the Chairman, and no dissenting views have been recorded.
- I report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

- I further report that during the audit period the following events / actions occurred having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc:
 - i. Upon conversion of the holding company into a public limited company with effect from May 7, 2025, the Company, being its subsidiary, became a deemed public company pursuant to the first proviso to Section 2(71) of the Companies Act, 2013.
 - ii. Ms. Vidya Sarathy (DIN: 01689378) was appointed as an Independent Director on Board with effect from May 20, 2025.
 - iii. Mr. Harish Bang was appointed as the Chief Financial Officer (CFO) of the Company with effect from September 01, 2025.

- iv. Mr. Nagesh Hassan Rangaswamy (DIN: 07889411) was appointed as a Whole-time Director of the Company with effect from September 29, 2025.

For Prathibha Priya & Associates

Company Secretaries
FRN: S2016KR445700

M. R. Prathibha Priya

FCS: 12224; CP No. 11362

Date: June 29, 2026 ICSI Peer Review Certificate No. 3878/2023

Place: Bengaluru

UDIN: F012224H000707050

This Report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

ANNEXURE – A

To

The Members

AeroStructures Manufacturing India Private Limited

CIN: U29253KA2013PTC067763

Aequis Tower, No. 55, Whitefield Main Road,

Mahadevapura Post, Bangalore – 560048, Karnataka, India

Our report of even date is to be read along with this letter:

Our Secretarial audit report for the financial year ended March 31, 2026, of even date is to be read along with this letter:

Management's Responsibility

1. It is the responsibility of the Management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records based on our audit.
3. We have conducted the audit as per the applicable Auditing Standards issued by the Institute of Company Secretaries of India.
4. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
5. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

Disclaimer

7. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
8. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

For Prathibha Priya & Associates

Company Secretaries

FRN: S2016KR445700

M. R. Prathibha Priya

FCS: 12224; CP No. 11362

ICSI Peer Review Certificate No. 3878/2023

UDIN: F012224H000707050

Date: June 29, 2026

Place: Bengaluru

Annexure 4

Details of Remuneration of Directors, KMPs and Employees and comparatives

[Pursuant to Section 197(12) and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

1. The ratio of remuneration of each director to the median remuneration of employees of the Company:

Sr. No.	Name	Designation	Ratio (Times)
1	Mr. Aravind S Melligeri	Executive Chairman & CEO	129.31*
2	Mr. Rajeev Kaul	Co-Founder & Managing Director	36.60*
3	Dr. Ajay Aravind Prabhu	Non-Executive Director	-
4	Dr. Anup Wadhawan	Independent Director	13:18
5	Dr. Eberhard Klaus Richter	Independent Director	11:42
6	Ms. Vidya Sarathy	Independent Director	7:32

*Only the fixed pay component has been considered. Variable pay has not been considered, as the actual variable pay amount payable for the financial year 2025-26 will be paid after the end of appraisal cycle that falls in the following year.

2. The Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in FY 2025-26:

Sr. No.	Name	Designation	Percentage Increase over previous year
1	Mr. Aravind S Melligeri	Executive Chairman & CEO	0.63% [#]
2	Mr. Rajeev Kaul	Co-Founder & Managing Director	-0.68%*
3	Dr. Ajay Aravind Prabhu	Non-Executive Director	NA ^{\$}
4	Dr. Anup Wadhawan	Independent Director	NA ^{\$}
5	Dr. Eberhard Klaus Richter	Independent Director	NA ^{\$}
6	Ms. Vidya Sarathy	Independent Director	NA ^{\$}
7	Mr. Dinesh Iyer	Chief Financial Officer	6.09%
8	Mr. Ravi Mallikarjun Hugar	Company Secretary & Compliance Officer	11.11%

[#] Only the fixed pay component has been considered, as no variable pay was payable for FY 2024-25.

*Only the fixed pay component has been considered. Variable pay for FY 2024-25 was not paid and has therefore not been considered

^{\$} The percentage increase in remuneration for FY 2025-26 cannot be determined, as the corresponding remuneration for FY 2024-25 was not paid.

3. The percentage increase in the median remuneration of employees in the FY 2025-26: -16.82%

4. The number of permanent employees on the rolls of the Company as on March 31, 2026:

Male	Female	Transgender	Total
168	7	0	175

5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

- The average percentile increase for the employees (excluding the managerial personnels):- 11%
- The percentage increase in remuneration of the managerial personnel for FY 2025-26 cannot be determined, as the majority of the managerial personnel were appointed during FY 2025-26 and, therefore, corresponding remuneration data for FY 2024-25 is not available for comparison.

6. Affirmation that the remuneration is as per the remuneration policy of the Company and Annual increments, if any, are decided by the Nomination and Remuneration Committee within the salary scale approved by the members and are effective from April 1, of each year:

It is affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees.

7. Information as per Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Any Member, who is interested in obtaining details of top ten employees' remuneration as required under provisions of Section 197 of the Companies Act, 2013 and Rule 5(2) and 5(3) of Rules may write to the Company Secretary at investor_relations@aequs.com.

For Aequs Limited

Mr. Aravind S Melligeri

Executive Chairman & CEO

(DIN: 00787735)

Address: Aequs SEZ, No. 437/A, Hattargi
Village, Hukkeri Taluk, Belagavi – 591243,
Karnataka, India

Place: Belagavi

Date: August 07, 2026

Mr. Rajeev Kaul

Co-Founder & Managing Director

(DIN: 01468590)

Address: Aequs SEZ, No. 437/A, Hattargi
Village, Hukkeri Taluk, Belagavi – 591243,
Karnataka, India

Place: Belagavi

Date: August 07, 2026

Annexure 5

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings & Outgo

Information under Section 134 (3) (M) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014

A. Conservation of energy

i. Steps taken or impact on conservation of energy:

- For all utility rooms 220V 100W X 2 sets lamps for each room, these lamps can be use only when available the raw power, so these were modified with inverter type 30W LED lamps, this can be used in the time of raw power fail

The total energy consumption earlier:

100W X 2Nos X 9 Rooms Total 1800W = 10080 Units
X H 7 = H 70560/Year

The total energy consumption after modification:

30W X 8Nos = 270W = 1512 Units X H 7 = H 10584/Year

Cost Savings: 8568 Units X H 7 = H 59976 Year

- For 2 Nos CNC machines coolant pumps motors Replaced with lower capacity

The total energy consumption earlier:

(2.5HP) 1865W X 2Nos = 3730 W = 20888 Units X H 7
= H 146216/ Year

The total energy consumption after modification:

(1.5HP) 1119W X 2Nos = 2238W = 12532.8 Units X H 7
= H 87729.6/ Year

Cost Savings: 8355.2 Units X H 7 = H 58486.4/ Year

ii. The steps taken by the Company for utilizing alternate sources of energy: Nil

iii. Capital investment on energy conservation equipment: Nil

B. Technology Absorption, Adoption, and Innovation:

1. ROI Management System (Technology/Software: Python)

i. Efforts in brief made towards technology absorption:

The ROI Management System was conceptualized and developed to digitize and centralize the Capital Expenditure (Capex) request process, replacing manual paperwork and approval follow-ups. With seamless integration of role-based dashboards, configurable workflows and real-time tracking, the system ensures transparency, consistency and efficiency across all departments.

ii. The benefits and Improvements:

- Efficient tracking Unified platform:** Eliminates manual paperwork and physical approval follow-ups, streamlining the Capex process.
- Role-based dashboards and workflows:** Provide tailored views and multilevel approval chains aligned with roles and financial thresholds.
- Real-time tracking and communication:** Ensure instant visibility into request status with a centralized query box for traceable discussions.
- Budget insights and documentation:** Deliver department-wise analytics while strengthening compliance, transparency and audit readiness.
- Enhanced accountability:** Uniform implementation across all verticals fosters consistency and smarter, faster decision-making.

iii. In case of imported technology (imported during the last three financial years reckoned from the beginning of the financial year)

- Technology Imported: No (Developed in-house by the Aequs-Information Security Team)
- Year of Import: N/A
- Whether the technology has fully been absorbed: 100%
- If not fully absorbed, area where absorption has not taken place and reason thereof: N/A

iv. Expenditure incurred on Research and Development- NIL

2. Material Coverage Application (Technology/ Software: Python)

i. Efforts in brief made towards technology absorption:

The Material Coverage Application was developed and introduced to streamline material management by integrating 18 Months forecast, sales records, inventory, WIP, BOM, and purchase orders into a unified reporting framework, thereby reducing manual intervention and improving operational accuracy.

ii. The benefits and Improvements:

- Comprehensive visibility:** Consolidates multiple data sources to provide a unified view of material coverage.

- **Optimized material flow:** Ensures smoother allocation across production stages for improved efficiency.
- **Enhanced accuracy:** Reduces manual dependency and strengthens data-driven inventory management.

iii. In case of imported technology (imported during the last three financial years reckoned from the beginning of the financial year)

- Technology Imported: No (Developed in-house by the Aequs- Information Security Team)
- Year of Import: N/A
- Whether the technology has fully been absorbed: 100%
- If not fully absorbed, area where absorption has not taken place and reason thereof: N/A

iv. Expenditure incurred on Research and Development- NIL

3. Quality Control System Application (Technology/ Software: .Net)

i. Efforts in brief made towards technology absorption:

The Quality Control System (QCS) is a structured application designed to manage and monitor quality-related issues across production and service processes. It integrates multiple modules to ensure that defects, escapes and corrective actions are systematically recorded, tracked and resolved.

ii. The benefits and Improvements:

- **Improved Traceability:** Every defect and corrective action is logged, making it easy to track issues from detection to resolution.
- **Compliance & Audit Readiness:** Provides documented evidence of quality processes for audits and certifications.
- **Faster Problem Resolution:** Standardized forms streamline investigations and corrective actions.
- **Cost Reduction:** Minimizes rework, scrap and claims through proactive quality management.

iii. In case of imported technology (imported during the last three financial years reckoned from the beginning of the financial year)

- **Technology Imported:** No (Developed in-house by the Aequs- Information Security Team)
- **Year of Import:** N/A
- **Whether the technology has fully been absorbed:** 100%
- **If not fully absorbed, area where absorption has not taken place and reason thereof:** N/A

iv. Expenditure incurred on Research and Development- NIL

4. Tilted Work Plane in 3D, OMI integration (Technology/Software: Machine Technology)

i. Efforts in brief made towards technology absorption:

Implemented tilted work plane functionality in 3D space on the iTNC640 controller and integrated On-Machine Inspection (OMI) to establish Closed Loop Machining (CLM)

ii. The benefits and Improvements:

- **Enhanced accuracy:** Achieved precise machining on complex geometries by compensating for tilted work planes.
- **Reduced rework:** On-Machine Inspection enabled immediate verification, minimizing errors and scrap.
- **Closed loop control:** Feedback from OMI allowed automatic corrections, ensuring consistent quality.
- **Improved efficiency:** Manual Setups on Machine reduced saving time and resources.

iii. In case of imported technology (imported during the last three financial years reckoned from the beginning of the financial year)

- **Technology Imported:** No (Developed in-house by the Aequs Manufacturing Engineering Team)
- **Year of Import:** N/A
- **Whether the technology has fully been absorbed:** 100%
- **If not fully absorbed, area where absorption has not taken place and reason thereof:** N/A

iv. Expenditure incurred on Research and Development- NIL

5. Implementation of Horizontal Honing Technology (Technology/Software: Machine)

i. Efforts in brief made towards technology absorption:

Installed a new honing machine, validated the process through First Article Inspection (FAI) and successfully onboarded new Manifold parts from Customer into series production.

ii. The benefits and Improvements:

- **Precision and Quality:** Achieved superior bore geometry, surface finish and dimensional accuracy critical Manifold.
- **Enhanced Dimensional Accuracy:** Maintained tight tolerances on bore diameters and roundness, critical for aerospace reliability.

- **Improved Geometric Consistency:** Corrected taper, ovality and alignment issues that conventional machining could not fully resolve.
- **Enhanced Reliability:** Improved correlation between design requirements and manufactured components, strengthening product integrity.
- **Customer Satisfaction:** Critical dimensional tolerance challenges were successfully resolved and the customer appreciated the added capabilities.

iii. In case of imported technology (imported during the last three financial years reckoned from the beginning of the financial year)

- **Technology Imported:** Yes (Company: Deepmaya Honing)
- **Year of Import:** 2025
- **Whether the technology has fully been absorbed:** 100%
- **If not fully absorbed, area where absorption has not taken place and reason thereof:** N/A

iv. Expenditure incurred on Research and Development- NIL

C. Foreign Exchange Earnings and Outgo

Particulars	Financial Year ended March 31, 2026 (in ₹)	Financial Year ended March 31, 2025 (in ₹)
Foreign Exchange Earning (Inflow)	Approx. ₹ 1,143/- Million (Indian Rupees One Thousand One Hundred and Forty-Three Million only)	Approx. ₹ 880 /- Million (Indian Rupees Eight Hundred and Eighty Million only)
Foreign Exchange Expenditure (Outflow)	Approx. ₹ 992/- Million (Indian Rupees Nine Hundred Ninety-Two Million only)	Approx. ₹ 460/- Million (Indian Rupees Four Hundred Sixty Million only)

For Aequs Limited

Mr. Aravind S Melligeri

Executive Chairman & CEO

(DIN: 00787735)

Address: Aequs SEZ, No. 437/A, Hattargi
Village, Hukkeri Taluk, Belagavi – 591243,
Karnataka, India

Place: Belagavi

Date: August 07, 2026

Mr. Rajeev Kaul

Co-Founder & Managing Director

(DIN: 01468590)

Address: Aequs SEZ, No. 437/A, Hattargi
Village, Hukkeri Taluk, Belagavi – 591243,
Karnataka, India

Place: Belagavi

Date: August 07, 2026

Annexure 6

Form No. AOC-2

(Pursuant to Clause (h) of Sub-Section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013, including certain arm's length transactions under third proviso thereto.

- Details of contracts or arrangements or transactions not at arm's length basis: NIL
- Details of material contracts or arrangement or transactions at arm's length basis:

(All amounts are in ₹ millions)

i. Purchase of Goods and Consumables from AeroStructures Manufacturing India Private Limited

a.	Name(s) of the related party and nature of relationship:	AeroStructures Manufacturing India Private Limited Wholly owned subsidiary of the Company and Rajeev Kaul, Co -Founder & Managing Director of the Company is a member of AeroStructures Manufacturing India Private Limited
b.	Nature of contracts/ arrangements / transactions:	Purchasing of Goods and Consumable
c.	Duration of the contracts / arrangements/ transactions:	Not Applicable, as the goods and consumables are being purchased as per the Purchase Orders (PO) issued from time to time
d.	Salient terms of the contracts or arrangements or transactions including the value, if any	Purchasing of goods and consumables as per the purchase orders issued from time to time. The value of transaction during the Financial Year is ₹ 4.28/-
e.	Date(s) of approval by the Board	Not Applicable, as the transaction was at arms length and in the ordinary course of business.
f.	Amount paid as advances, if any	NIL

ii. Sale of Goods to AeroStructures Manufacturing India Private Limited

a.	Name(s) of the related party and nature of relationship:	AeroStructures Manufacturing India Private Limited Wholly owned subsidiary of the Company and Rajeev Kaul, Co -Founder & Managing Director of the Company is a member of AeroStructures Manufacturing India Private Limited
b.	Nature of contracts/ arrangements / transactions:	Sale of Goods
c.	Duration of the contracts / arrangements/ transactions:	Not Applicable, as the goods are being sold as per the Purchase Orders (PO) issued from time to time
d.	Salient terms of the contracts or arrangements or transactions including the value, if any	Sale of goods as per the purchase orders issued from time to time. The value of transaction during the Financial Year is ₹ 0.43/-
e.	Date(s) of approval by the Board	Not Applicable, as the transaction was at arms length and in the ordinary course of business.
f.	Amount paid as advances, if any	NIL

iii. Providing of Subcontracting Services to AeroStructures Manufacturing India Private Limited

a.	Name(s) of the related party and nature of relationship:	AeroStructures Manufacturing India Private Limited Wholly owned subsidiary of the Company and Rajeev Kaul, Co -Founder & Managing Director of the Company is a member of AeroStructures Manufacturing India Private Limited
b.	Nature of contracts/ arrangements / transactions:	Providing Subcontracting Services
c.	Duration of the contracts / arrangements/ transactions:	Not Applicable, as the subcontracting services are being provided as per the Purchase Orders (PO) issued from time to time
d.	Salient terms of the contracts or arrangements or transactions including the value, if any	The Company has provided subcontracting Services as per the purchase orders issued from time to time. The value of transaction during the Financial Year is ₹ 13.62/-
e.	Date(s) of approval by the Board	Not Applicable, as the transaction was at arms length and in the ordinary course of business.
f.	Amount paid as advances, if any	NIL

iv. Sale of Turning Machine to Aequs Consumer Products Private Limited

a.	Name(s) of the related party and nature of relationship:	Aequs Consumer Products Private Limited Wholly owned subsidiary of the Company
b.	Nature of contracts/ arrangements / transactions:	Sale of Turning Machine
c.	Duration of the contracts / arrangements/ transactions:	Not Applicable, as the Turning Machine sold as per the Purchase Orders (PO) issued
d.	Salient terms of the contracts or arrangements or transactions including the value, if any	Sale of Turning Machine as per the terms and conditions mentioned in purchase orders issued The value of transaction during the Financial Year is ₹ 6.91/-
e.	Date(s) of approval by the Board	Not Applicable, as the transaction was at arms length and in the ordinary course of business.
f.	Amount paid as advances, if any	NIL

v. Availing Subcontracting services from Aerostructures Assemblies India Private Limited

a.	Name(s) of the related party and nature of relationship:	Aerostructures Assemblies India Private Limited Wholly Owned Subsidiary of the Company
b.	Nature of contracts/ arrangements / transactions:	Availing of subcontracting services from Aerostructures Assemblies India Private Limited
c.	Duration of the contracts / arrangements/ transactions:	NA
d.	Salient terms of the contracts or arrangements or transactions including the value, if any	Availing of subcontracting services from Aerostructures Assemblies India Private Limited, as per the Purchase Orders (PO) issued from time to time. The value of transaction during the Financial Year is ₹ 1.20/-
e.	Date(s) of approval by the Board	Not Applicable, as the transaction was at arms length and in the ordinary course of business.
f.	Amount paid as advances, if any	NIL

vi. Purchase of goods and consumables from Aequs Aero Machine Inc

a.	Name(s) of the related party and nature of relationship:	Aequs Aero Machine Inc Wholly Owned Subsidiary of the Company
b.	Nature of contracts/ arrangements / transactions:	Purchasing of goods and consumable
c.	Duration of the contracts / arrangements/ transactions:	Not Applicable, as the goods and consumables are being purchased as per the Purchase Orders (PO) issued from time to time
d.	Salient terms of the contracts or arrangements or transactions including the value, if any	Purchasing of goods and consumables as per the purchase orders issued from time to time. The value of transaction during the Financial Year is ₹ 0.25/-
e.	Date(s) of approval by the Board	Not Applicable, as the transaction was at arms length and in the ordinary course of business.
f.	Amount paid as advances, if any	NIL

vii. Availing sub-contracting services from Aequs Aerospace France SAS

a.	Name(s) of the related party and nature of relationship:	Aequs Aerospace France SAS Wholly owned subsidiary of the Company
b.	Nature of contracts/ arrangements / transactions:	Availing of sub-contracting services from Aequs Aerospace France SAS
c.	Duration of the contracts / arrangements/ transactions:	NA
d.	Salient terms of the contracts or arrangements or transactions including the value, if any	Availing of subcontracting services from Aequs Aerospace France SAS, as per the Purchase Orders (PO) issued from time to time. The value of transaction during the Financial Year is ₹ 36.39/-
e.	Date(s) of approval by the Board	Not Applicable, as the transaction was at arms length and in the ordinary course of business.
f.	Amount paid as advances, if any	NIL

viii. Sale of Goods to Aequs Aerospace France SAS

a.	Name(s) of the related party and nature of relationship:	Aequs Aerospace France SAS Wholly owned subsidiary of the Company
b.	Nature of contracts/ arrangements / transactions:	Sale of Manufactured Goods
c.	Duration of the contracts / arrangements/ transactions:	Not Applicable, as the Goods sold as per the Purchase Orders (PO) issued
d.	Salient terms of the contracts or arrangements or transactions including the value, if any	Sale of Goods as per the terms and conditions mentioned in purchase orders issued The value of transaction during the Financial Year is ₹ 27.76/-
e.	Date(s) of approval by the Board	Not Applicable, as the transaction was at arms length and in the ordinary course of business.
f.	Amount paid as advances, if any	NIL

ix. Providing of sub-contracting Services to Aequs Engineered Plastics Private Limited

a.	Name(s) of the related party and nature of relationship:	Aequs Engineered Plastics Private Limited Wholly Owned Subsidiary of the Company
b.	Nature of contracts/ arrangements / transactions:	Providing sub-contracting Services
c.	Duration of the contracts / arrangements/ transactions:	Not Applicable, as the sub-contracting services are being provided as per the purchase orders (PO) issued from time to time
d.	Salient terms of the contracts or arrangements or transactions including the value, if any	The Company has provided subcontracting Services as per the purchase orders issued from time to time. The value of transaction during the Financial Year is ₹ 0.30/-
e.	Date(s) of approval by the Board	Not Applicable, as the transaction was at arms length and in the ordinary course of business.
f.	Amount paid as advances, if any	NIL

x. Sale of Manufactured Goods to Aequs Engineered Plastics Private Limited

a.	Name(s) of the related party and nature of relationship:	Aequs Engineered Plastics Private Limited Wholly Owned Subsidiary of the Company
b.	Nature of contracts/ arrangements / transactions:	Sale of manufactured goods
c.	Duration of the contracts / arrangements/ transactions:	Not Applicable, as the manufactured goods are being sold as per the Purchase Orders (PO) issued from time to time
d.	Salient terms of the contracts or arrangements or transactions including the value, if any	Sale of manufactured goods as per the purchase orders issued from time to time. The value of transaction during the Financial Year is ₹ 0.00008/-
e.	Date(s) of approval by the Board	Not Applicable, as the transaction was at arms length and in the ordinary course of business.
f.	Amount paid as advances, if any	NIL

xi. Availing sub-contracting services from Aerospace Processing India Private Limited

a.	Name(s) of the related party and nature of relationship:	Aerospace Processing India Private Limited Rajeev Kaul is a Common Director
b.	Nature of contracts/ arrangements / transactions:	Availing sub-contracting services
c.	Duration of the contracts / arrangements/ transactions:	Not Applicable, as the sub-contracting services are being availed as per the Purchase Orders (PO) issued from time to time
d.	Salient terms of the contracts or arrangements or transactions including the value, if any	The Company has availed sub-contracting services as per the Purchase Orders (PO) issued from time to time. The value of transactions during the Financial Year is ₹ 29.97/-
e.	Date(s) of approval by the Board	Not Applicable, as the transaction was at arms length and in the ordinary course of business.
f.	Amount paid as advances, if any	NIL

xii. Cost Sharing Agreement with Aerospace Processing India Private Limited

a.	Name(s) of the related party and nature of relationship:	Aerospace Processing India Private Limited Rajeev Kaul is a Common Director
b.	Nature of contracts/ arrangements / transactions:	Providing specialized services viz., Finance and accounts, Human Resource, Administrative Services Supply chain, Secretarial and legal under a duly executed cost sharing agreement dated January 1, 2017
c.	Duration of the contracts / arrangements/ transactions:	Unless terminated by the parties to the agreement
d.	Salient terms of the contracts or arrangements or transactions including the value, if any	Providing specialized services viz., Finance and Accounts, Human Resource, Administrative Services Supply chain, Secretarial and legal, and the charges for services rendered would be based on actual usage. The value of transaction during the Financial Year is ₹ 21.12/-
e.	Date(s) of approval by the Board	January 2, 2017
f.	Amount paid as advances, if any	NIL

xiii. Purchase of Raw Materials from Aerospace Processing India Private Limited

a.	Name(s) of the related party and nature of relationship:	Aerospace Processing India Private Limited Rajeev Kaul is a Common Director
b.	Nature of contracts/ arrangements / transactions:	Purchasing of Raw Materials
c.	Duration of the contracts / arrangements/ transactions:	Not Applicable, as the goods and consumables are being purchased as per the Purchase Orders (PO) issued from time to time
d.	Salient terms of the contracts or arrangements or transactions including the value, if any	Purchasing of goods and consumables as per the purchase orders issued from time to time. The value of transaction during the Financial Year is ₹ 0.69/-
e.	Date(s) of approval by the Board	Not Applicable, as the transaction was at arms length and in the ordinary course of business.
f.	Amount paid as advances, if any	NIL

xiv. Purchase of Goods and Consumables from SQuAD Forging India Private Limited

a.	Name(s) of the related party and nature of relationship:	SQuAD Forging India Private Limited Rajeev Kaul is a Common Director
b.	Nature of contracts/ arrangements / transactions:	Purchase of Goods and Consumables
c.	Duration of the contracts / arrangements/ transactions:	Not Applicable, as the goods are being purchased as per the Purchase Orders (PO) issued from time to time.
d.	Salient terms of the contracts or arrangements or transactions including the value, if any	Purchase of Goods and Consumables from SQuAD Forging India Private Limited as per the purchase orders issued from time to time. The value of transaction during the Financial Year is ₹ 83.95/-
e.	Date(s) of approval by the Board	Not Applicable, as the transaction was at arms length and in the ordinary course of business.
f.	Amount paid as advances, if any	NIL

xv. Sale of manufactured goods to SQuAD Forging India Private Limited

a.	Name(s) of the related party and nature of relationship:	SQuAD Forging India Private Limited Rajeev Kaul is a Common Director
b.	Nature of contracts/ arrangements / transactions:	Sale of Goods
c.	Duration of the contracts / arrangements/ transactions:	Not Applicable, as the goods are being sold as per the Purchase Orders (PO) issued from time to time.
d.	Salient terms of the contracts or arrangements or transactions including the value, if any	Sale of goods to SQuAD Forging India Private Limited as per the purchase orders issued from time to time. The value of transaction during the Financial Year is ₹ 47.35/-
e.	Date(s) of approval by the Board	Not Applicable, as the transaction was at arms length and in the ordinary course of business.
f.	Amount paid as advances, if any	NIL

xvi. Providing of sub-contracting Services to SQuAD Forging India Private Limited

a.	Name(s) of the related party and nature of relationship:	SQuAD Forging India Private Limited Rajeev Kaul is a Common Director
b.	Nature of contracts/ arrangements / transactions:	Providing sub-contracting Services
c.	Duration of the contracts / arrangements/ transactions:	Not Applicable, as the sub-contracting services are being provided as per the purchase orders (PO) issued from time to time
d.	Salient terms of the contracts or arrangements or transactions including the value, if any	The Company has provided subcontracting Services as per the purchase orders issued from time to time. The value of transaction during the Financial Year is ₹ 11.88/-
e.	Date(s) of approval by the Board	Not Applicable, as the transaction was at arms length and in the ordinary course of business.
f.	Amount paid as advances, if any	NIL

xvii. Services Agreement (Cost Sharing Agreement) rendered to Ajna Aerospace & Defence Private Limited:

a.	Name(s) of the related party and nature of relationship:	Ajna Aerospace & Defence Private Limited Rajeev Kaul is a Common Director
b.	Nature of contracts/ arrangements / transactions:	Providing specialized services viz., Finance and accounts, Human Resource, Administrative Services Supply chain, Secretarial and legal under a duly executed cost sharing agreement dated February 1, 2026
c.	Duration of the contracts / arrangements/ transactions:	Upto March 31, 2027, unless mutually extended by the parties in writing
d.	Salient terms of the contracts or arrangements or transactions including the value, if any	Providing specialized services viz., Finance and Accounts, Human Resource, Administrative Services Supply chain, Secretarial and legal, and the charges for services rendered would be based on actual usage. The value of transaction during the Financial Year is ₹ 0.30/-
e.	Date(s) of approval by the Board	Not Applicable, as the transaction was at arms length and in the ordinary course of business.
f.	Amount paid as advances, if any	NIL

For Aequs Limited

Mr. Aravind S Melligeri

Executive Chairman & CEO
(DIN: 00787735)

Address: Aequs SEZ, No. 437/A, Hattargi
Village, Hukkeri Taluk, Belagavi – 591243,
Karnataka, India

Place: Belagavi

Date: August 07, 2026

Mr. Rajeev Kaul

Co-Founder & Managing Director
(DIN: 01468590)

Address: Aequs SEZ, No. 437/A, Hattargi
Village, Hukkeri Taluk, Belagavi – 591243,
Karnataka, India

Place: Belagavi

Date: August 07, 2026

Annexure 7

The Annual Report on Corporate Social responsibility ("CSR") Activities

Pursuant through Section 135 of the Companies Act, 2013, read with rule 8 (i) of the Companies (Corporate Social Responsibility) Rules, 2014

1) Brief outline on CSR Policy of the Company:

By understanding the demographic dividend of India, we initiate our CSR on such grounds, where we can contribute in best way through our core competencies. Our efforts are aimed for better education, development and empowerment of future citizens of the nation.

We would like to initiate and implement series of various interrelated and interconnected sustainable programs and projects. Our projects will be in the domain of education, health, hygiene, environment and safety, emphasizing socially and economically underprivileged school children and institutions related to them.

We shall integrate the culture of volunteering to leverage the managerial and technological core competency, We possess as a company.

Our CSR activities are included but not limited to following focus areas:

1. STEM (Science, Technology, Education and Mathematics) Education and Awareness among government school students.
2. Infrastructural and Intellectual support towards health, hygiene and sanitation facilities of beneficiaries.
3. Preservation of environment and natural resources.
4. Neighborhood projects as per local needs.
5. Composition of CSR Committee:

2) Below is the composition of CSR Committee:

S. No.	Name of the member	Designation	Member/Chairperson
1	Dr. Ajay Prabhu	Non-Executive Director	Chairperson
2	Dr. Anup Wadhawan	Independent Director	Member
3	Mr. Rajeev Kaul	Co-Founder & Managing Director	Member

3) Provide the web-link(s) where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

CSR Policy of the Company has been placed at <https://www.aequs.com/wp-content/uploads/2025/09/CSR-Policy-Charter.pdf>

4) Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:

Not Applicable

5) (a) Average net profit of the company as per sub-section (5) of section 135: - Nil

(b) Two percent of average net profit of the company as per sub-section (5) of section 135:- Nil

(c) Surplus arising out of the CSR Projects or programs or activities of the previous financial years:- Nil

(d) Amount required to be set off for the financial year, if any:- Nil

(e) Total CSR obligation for the financial year [(b)+(c)-(d):- Nil

6) (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): Nil

(b) Amount spent in Administrative Overheads:- Nil

(c) Amount spent on Impact Assessment, if applicable:- Not Applicable

(d) Total amount spent for the Financial Year [(a)+(b)+(c):- Nil

(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
Nil					Not Applicable

(f) Excess amount for set-off, if any: Nil

7) Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6	7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any	Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer	
-	-	-	-	-	-	-	-

8) Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

☐ Yes ☐ No

9) Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135: Not Applicable

For Aequs Limited

Mr. Aravind S Melligeri

Executive Chairman & CEO

(DIN: 00787735)

Address: Aequs SEZ, No. 437/A, Hattargi Village, Hukkeri Taluk, Belagavi – 591243, Karnataka, India

Place: Belagavi

Date: August 07, 2026

Mr. Rajeev Kaul

Co-Founder & Managing Director

(DIN: 01468590)

Address: Aequs SEZ, No. 437/A, Hattargi Village, Hukkeri Taluk, Belagavi – 591243, Karnataka, India

Place: Belagavi

Date: August 07, 2026

Annexure-8

Report on Corporate Governance

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company's commitment to corporate governance guides its business decisions while ensuring financial responsibility, ethical conduct, and fairness to all stakeholders including employees, customers, investors, regulators, suppliers and the society at large. Integrity and transparency are key to our corporate governance practices and ensure that we always gain and retain the trust of our stakeholders.

The Company's governance practices reflect its values, and its Code of Conduct provides the necessary framework for running the business with the highest standards, enabling the Company to fulfil its legal, financial, and ethical objectives towards its stakeholders. The Company has adopted a Code of Conduct for its directors and senior officers which includes an appropriate mechanism to report any concern pertaining to non-adherence to the said Code. The Company discloses information regarding its financial position, performance, and other vital matters with fairness and transparency in a timely manner, keeping in mind the regulatory requirements applicable to the Company.

2. BOARD OF DIRECTORS:

The Board of Directors consists of six (6) Directors, comprising three (3) Independent Directors and three (3) Non-Independent Directors. Of the three (3) Independent Directors, one (1) is a woman Director. The composition of the Board is in conformity with the requirements of Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and the Act. The Chairman of the Board is an Executive Director.

Except for the Chairman and Independent Directors, the remaining One (1) Non-Executive Director and One (1) Executive Director are liable to retire by rotation as per Section 152(6) of the Companies Act, 2013 ("Act"). In the ensuing Annual General Meeting, Mr. Rajeev Kaul (DIN: 01468590), Co-Founder & Managing Director, who is liable to retire by rotation being eligible has opted for re-appointment. There is no relationship between the Directors inter-se during the financial year under review.

a) Composition/Category of Board of Directors as on March 31, 2026:

Name of the Director	Category ⁽¹⁾	Number of Directorships in other Indian listed companies (category of directorship) ⁽²⁾	No. of Directorships and committee memberships/ Chairmanships in Indian Companies as on March 31, 2026			No. and % of Equity Shares held in the Company (%)
			Number of Directorship(s) held in Public listed Companies including this company	Committee membership(s) held in Indian Public Limited Companies	Committee Chairmanships held in Indian Public Limited Companies	
Mr. Aravind S Melligeri	Executive Director & CEO	-	1	1	0	10,00,000 0.1491%
Mr. Rajeev Kaul	Co-Founder & MD	-	1	2	0	5,62,365 0.0839%
Dr. Ajay Aravind Prabhu	NED	-	1	0	0	1,45,000 0.0216%
Dr. Eberhard Klaus Richter	NED (ID)	-	1	0	0	2,00,000 0.0298%
Ms. Vidya Sarathy	NED (ID)	-	1	2	1	Nil
Dr. Anup Wadhawan	NED (ID)	2	3	6	3	Nil

*Details of change in the composition of the Board of Directors of the Company have been provided in the Directors Report

- Category: **WTD** – Whole-Time Director, **MD** - Managing Director, **NED** - Non-Executive Director, **CEO** - Chief Executive Officer, **ND** (Nominee Director) - Non-Executive, Nominee Director, **NED (ID)** - Non-Executive, Independent Director.
- Excludes Foreign Companies, Private Limited Companies (which are not subsidiaries of public limited companies), Alternate Directorships and Companies registered under Section 8 of the Act.

3. Includes only the Audit Committee and the Stakeholders' Relationship Committee of Public Limited Companies (including Aequs Limited).
4. The Company has not issued any convertible securities.

None of the Directors on the Board is a member of more than Ten (10) Committees and Chairman of more than Five (5) Committees across all listed companies in which they are Directors. The necessary disclosures regarding committee positions have been made by all the Directors.

b) Attendance of Directors at the Board Meetings and Annual General Meeting (AGM) held during the financial year 2025-26:

Sr. No.	Name of the Director	Attendance		
		Board Meetings held during the year	Board Meetings Attended	Whether present at AGM held on September 30, 2025
1.	Mr. Aravind S Melligeri	18	18	No ✕
2.	Mr. Rajeev Kaul	18	17	Yes ✓
3.	Dr. Ajay Aravind Prabhu	18	14	Yes ✓
4.	Dr. Eberhard Klaus Richter	18	16	No ✕
5.	Ms. Vidya Sarathy	18	18	No ✕
6.	Dr. Anup Wadhawan	18	16*	No ✕

*Dr. Anup Wadhawan Was appointed w.e.f. 25.04.2025; accordingly, he was entitled to attend Sixteen (16) Board Meetings and attended all Sixteen (16) Board Meetings.

The details of directors' attendance at the Board meetings held during the year are provided below:

Date of the meeting	Mr. Aravind S Melligeri	Dr. Ajay Aravind Prabhu	Dr. Eberhard Klaus Richter	Mr. Rajeev Kaul	Ms. Vidya Sarathy	Dr. Anup Wadhawan
09-04-2025	✓	✓	✓	✓	✓	✕
21-04-2025	✓	✓	✓	✓	✓	✕
08-05-2025	✓	✕	✓	✓	✓	✓
10-05-2025	✓	✓	✓	✓	✓	✓
13-05-2025	✓	✓	✓	✓	✓	✓
30-05-2025	✓	✓	✕	✓	✓	✓
12-08-2025	✓	✓	✓	✓	✓	✓
20-09-2025	✓	✓	✓	✓	✓	✓
24-09-2025	✓	✓	✓	✓	✓	✓
30-09-2025	✓	✓	✓	✕	✓	✓
30-10-2025	✓	✕	✓	✓	✓	✓
14-11-2025	✓	✓	✕	✓	✓	✓
26-11-2025	✓	✓	✓	✓	✓	✓
05-12-2025	✓	✕	✓	✓	✓	✓
10-01-2026	✓	✕	✓	✓	✓	✓
29-01-2026	✓	✓	✓	✓	✓	✓
23-02-2026	✓	✓	✓	✓	✓	✓
24-03-2026	✓	✓	✓	✓	✓	✓

✓ Attended | ✕ Not Applicable | ✕ Leave of Absence

c) Directorship in Other Listed Entities as on March 31, 2026, and Category of Directorship:

Sr. No.	Name of the Director	Name of the other listed entities	Category of directorship
1.	Mr. Aravind S Melligeri	NA	NA
2.	Mr. Rajeev Kaul	NA	NA
3.	Dr. Ajay Aravind Prabhu	NA	NA
4.	Dr. Eberhard Klaus Richter	NA	NA
5.	Ms. Vidya Sarathy	NA	NA
6.	Dr. Anup Wadhawan	1. Yatra Online Limited. 2. Glaxosmithkline Pharmaceuticals Limited 3. Turtlemint Fintech Solutions Limited (Listed on 29.06.2026)	Independent Director

None of the Directors holds office in more than 10 (Ten) public companies as prescribed under Section 165(1) of the Act.

No Director holds Directorships in more than 7 (Seven) listed companies and none of the Non-Executive Directors serves as Independent Directors in more than 7 (Seven) listed companies. Further none of the Whole-Time Directors of the Company serve as an Independent Director in more than 3 (Three) listed entities, as required under Regulation 17A of the Listing Regulations.

d) Number of Board Meetings held in the financial year 2025-26 (April 01, 2025, to March 31, 2026) and the dates on which held:

Eighteen (18) Board meetings were held during the financial year 2025-26. Date of Board Meetings and no. of Directors present at Board Meeting has been provided above in point 2(b) of this report. The necessary quorum was present for all the meetings. The Board has complete access to any information within the Company which includes the information as specified in Schedule II, Part A to Regulation 17(7) of the Listing Regulations and they are updated about their roles and responsibilities in the Company.

e) Inter-se Relationship between Directors:

There are no inter-se relationships between the Directors and Key Managerial Personnel of the Company.

f) Number of shares and convertible instruments held by Non-Executive Directors:

Dr. Ajay Aravind Prabhu, Non-Executive Director of the Company holds 1,45,000 Equity Shares as on 31.03.2026.

g) Web link for details of familiarization programs imparted to independent directors is as below:

<https://www.aequs.com/wp-content/uploads/2026/03/Details-of-Familiarisation-programme-imparted-to-Independent-Directors-for-FY-2025-26.pdf>

h) Board's Core Skills/Expertise/Competencies:

For effective functioning of the Board, the Company's Board needs to have skills/expertise/competencies in the areas of leadership experience, experience of crafting Business strategies, understanding of customer, finance and accounting expertise and understanding of the changing regulatory landscape.

The Company's Board is composed of people from diverse fields. The Company's Directors are qualified and possess the appropriate knowledge, skills, experience, expertise, diversity, and independence, covering Business, Finance & Accounting and Governance/Legal. In the table given below, various skills/expertise/competencies of the Board of Directors are given:

Sr. No.	Name of the Director		Areas of Skills/Expertise/Competencies				
			Leadership experience	Experience of crafting Business strategies and understanding of customer	Technology understanding	Finance and accounting understanding	Understanding of the changing regulatory landscape
1.	Mr. Aravind S Melligeri		✓	✓	✓	✓	✓
2.	Mr. Rajeev Kaul		✓	✓	✓	✓	✓
3.	Dr. Ajay Aravind Prabhu		✓	✓	✓	✓	✓
4.	Dr. Klaus Richter		✓	✓	✓	✓	✓
5.	Ms. Vidya Sarathy		✓	✓	✓	✓	✓
6.	Dr. Anup Wadhawan		✓	✓	✓	✓	✓

Independent Directors:

- ◆ The Independent Directors are from diverse fields of expertise and have long-standing experience and expert knowledge in their respective fields are very relevant as well as of considerable value for the Company's business.
 - ◆ As a part of the familiarization programme as required under Listing Regulations, the Independent Directors have been apprised during the Board / Committee Meetings about the amendments to the various enactments viz., the Act and Listing Regulations. Further, as a part of Board and Committee meetings members of the Board are also apprised on various developments in business both from an internal and external perspective.
 - ◆ The Policy on Familiarization Programme for Independent Directors are available on the website of the company at <https://www.aequs.com/wp-content/uploads/2025/09/Familiarisation-Policy.pdf>
 - ◆ The terms and conditions of appointment of the Independent Directors are disclosed on the Company's website at <https://www.aequs.com/wp-content/uploads/2025/09/Terms-of-Appointment-of-Independent-Director.pdf>
 - ◆ Independent Directors of the Company have provided a declaration as required under the Act and Listing Regulations. The Board has noted the said declarations and have opined that all Independent Directors fulfil the conditions of independence and are independent of the management of the Company.
 - ◆ All Independent Directors fulfil the requirements stipulated in Regulation 25(1) of the Listing Regulations and Section 149 read with Schedule IV of the Act.
 - ◆ The key managerial personnel of the Company provide regular updates to all the Independent Directors by making a presentation(s) on key business developments, business & financial performance, new strategic initiatives, regulatory changes, and other related matters during the Board meetings.
 - ◆ During the financial year under review, two separate meeting of the Independent Directors were held on November 27, 2025 and March 18, 2026, without the presence of Non-Executive Directors/Whole-Time Director/Management, to discuss the matter as required/agreed amongst them in accordance with the provisions of the Act and Listing Regulations. The Independent Directors in their meeting have assessed the quality, quantity and timeliness of flow of information between the management and the Board of Directors that is necessary for the board to effectively and reasonably perform their duties apart from proper evaluation.
- i) The Board periodically reviews the compliance reports submitted by the Management in respect of all laws applicable to the Company.

- j) Detailed reasons for the resignation of an independent director who resigns before the expiry of his/her tenure along with a confirmation by such director that there are no other material reasons other than those provided – **No Independent Director has resigned during the financial year 2025-26.**

3. AUDIT COMMITTEE:

The Audit Committee of Board of Directors of the Company has been constituted on May 08, 2025 as per the provisions of Regulation 18 of Listing Regulations read with Section 177 of the Act including amendments, if any. All members of the Audit Committee are financially literate and have sound accounting and related financial management expertise.

(i) Terms of Reference:

- (1) oversight of financial reporting process and the disclosure of financial information relating to the Company to ensure that the financial statements are correct, sufficient and credible;
- (2) recommendation to the Board for appointment, re-appointment, replacement, remuneration and other terms of appointment of statutory auditors of the Company and the fixation of the audit fee;
- (3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (4) examining and reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a. matters required to be included in the director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
 - b. changes, if any, in accounting policies and practices and reasons for the same;
 - c. major accounting entries involving estimates based on the exercise of judgment by management;
 - d. significant adjustments made in the financial statements arising out of audit findings;
 - e. compliance with listing and other legal requirements relating to financial statements;
 - f. disclosure of any related party transactions; and
 - g. qualifications and modified opinion(s) in the draft audit report.

- (5) reviewing with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
- (6) reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the Offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the Board to take up steps in this matter.
- (7) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (8) approval of any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company, subject to the conditions as may be prescribed, by the independent directors who are members of the Audit Committee;
 - i. Recommend criteria for omnibus approval or any changes to the criteria for approval of the Board;
 - ii. Make omnibus approval/recommendations for related party transactions proposed to be entered into by the Company for every financial year as per the criteria approved;
 - iii. Review of transactions pursuant to omnibus approval;
 - iv. Make recommendation to the Board, where Audit Committee does not approve transactions other than the transactions falling under Section 188 of the Companies Act, 2013.
- (9) scrutiny of inter-corporate loans and investments;
- (10) valuation of undertakings or assets of the Company, wherever it is necessary;
- (11) evaluation of internal financial controls and risk management systems;
- (12) reviewing with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
- (13) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (14) discussion with internal auditors of any significant findings and follow-up thereon;
- (15) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- (16) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (17) looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (18) reviewing the functioning of the whistle blower mechanism;
- (19) monitoring the end use of funds raised through public offers and related matters;
- (20) overseeing the vigil mechanism established by the Company, with the chairperson of the Audit Committee directly hearing grievances of victimization of employees and directors, who used vigil mechanism to report genuine concerns in appropriate and exceptional cases;
- (21) approval of appointment of chief financial officer (i.e., the whole-time finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- (22) reviewing the utilization of loans and/or advances from/investment by the Company in its subsidiary(/ies) exceeding ₹1,000,000,000 or 10% of the asset size of the subsidiary(/ies), whichever is lower including existing loans/ advances/ investments;
- (23) review the financial statements, in particular, the investments made by any unlisted subsidiary;
- (24) considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders;
- (25) approving the key performance indicators ("KPIs") for disclosure in the offer documents, and approval of KPIs once every year, or as may be required under applicable law; and
- (26) carrying out any other functions required to be carried out by the Audit Committee as may be decided by the Board and/or as provided

under the Companies Act, 2013, the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

(27) The Committee shall mandatorily review the following information:

- ❖ Management discussion and analysis of financial condition and results of operations;
- ❖ Management letters / letters of internal control weaknesses issued by the statutory auditors;
- ❖ Internal audit reports relating to internal control weaknesses;
- ❖ The appointment, removal and terms of remuneration of the chief internal auditor; and

❖ Statement of deviations in terms of the SEBI Listing Regulations:

- a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) where the Equity Shares are proposed to be listed in terms of the SEBI Listing Regulations;
- b. annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice in terms of the SEBI Listing Regulations;

(28) Such information as may be prescribed under the Companies Act and the SEBI Listing Regulations.

(ii) Composition, Name of Members & Chairperson, Meetings held during the Financial Year and Attendance at Meetings:

The Audit Committee presently consists of Two Independent Directors and One Executive Director. The Committee has held Nineteen (19) meetings during the financial year 2025-26 as under:

Sr. No.	Date of meeting	Sr. No.	Date of meeting
1.	May 10, 2025	11.	November 14, 2025
2.	May 30, 2025	12.	November 16, 2025
3.	May 30, 2025	13.	November 26, 2025
4.	June 30, 2025	14.	December 05, 2025
5.	August 11, 2025	15.	January 10, 2026
6.	September 20, 2025	16.	January 29, 2026
7.	September 24, 2025	17.	February 23, 2026
8.	September 24, 2025	18.	March 18, 2026
9.	September 30, 2025	19.	March 24, 2026
10.	October 15, 2025		

The minutes of the Audit Committee meetings were placed before the Board at the subsequent Board Meeting.

The composition of the Audit Committee as on March 31, 2026, and the attendance of members at the meetings held during the financial year 2025-26 were as follows:

Members of the Committee	Designation	No. of meetings	
		Held	Attended
Ms. Vidya Sarathy		19	19
Dr. Anup Wadhawan		19	19
Mr. Rajeev Kaul		19	18*



Chairperson



Member

Mr. Rajeev Kaul was granted leave of absence for the meeting held on September 30, 2025 due to pre-occupation.

Mr. Ravi Mallikarjun Hugar, Company Secretary & Compliance Officer is the Secretary to the Audit Committee. The gap between the two Audit Committee Meetings did not exceed 120 days. The necessary quorum was present at the above Meetings. There was no change in the composition of the audit committee during the year under review.

4. NOMINATION AND REMUNERATION COMMITTEE (NRC):

The Company has duly constituted NRC on May 08, 2025, as per Regulation 19 of the Listing Regulations, read with Section 178 of the Act and the Rules made thereunder. All the members of the Committee are Non-Executive Directors including 2 Independent Directors. The Company Secretary acts as secretary to the NRC.

(i) Terms of Reference:

The Committee reviews appointment of Directors and Key Managerial Persons. The terms of reference of the Nomination & Remuneration Committee are in line with Section 178 of the Act and the Listing Regulations. The broad terms of reference of the NRC are as follows:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board, a policy relating to, the remuneration of the directors, Key Managerial personnel and other employees.
2. For every appointment of an independent director, the NRC shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - a. use the services of an external agencies, if required;
 - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c. consider the time commitments of the candidates.
3. Advise and recommend to the Board on various matters relating to the appointment, removal and remuneration (including changes if any) of Director, Senior Management Person and Key Management Personnel;
4. Formulating performance evaluation criteria of all Independent Directors and Board of Directors;
5. Identifying persons who are qualified to become directors and who may be appointed in Senior Management, in accordance with the prescribed criteria;
6. Assist and advise the Board in overseeing succession planning for Directors, Senior Management and Key Management Persons.
7. Recommend to the Board, all remuneration, in whatever form, payable to Senior Management;
8. Assist and advise the Board in ensuring a transparent nomination process to the Board of Directors with the diversity of thought, experience, knowledge, perspective and gender in the Board of Directors.
9. To act as Administrator of the Stock Option Plans and schemes of the Company;
10. Devising a policy on diversity of the Board;
11. Recommend to the Board whether to extend or continue the term of appointment of the independent director, inter alia, on the basis of the report of performance evaluation of independent director; and
12. Carrying out any other functions required to be carried out by the Nomination and Remuneration Committee as is mandated by the Board as required under SEBI Listing Regulations or any other applicable laws, as and when amended from time to time.

(ii) Composition, Name of Members & Chairperson, Meetings held during the Financial Year and Attendance at Meetings:

The NRC presently consists of Two Independent Directors and One Non-Executive Director. The Chairperson is a Non-Executive and Independent Director. During the financial year 2025-26, Four (4) meetings were held on (1) May 10, 2025, (2) July 24, 2025, (3) January 10, 2026, and (4) February 23, 2026. The minutes of the meetings of the NRC were placed before the Board at the subsequent Board Meeting.

The composition of the NRC as on March 31, 2026, and the attendance of members at the meetings held during the financial year 2025-26 were as follows:

Members of the Committee	Designation	No. of meetings	
		Held	Attended
Dr. Eberhard Klaus Richter		4	4
Dr. Anup Wadhawan		4	4
Dr. Ajay Aravind Prabhu		4	4

 Chairperson |  Member

There was no change in composition of the NRC during the year under review. Mr. Ravi Mallikarjun Hugar, Company Secretary & Compliance Officer is the Secretary to the NRC.

(iii) Performance Evaluation of Directors:

Details with respect to Annual Performance Evaluation of the Board of Directors of the Company has been provided in the Directors Report.

(iv) Criteria for Performance Evaluation of independent directors:

Performance Evaluation of Independent Directors is based on criteria such as significant understanding and knowledge of the entity and the sector in which the company operates, ability to function as an effective team-member, availability for meetings of the Board and attendance at the meetings, effective contribution to the entity and in the Board meetings, independence from the entity and the other directors and there being no conflict of interest, etc.

(v) Remuneration Policy

The Nomination and Remuneration Policy and the criteria for formulation of the Nomination and Remuneration Policy is available on the website of the Company at <https://www.aequs.com/wp-content/uploads/2025/09/NRC-Policy-and-Charter.pdf>

5. STAKEHOLDERS' RELATIONSHIP COMMITTEE (SRC):

The Company has constituted SRC on May 08, 2025 in line with the provisions of Regulation 20 of Listing Regulations read with Section 178(5) the Act. The Committee looks into shareholders'/ investors' grievances including any other matters as may be decided by SRC.

(i) Terms of reference:

1. The terms of reference of the SRC are in line with Section 178(5) of the Act and the Listing Regulations, including amendments, if any. The broad terms of reference of the SRC are as follows:
2. Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, nonreceipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
3. Review of measures taken for effective exercise of voting rights by shareholders.
4. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
5. Such other matter as may be specified by the Board from time to time.
6. Any other matter as prescribed by the Companies Act, 2013 & Rules made thereunder, and SEBI Listing Regulations.

(ii) Composition, Name of Members & Chairperson, Meetings held during the Financial Year and Attendance at Meetings:

One (01) meeting of the Committee was held during this financial year viz., on, February 12, 2026.

The composition of the SRC as of March 31, 2026, and the attendance of members at the meetings held during the financial year 2025-26 are as follows:

Members of the Committee	Designation	No. of meetings	
		Held	Attended
Dr. Anup Wadhawan		1	1
Mr. Aravind S Melligeri		1	1
Mr. Rajeev Kaul		1	1



Chairperson



Member

There was no change in the composition of the SRC during the year under review. The minutes of the SRC meetings were placed before the Board at the subsequent Board meeting. Mr. Ravi Mallikarjun Hugar, Company Secretary & Compliance Officer is the Secretary to the SRC.

There were no investor queries/investor grievances pending during the period under review.

Continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors.

The details of investors' complaints received and resolved during the financial year 2025-26 are as under:

No. of investors' complaints received during December 10, 2025 till March 31, 2026*	No. of investors' complaints resolved during December 10, 2025 till March 31, 2026*	No. of Investors' complaints pending at March 31, 2026*
57	57	Nil

*Since the Company got listed on BSE Limited and National Stock Exchange of India Limited on December 10, 2025 the period mentioned is from December 2025 to March 2026.

The Company has obtained authentication on SEBI SCORES in terms of the SEBI circular bearing number CIR/OIAE/1/2013 dated April 17, 2013 to address and resolve redressal of investor grievances through SCORES.

6. RISK MANAGEMENT COMMITTEE ("RMC"):

The Company has duly constituted RMC on May 08, 2025 pursuant to the provisions of Regulation 21 of Listing Regulations. The Company has in place a mechanism to inform Board Members about the risk assessment and minimization procedures and review to ensure that executive management controls risk by means of a properly defined framework. The Company has formulated a Policy on Risk Management and the same is uploaded on the website of the Company at <https://www.aequs.com/wp-content/uploads/2025/11/Risk-Management-Policy-Charter.pdf>

(i) Terms of reference:

1. To formulate a detailed risk management policy which shall include:
 - (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - (b) Measures for risk mitigation including systems and processes for internal control of identified risks.

- (c) Business continuity plan.
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the risk management policy including evaluating the adequacy of risk management systems;
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken; and
6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.
7. The Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.

The RMC presently consists of Three (3) Directors, One (1) being Independent directors and Two Executive directors. The Chairman is a Non-Executive and Independent Director. During the financial year under review, One (1) meeting was held on March 18, 2026.

(ii) Composition, Name of Members & Chairperson, Meetings held during the Financial Year and Attendance at Meetings:

The composition of the RMC as on March 31, 2026, and the attendance of members at the meetings held during the financial year 2025-26 are as follows:

Members of the Committee	Designation	No. of meetings	
		Held	Attended
Dr. Anup Wadhawan		1	1
Mr. Aravind S Melligeri		1	1
Mr. Rajeev Kaul		1	1

 Chairperson |  Member

There was no change in the composition of the RMC during the year under review. Mr. Ravi Mallikarjun Hugar, Company Secretary & Compliance Officer is the Secretary to the RMC.

7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Pursuant to Section 135 of the Act, a Corporate Social Responsibility (CSR) Committee of the Board was voluntarily constituted pursuant to a resolution passed by our Board in its meeting held on May 08, 2025.

(i) Terms of reference:

1. formulate and recommend the CSR Policy to the Board.
2. identify the activities to be undertaken as per Schedule VII of the Companies Act, 2013.
3. institute a transparent monitoring mechanism for implementation of the CSR Projects or programs or activities undertaken by the Company.
4. recommend the amount of CSR expenditure to be incurred on the earmarked CSR activities.
5. monitor the implementation of the CSR Policy from time to time and create mechanisms for tracking performance of identified projects or programs.

6. formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the items as mentioned in rule 5(2) of the Rules.
7. discharge such other functions as the Board may deem fit to promote the corporate social responsibility activities of the Company and exercise such other powers as may be conferred upon the CSR Committee in terms of the provisions of Section 135 of the Companies Act, as amended.

The CSR Committee is responsible for identifying the areas of CSR activities, programs and execution of initiatives as per defined guidelines and for overseeing the activities / functioning of projects through the NGO, Foundations including Aequs Foundation. The CSR Committee is empowered to formulate and recommend to the Board the CSR Policy which shall indicate the activities to be undertaken by the Company, its implementation and monitoring of the CSR Policy and initiatives taken by the Company.

The provisions of CSR as prescribed under section 135 of the Act and the rules prescribed thereunder were applicable to the Company for the Financial Year. As the Company had an average loss for the last three financial years, there was no CSR obligation for the Company for the Financial Year.

(ii) Composition, Name of Members & Chairperson, Meetings held during the Financial Year and Attendance at Meetings:

The CSR Committee presently consists of Three (3) Directors, one being Independent Director, one Executive Director and one Non-Executive Director. The Chairperson is a Non-Executive Director.

Members of the Committee	Designation	No. of meetings	
		Held	Attended
Dr. Ajay Aravind Prabhu		Nil	Nil
Dr. Anup Wadhawan		Nil	Nil
Mr. Rajeev Kaul		Nil	Nil



Chairperson



Member

There was no change in the composition of the CSR during the year under review. The Company has formulated a Policy for its CSR activities and can be accessed by using below link <https://www.aequs.com/wp-content/uploads/2025/09/CSR-Policy-Charter.pdf>

Mr. Ravi Mallikarjun Hugar, Company Secretary & Compliance Officer is the Secretary to the CSR Committee.

8. OTHER COMMITTEES:

A. IPO COMMITTEE

Your Board had constituted a separate committee to monitor, review and recommend to the Board on the Initial Public Offering of the Company. The IPO Committee of the Company consists of three Directors.

(i) Terms of reference:

During the financial year, the IPO Committee performed functions and exercised powers delegated by the Board in connection with the Initial Public Offering (IPO) of the Company. The Committee oversaw and approved key aspects of the IPO process, including determination of the offer structure, size, pricing and timing of the offer, review and approval of offer documents, regulatory filings and approvals, appointment and management of intermediaries, execution of IPO related agreements and documentation, coordination with regulatory authorities and stock exchanges, approval of marketing, allotment and listing related activities, management of IPO proceeds, and all other matters incidental or ancillary to the successful implementation and completion of the IPO in compliance with applicable laws and regulatory requirements.

(ii) Composition, Name of Members & Chairperson, Meetings held during the Financial Year and Attendance at Meetings:

The IPO Committee presently consists of two Executive Directors and one Independent Director. The Chairperson is an Executive Director. During the financial year 2025-26, five (5) meetings were held on (1) May 31, 2025, (2) November 16, 2025, (3) November 27, 2025, (4) December 02, 2025 and (5) December 08, 2025.

The composition of the IPO Committee as on March 31, 2026, and the attendance of members at the meetings held during the financial year 2025-26 are as follows:

Members of the Committee	Designation	No. of meetings	
		Held	Attended
Mr. Rajeev Kaul		5	5
Mr. Aravind S Melligeri		5	5
Ms. Viday Sarathy		5	5



Chairperson



Member

There was no change in the composition of the IPO Committee during the year under review. The IPO Committee has been dissolved with effect from July 29, 2026.

B. ADMINISTRATIVE COMMITTEE

The Administrative Committee of Board of Directors of the Company has been constituted on October 30, 2021 in order to efficiently handle day to day operations and certain management activities of the Company as delegated by the Board of Directors of the Company.

(i) Terms of Reference:

- To oversee and approve matters arising in the ordinary course of business as delegated by the Board of Directors.
- To approve borrowings, working capital facilities and other financial arrangements within the limits approved by the Board and shareholders, and to authorize execution of related documents.
- To approve investments, inter-corporate loans, guarantees and securities within the limits permitted under applicable laws and shareholder approvals.
- To approve and review inter-company transactions and the purchase, sale or disposal of movable and immovable assets within the delegated authority of the Committee.
- To obtain regulatory approvals, permits, licenses and consents required for the conduct of the Company's business and to authorize officers of the Company for dealing with statutory and regulatory authorities.
- To oversee legal, regulatory and taxation related matters, including initiation, defense and settlement of legal proceedings, appointment of legal counsel and representation before courts, tribunals and governmental authorities.
- To open, operate and close bank accounts and demat accounts, authorize signatories, and approve banking and treasury related transactions and documentation.
- To authorize the execution of contracts, purchase orders, work orders, powers of attorney, letters of authority and other documents necessary for carrying on the Company's business.
- To approve the affixation of the Common Seal of the Company wherever required in accordance with the Articles of Association and applicable laws.
- To approve digital signatures, logistics related documentation and such other administrative, operational and financial matters as may be delegated by the Board from time to time.
- To exercise such other powers and perform such other duties as may be delegated or assigned by the Board of Directors from time to time.

(ii) Composition, Name of Members & Chairperson, Meetings held during the Financial Year and Attendance at Meetings:

The Administrative Committee presently consists of One Executive Director and One Non-Executive Director. The Committee has not convened any meeting during the financial year 2025-26 but passed Four resolutions by circulation on July 09, 2025, August 29, 2025, September 22, 2025 & October 25, 2025 respectively.

The resolutions as passed by the Administrative Committee were placed before the Board at the subsequent Board Meeting of passing such resolution.

The composition of the Administrative Committee as on March 31, 2026, and the attendance of members at the meetings held during the financial year 2025-26 were as follows:

Members of the Committee	Designation	No. of meetings	
		Held	Attended
Mr. Rajeev Kaul		0	NA
Dr. Ajay Aravind Prabhu		0	NA



Chairperson



Member

Mr. Ravi Mallikarjun Hugar, Company Secretary & Compliance Officer is the Secretary to the Administrative Committee. There was no change in the composition of the Administrative committee during the year under review.

Subsequent to the financial year end the Company has appointed Mr. Ravi Kumar Assudani w.e.f. May 11, 2026 as Head of Engineering – Consumer Business and designated as Senior Management Personnel.

9. SENIOR MANAGEMENT:

As on March 31, 2026, the senior management consists of the following:

Name of Senior Management	Designation
Dr. Ravi Guttal	 Chief Technology Officer & Senior Vice President-Engineering & Quality
Mr. Kapil Mahajan	 Chief Human Resource Officer
Mr. Mohamed Bouzidi	 President – Aerospace

During the year Mr. Vikas Goel, Senior Managerial Personnel has resigned w.e.f. from November 16, 2025, except this there are no other Changes in senior management from the date of listing till March 31, 2026.

10. DETAILS OF REMUNERATION PAID TO ALL THE DIRECTORS DURING THE FINANCIAL YEAR 2025-26:

A. Remuneration to Non-Executive Directors:

- No Sitting fees has been paid during the year for Meetings of Board and Audit Committee, Nomination and Remuneration Committee, Stakeholder Relationship Committee and Corporate Social Responsibility Committee.

Policy for Remuneration to Directors/Key Managerial Personnel/Senior Management:

The Board has approved the Remuneration Policy for Directors, Key Managerial Personnel ('KMP') and all other employees of the Company. The same is available on our website at <https://www.aequs.com/wp-content/uploads/2025/09/NRC-Policy-on-Remuneration-on-Dir-KMP-Other-Employees.pdf>

- The details of remuneration paid to Non-Executive Independent Directors of the Company for the financial year 2025-26 is as tabled below:

Name of the Director	Sitting fees	Salary & Perquisites	Commission	Stock Option	Pension	(Amounts in ₹ Millions)	
						Total	Remuneration
Ms. Vidya Sarathy	-	2.50	-	-	-	2.50	
Dr. Eberhard Klaus Richter	-	€ 50,000	-	-	-	€ 50,000	
Dr. Anup Wadhawan	-	4.50	-	-	-	4.50	

- At the Extra-Ordinary General Meeting held on April 25, 2025 the members approved the remuneration to be paid to Independent Directors of the Company for the financial year 2025-26 by way of passing a special resolution(s). The

Board, while deciding the basis for determining the compensation of the Independent Directors, takes various things into consideration. These include benchmarking of compensation paid by various companies within the same industry, participation of individual directors in Board and committee meetings, other responsibilities, such as membership or chairmanship of committees, time spent in carrying out other duties, roles and functions as prescribed in Schedule IV of the Act, Listing Regulations and such other factors as the Board deems fit.

4. The Non-Executive and Non-Independent Directors are neither paid sitting fee nor any commission.
5. None of the Non-Executive Independent Directors have any other material pecuniary relationship or transaction with the Company, its Promoters, or Directors, or Senior Management which, in their judgment, would affect their independence.

B. Remuneration paid to Executive Directors of the Company*:

The appointment and remuneration of Executive Director i.e. Whole-Time Director and Managing Director and Chief Executive Officer is governed by the recommendation of the NRC, resolutions passed by the Board and Shareholders of the Company.

Details of remuneration paid to Executive Directors of the Company are provided below:

(Amounts in ₹ Millions)

Particulars	Mr. Aravind S Melligeri Executive Chairman & CEO	Mr. Rajeev Kaul Co-Founder & Managing Director
Salary and Allowances	Fixed pay: US\$ 0.5/- *Variable pay: Nil Remuneration is paid from wholly owned subsidiary Aequs Aero Machin INC	Fixed pay: ₹ 12.50/- *Variable pay: Nil
Stock Options granted/exercised during the financial year	Nil	Nil

* Variable pay amount paid during the year pertains to the financial year 2024-25. The actual variable pay amount payable for the financial year 2025-26 will be paid after the end of appraisal cycle that falls in the following year.

C. Stock Option

The Company's Employee Stock Option Scheme(s), namely Aequs Employee Stock Option Plan, 2013, Aequs Employee Stock Option Plan, 2016, Aequs Employee Stock Option Plan, 2020 and Aequs Employee Stock Option Plan, 2022 ("**Prior ESOP Plans**") were consolidated into Aequs Employee Stock Option Plan 2025' ("ESOP 2025") during the financial year 2025-26 pursuant to resolution by the Board of the Directors on May 10, 2025 and by the shareholders on May 13, 2025.

A copy of the ESOP Scheme/Plan as required under Section 62 of the Act and Regulation 14 of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 is available on Company's website and can be accessed at <https://www.aequs.com/wp-content/uploads/2026/04/Aequs-Limited-ESOP-Plan-2025.pdf>.

11. GENERAL BODY MEETINGS:

a. Location, time, and details of Special Resolution during the last three annual general meetings:

Financial Year	Day & Date	Time (IST) and Venue	Special Resolutions passed
2024-25	Tuesday, September 30, 2025	14:00 HRS IST Aequs Tower, No. 55, Whitefield Main Road, Mahadevapura Post, Bengaluru - 560048, Karnataka, India	No special resolution was passed at Annual General Meeting held on September 30, 2025.
2023-24	Friday, October 25, 2024	14:00 HRS IST No. 55, Whitefield Main Road, Mahadevapura Post, Bengaluru - 560048, Karnataka, India,	1. Approval for providing Performance Guarantee to Airbus, France, on behalf of SQuAd Forging India Private Limited
2022-23	Wednesday, September 27, 2023	14:00 HRS IST No. 55, Whitefield Main Road, Mahadevapura Post, Bengaluru - 560048, Karnataka, India,	1. To approve the proposal of Alteration of Articles of Association of the Company

b. Postal Ballot:

During the FY 2025-26, members of the Company approved the following resolutions by requisite majority, through postal ballot:

Sl. No.	Particulars of Postal Ballot	Date of Approval of Postal Ballot	Resolutions passed and Type of Resolution	Details of Voting Pattern	Person who conducted the postal ballot exercise	Procedure for postal ballot
1.	Date of Postal Ballot Notice: February 25, 2026 Period of E-voting: February 26, 2026, from 09:00 HRS IST to March 27, 2026 at 17:00 HRS IST	March 27, 2026	Refer below table	Refer below table	The Board of Directors of the Company had appointed CS Pramod SM or failing him CS Biswajit Ghosh of M/s. BMP & Co. LLP, a Practicing Company Secretary firm, Bengaluru as scrutinizer to scrutinize the e-voting process in a fair and transparent manner.	Pursuant to Section 110 read with Section 108 and other applicable provisions, if any, of the Act (including any statutory modification or re-enactment thereof for the time being in force), read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 ('Rules'), Regulation 44 of the Listing Regulations read with circulars issued by MCA and SEBI for conducting postal ballot process through e-voting.

Details of resolution and voting pattern

Sr No	Description of resolution	Type of resolution	Details of Voting Pattern
1.	Ratification and Amendment of the "Aequs Employee Stock Option Plan 2025" ("ESOP 2025")	Special Resolution	 Voting in Favor : 98.42%  Voting against : 1.58%
2.	Ratification of the extension of the benefits of Aequs Employee Stock Option Plan 2025 ("ESOP 2025") to the employees of holding company and subsidiary companies of the Company	Special Resolution	 Voting in Favor : 97.65%  Voting against : 2.35%
3.	Approval of secondary acquisition of shares through trust route for the implementation of 'Aequs Employee Stock Option Plan 2025' ("ESOP 2025")	Special Resolution	 Voting in Favor : 98.42%  Voting against : 1.58%
4.	Ratification of provision of funds by the Company for the purchase of its own shares by the Aequs Stock Option Plan Trust for the benefit of employees under Aequs Employee Stock Option Plan 2025 ("ESOP 2025")	Special Resolution	 Voting in Favor : 98.42%  Voting against : 1.58%
5.	Approval for the right to nominate directors under the Shareholders' Agreement dated October 12, 2023, read with its amendment and termination agreement dated May 12, 2025	Special Resolution	 Voting in Favor : 100%  Voting against : 0%
6.	Approval for alteration of Articles of Association of the Company	Special Resolution	 Voting in Favor : 100%  Voting against : 0%
7.	Approval for material related party transactions by the Company and its wholly owned subsidiaries with Aequs SEZ Private Limited	Ordinary Resolution	 Voting in Favor : 100%  Voting against : 0%

c. Details of special resolution proposed to be transacted through postal ballot:

There is no such special resolution is proposed to be transacted through postal ballot as on the date of this report.

12. MEANS OF COMMUNICATION:

◆ **Financial Results:**

The quarterly/annual financial results are filed with stock exchanges and displayed on stock exchange websites. The results are also made available on the Company's website (www.aequs.com)

◆ **Newspapers:**

The financial results for the quarter ended December 31, 2025 were published in newspapers viz. Business Standards (English Newspaper – All India Edition) and Vishwavani (Regional Newspaper).

The financial results for the quarter and year ended March 31, 2026 were published in newspapers viz. Financial Express (English Newspaper – All India Edition) and Vishwavani (Regional Newspaper).

The said results are published within the time stipulated under the Listing Regulations. Financial Results and all material related information are also regularly provided to the Stock Exchanges as per the applicable provisions of the Listing Regulations.

◆ **Website:**

The Company's website <https://www.aequs.com/> provides comprehensive information on Company's profile, its business lines, Management, Corporate Governance, policies etc. An exclusive section is dedicated to Investors, where all information related to quarterly/yearly results, Annual Report, quarterly filing, meetings etc. are uploaded from time to time. It provides all the information as prescribed under Regulation 46 of the Listing Regulations. Public Announcements made by the Company from time to time are also displayed on the Company's website.

The Company has a dedicated email ID: Investor.relations@aequs.com for providing necessary information/assistance to the investors.

◆ **Official news release:**

The Company does not publish any official news releases in terms of Schedule V Point C (8)(d) of the Listing Regulations. However, the company in

latest possible time publish all the stock exchange disclosures on its official website.

◆ **Press Releases and Analysts/Investors' Presentations:**

Earnings conference calls are conducted after the announcement of quarterly/ annual financial results wherein the management updates the investors on the progress made by the Company and also answers their queries. The audio recording and call transcripts are uploaded on the websites of stock exchanges, i.e., BSE and NSE and are also made available on the website of the Company.

◆ **Annual Report:**

Annual Report containing, inter alia Financial Statements, Cash Flow Statement, Auditor's Report, Directors' Report, Notice of Annual General Meeting and other important information is circulated to Members and others entitled thereto. The Annual Report of the Company is also available on the Company's website at <https://www.aequs.com/investor/>.

The Indicative Calendar of Events for the Financial Year 2026-27 (April 01, 2026, to March 31, 2027) is as follows:

First Quarter financial results	Within 45 days from the quarter end
Second Quarter financial results	Within 45 days from the quarter end
Third Quarter financial results	Within 45 days from the quarter end
Fourth quarter financial results	Within 60 days from the quarter end

In terms of the circular issued by the Ministry of Corporate Affairs, as a Green Initiative and pursuant to Section 101 and Section 136 of the Act, read with relevant Companies (Management and Administration Rules), 2014, and Regulation 36 of the Listing Regulations, soft copy of the Annual Report including the Notice of Annual General Meeting and the Board's Report for the financial year 2025-26 would be circulated to the respective e-mail IDs registered and available in Company's records, wherever available. Members of the Company, who have registered their email address, are entitled to receive such communication in physical form upon request only. For members whose e-mail ids are not available, the physical copy shall be sent by permitted mode.

13. GENERAL SHAREHOLDER INFORMATION:

a) Annual General Meeting:

Corporate Identity Number (CIN)	L80302KA2000PLC026760
Date of Incorporation	March 27, 2000
Registered Office/Address for Correspondence	Registered Office: Aequs Tower, No. 55, Whitefield Main Road, Mahadevapura Post, Bengaluru - 560048, Karnataka, India T: + 91 080 61348000 Corporate Office: Aequs SEZ, No. 437/A, Hattargi Village, Hukkeri Taluk, Belagavi - 591243, Karnataka, India T: +91 0831 4222500
ISIN	INE947N01017
Day, Date, and Time	Friday, September 04, 2026
Venue/Mode	Through Video Conferencing / Other Audio Video Mode
Financial year	April 01, 2025, to March 31, 2026

b) Financial Year:

The Company's financial year comprises of 12 months commencing from April 01 to March 31.

c) Dividend Payment Date:

During the year, Board of Directors has not recommended any dividend to the members of the Company.

d) Listing on Stock Exchanges:

The equity shares of the Company are listed on main board of BSE Limited (BSE) (Scrip Code: 544634) and the National Stock Exchange of India Limited (NSE) (NSE Symbol: AEQUS). The Company has paid, to date, the appropriate annual listing fee to both stock exchanges.

Annual listing fees for the FY 2026-27 has been paid by the Company to BSE Limited and National Stock Exchange of India Limited.

e) Name & Address of each stock exchange(s) at which the Company's securities are listed:

National Stock Exchange of India Limited (NSE)	BSE Limited (BSE),
Exchange Plaza, 5 th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001

f) In case the securities are suspended from trading, the directors report shall explain the reason thereof:

Not Applicable

g) Registrar and Share Transfer Agents:

KFin Technologies Limited

Selenium, Tower-B, Plot No. 31 & 32, Financial District Nanakramguda, Serilingampally, Rangareddi, Hyderabad 500 032, Telangana, India, Email ID: aequs.ipo@kfintech.com Tel. No. + 91 40 7961 5565

h) Share Transfer System:

The Registrar and Share Transfer Agent (RTA) of the Company handles all the share transfers and related processes. They provide the entire range of services to the Members of the Company relating to shares.

Pursuant to Regulation 13 of the Listing Regulations, a statement on pending investor complaints is filed with the stock exchanges and placed before the Board of Directors on a quarterly basis. There is no any pending request/complaints as on March 31, 2026.

i) Shareholding Pattern:

Sl. No	Category	Number of Equity Shares	Percentage (%)
1.	Promoters and Promoters Group	396207820	59.08%
2.	Foreign Venture Capital Investors	-	-
3.	Mutual Funds	37762324	5.63%
4.	Foreign Portfolio Investors (Corporate)	26149081	3.90%
5.	Insurance Companies	590772	0.09%
6.	NBFCs registered with RBI	1000000	0.15%
7.	Alternate Investment Funds	36991974	5.52%
8.	Clearing Members	-	-
9.	Other Bodies Corporate	-	-
10.	Foreign Companies	97068846	14.47%
11.	Foreign Nationals	15237915	2.27%
12.	Hindu Undivided Family	595380	0.09%

Sl. No	Category	Number of Equity Shares	Percentage (%)
13.	Non-Resident Indians	7105769	1.06%
14.	Trusts	3889552	0.58%
15.	Body Corporate - LLP	5845234	0.87%
16.	Resident Individuals	25521392	3.81%
17.	Key Managerial Personnel	180711	0.03%
18.	Directors and their relatives (excluding independent directors and nominee directors)	707365	0.11%
19.	Aequs Stock Option Plan Trust	15811500	2.36%

j) Distribution Schedule (as on March 31, 2026):

No. of Shares	No. of Shareholders	% of total shareholders	No. of Shares Held	% total paid-up capital
0001 - 5000	35308	86.6093	3249573	0.4845
5001 - 10000	1718	4.2142	1392613	0.2076
10001 - 20000	1923	4.7171	3155812	0.4705
20001 - 30000	805	1.9746	1974004	0.2943
30001 - 40000	297	0.7285	1047742	0.1562
40001 - 50000	147	0.3606	684684	0.1021
50001 - 100000	254	0.6231	1863371	0.2778
100001 & Above	315	0.7727	657297836	98.0068

k) Dematerialization of Shares and Liquidity:

The equity shares of the Company are available in dematerialized form with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). In accordance with regulatory requirements, the Company's equity shares are compulsorily traded in dematerialized form. As on March 31, 2026, the entire shareholding of the Company stands dematerialized.

l) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion Date and Likely Impact on Equity:

The Company has not issued GDRs, ADRs or any other Convertible Instruments and as such, there is no impact on the equity share capital of the Company.

m) Commodity Price Risk/Foreign Exchange Risk and Hedging activities:

The Company is not dealing in commodity and not exposed to Commodity price risk and hence disclosure with respect to commodity hedging activities is not applicable.

The Company is exposed to foreign exchange risk arising from foreign currency transactions for which it has a natural hedge.

The Company's senior management under the supervision of the Board of Directors and its Risk Management Committee has overall responsibility for establishing and governing the Group's risk management by establishing policies to identify and analyze the risks faced by the Group. They help in identification, measurement, mitigation and reporting all risks associated with the activities of the Group. These risks are identified on a continuous basis and assessed for the impact on financial performance.

n) Plant Locations:

Belagavi, Karnataka, India:

Aequs SEZ, No. 437/A,
Hattargi Village, Hukkeri
Taluk, Belagavi – 591243,
Karnataka, India

Hubballi, Karnataka, India:

Hubballi Consumer Goods
Cluster, SY. No 11, Hissa No.,
12, Ittigatti Village, Dharwad,
Karnataka – 580114, India

Koppal, Karnataka, India:

Aequs Special Economic Zone,
Sy No 30, Bhanapur Kukanur
Taluka, Koppal District –
583238 Karnataka, India

Paris, Texas, USA:

2220 W. Park St,
Paris, TX 75460.

Cholet, France:

ZI de l'Appentière
Mazières en Mauges,
49306 – Cholet, France

o) Address for correspondence

Name: Aequs Limited

Registered Office: Aequs Tower, No. 55, Whitefield Main Road, Mahadevapura Post, Bengaluru - 560048, Karnataka, India T: + 91 080 61348000
Email Id: Investor.relations@aequs.com

Name: Aequs Limited

Corporate Office: Aequs SEZ, No. 437/A, Hattargi Village, Hukkeri Taluk, Belagavi – 591243, Karnataka, India T: +91 0831 4222500
Email Id: Investor.relations@aequs.com

p) Credit Ratings:

During the year, the Company was not required to obtain credit rating for any debt instrument, fixed deposit programme or any other scheme involving mobilization of funds, whether in India or abroad.

Further the credit ratings obtained by the company during the financial year 2025-26 for Bank Facilities are as follows.

Sl. No.	Name of Company	Facilities /Instruments	Amount (₹ crore)	Rating	Rating Action
1	Aequs Limited	Long-term Bank Facilities	25.00	CARE BBB-;Stable	Reaffirmed

q) Dividend Distribution Policy

The Company has adopted the Dividend Distribution Policy pursuant to Regulation 43A of the Listing Regulations and the said policy is available on the Company's website <https://www.aequs.com/wp-content/uploads/2025/09/Dividend-Distribution-Policy.pdf>

pursuant to Regulation 36(3) of the Listing Regulations are provided in the notes appended to the Notice of 26th Annual General Meeting.

14. Other Disclosures:

a. Disclosures on Materially Significant Related Party Transactions:

There was no materially significant related party transaction during the financial year having a potential conflict with the interests of the Company. Transactions with related parties, as per requirements of Indian Accounting Standard 24, are disclosed in the notes to accounts annexed to the financial statements. Further, the Company has not entered into any transaction of a material nature with the Promoters, subsidiaries of Promoters, Directors or their relatives, etc. that may have potential conflict with the interests of the Company at large.

All the transactions with related parties were in the ordinary course of business and on an arm's length basis. In terms of Regulation 23 of Listing Regulations, the Company obtains prior approval of the Audit Committee for entering into any transaction with related parties. The related party transactions are placed before the Audit Committee meetings for its approval and review on a quarterly basis and the same are also filed with the stock exchanges on half yearly basis.

Policy on dealing with Related Party Transactions can be viewed on the Company's website. The link for the same is: <https://www.aequs.com/wp-content/uploads/2026/03/Policy-on-RPT.pdf>

b. Disclosure regarding appointment or re-appointment of Directors

Disclosure regarding Directors seeking appointment/re-appointment in the 26th Annual General Meeting

c. Details of Non-Compliance by the Company, Penalties and Strictures Imposed on the Company by the Stock Exchanges or SEBI or any Statutory Authorities, on any matter related to Capital Markets during the Last Three Years:

During the last three years, there was neither any penalty nor any stricture has been passed by SEBI, Stock Exchanges or any other Statutory Authority on matters relating to capital markets.

d. Whistle Blower Policy and Affirmation that No Personnel has been denied access to the Audit Committee:

The Company has adopted Whistle Blower Policy which has a mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Code of Conduct/Business Ethics, leak of Unpublished Price Sensitive Information (UPSI) and related matters in line with Regulation 22 of the Listing Regulations and the Act. No personnel have been denied access to the Chairman of the Audit Committee, for making the complaint on any Integrity issue. The updated Whistle Blower Policy can be viewed on the Company's website at: <https://www.aequs.com/wp-content/uploads/2025/09/Whistle-Blower-Policy.pdf>

e. Details of Compliance with Mandatory Requirements and Adoption of the Non-Mandatory Requirements under the Listing Regulations:

The Company has complied with the applicable provisions of the Listing Regulations including appointment of women independent director on the Board.

Disclosure relating to adoption of Discretionary Requirements:

(i) **The Board:** The Company has an Executive Chairman.

(ii) Shareholders' Right: The Company does not mail the Unaudited Half-yearly Financial Results individually to its Shareholders. However, these are published in one English and one local newspaper and are also posted on the website of the Company.

(iii) Modified Opinion(s) in Audit Report: The Auditors' have expressed an unmodified opinion in their report on the financial statements of the Company.

(iv) Reporting of Internal Auditor: The Internal Auditors report to the Audit Committee on a quarterly basis.

(v) Separate posts of Chairperson and the Managing Director or the Chief Executive Officer: Mr. Aravind Melligeri is the Chairman & the Chief Executive Officer of the Company. Mr. Rajeev Kaul is the Co-Founder & Managing Director of the Company.

(vi) Meetings of Independent Directors: During the year under review, two meetings of the Independent Directors were held.

f) Policy on dealing with related party transactions

The Policy on dealing with Related Party Transactions can be viewed on the Company's website. The link for the same is <https://www.aequs.com/wp-content/uploads/2026/03/Policy-on-RPT.pdf>

g. Disclosure of accounting treatment

The Company has not followed any differential treatment from that prescribed under Accounting Standards for the preparation of Financial Statements during the year under review.

h. Proceeds from public issues, rights issues, preferential issues etc.:

The proceeds of the funds raised by the Company through IPO are in line with the details mentioned in the Prospectus and the monitoring agency has reported no deviation in this regard. The report of the monitoring agency is disclosed to stock exchanges on a quarterly basis and available on our website at <https://www.aequs.com/investor>

i. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)

During the period under review and prior to the listing of the Company's equity shares on the Stock Exchanges, the Company raised funds through a Pre-IPO Placement undertaken in accordance with the provisions of Sections 42 and 62 of the Act and the rules made thereunder.

The aforesaid fundraising was neither a preferential issue nor a qualified institutions placement (QIP) as contemplated under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.

Accordingly, the disclosure requirements prescribed under Regulation 32(7A) are not applicable to the Company.

j. Certificate received from M/s. BMP & Co. a Peer Reviewed Practicing Company Secretary Firm, that none of the directors on the board of the Company has been debarred or disqualified from being appointed or continuing as directors of the company by the Board/ Ministry of Corporate Affairs or any such statutory authority is appended as **Annexure A**.

k. Where the board had not accepted any recommendation of any committee of the board, which is mandatorily required in the relevant financial year, the same to be disclosed along with reasons thereof

During the year there were no such instances when the Board had not accepted any mandatorily recommendations of any committees of the Board.

l) Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part:

The details of the payment to be made for the financial year 2025-26 are as follows:

Particulars	Amount (₹ in Million)
As Statutory Auditors	
- Statutory Audit	9.00
- Quarterly Limited Reviews	0.80
In other capacity	
- Certification services	3.55
- Reimbursement of expenses	4.78
IPO Related Services	33.73
Total	51.86

m) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company has in place a Prevention of Sexual Harassment Policy and an Internal Complaints Committee as per the requirements of Sexual Harassment of Women at Workplace (Prevention Prohibition and Redressal) Act, 2013. During the year no complaints are filed under Sexual Harassment of Women at Workplace (Prevention Prohibition and Redressal) Act, 2013. The details for the same are provided in the Directors' Report.

n) Disclosure by the Listed Entity and its Subsidiaries of 'Loans and Advances in the Nature of Loans to Firms/Companies in which Directors are Interested' by Name and Amount:

The Company has not given any loans and advances to firms/Companies in which directors are interested.

o) Details of material subsidiary is provided below:

Name	Date and place of incorporation	Name and date of appointment of the statutory auditors
AeroStructures Manufacturing India Private Limited (ASMIPL)	February 07, 2013 H No. 36/A, Bazar Galli, Khasbag, Belgaum - 590004, Karnataka, INDIA	M/S. B S R & CO. LLP, Chartered Accountants September 30, 2024
Aequs Aerospace France SAS	January 12, 2017 ZI de l' Appentiere 49280 Mazieres-en-Mauges	PKF Arsilon Commissariat aux Comptes June 26, 2026
Aequs Aerospace BV (AABV)	August 22, 2014 Joop Geesinkweg 701, Rembrandt room, 1114AB Amsterdam-Duivendrecht Netherlands	KNAV audit B.V June 22, 2026
Aequs Consumer Products Private Limited (ACPPL)	October 25, 2019 Ground floor, Aequs Towers, No.55, Whitefield Main Road, Mahadevapura Post, Bengaluru, Karnataka, 560048	M/S. B S R & CO. LLP, Chartered Accountants September 25, 2024
Aequs Engineered Plastics Private Limited (AEPPL)	February 10, 2015 Aequs Tower, No. 55, Whitefield Main Road, Mahadevapura Post, Bangalore North, Bangalore, Karnataka, 560048	M/S. B S R & CO. LLP, Chartered Accountants September 25, 2024
Aequs Oil & Gas LLC	July 01, 2006 9595 Six Pines De The Woodlands, Tx 77380	Malnory, McNeal & Company, PC March 20, 2026
Aequs Aero Machine Inc	Date of Incorporation is October 31, 1968, however during the financial year 2016, Aequs Limited had acquired 100% stake of this Company. 2220 Park Street, Paris, Texas, 75460	NA

The minutes of the subsidiaries, along with any significant transaction or arrangement entered into by any of its unlisted subsidiary companies, are placed before the Board on a quarterly basis for its noting. The Audit Committee reviews the financial statements, including investments made by the unlisted subsidiary companies of the Company on a quarterly basis.

Your Company's Policy for determination of a material subsidiary, in conformity with Regulation 16 of the Listing Regulations, can be accessed on your Company's corporate website at <https://www.aequs.com/wp-content/uploads/2025/09/Policy-on-Material-Subsidiary.pdf>

15. Board disclosures – Risk management

The Company has laid down systems to inform Audit Committee and the Board about the risk assessment and minimization procedures. The risks and Company's mitigation strategies are discussed and reviewed by the Board of Directors and Risk Management Committee on a regular basis, whenever required, to ensure effective controls.

16. Non-compliance of any requirement of corporate governance report, with reasons thereof shall be disclosed:

All the requirements of Corporate Governance Report of sub paragraphs (2) to (10) Para C of Schedule V of the Listing Regulations have been duly complied with.

17. Adoption of the discretionary requirements as specified in Part E of Schedule II of Regulation 27(1), is being reviewed by the Board from time to time.

During the financial year 2025-26, the Company has fully complied with the mandatory requirements as stipulated in Listing Regulations. The Company has complied with the applicable provisions of the Listing Regulations and the disclosure relating to adoption of Non-mandatory/ Discretionary requirements are detailed as under:

1. The Company has appointed on Independent Woman Director on the Board of the Company.
2. The Auditors' opinion on the Financial Statements of the Company is unmodified.
3. The Internal Auditor functionally reports to the Audit Committee.
4. During the Financial Year 2025-26, the Independent Directors of the Company have convened two meeting on November 27, 2025 and March 18, 2026 without the presence of non-independent directors and members of the management and all three Independent Directors were present at such meeting.
5. The Company has constituted the Risk Management Committee as required under the provisions of Regulation 21 of the Listing Regulations.

18. The disclosures of the compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 shall be made in the section on corporate governance of the annual report.

The Board hereby confirms that it has complied with all the corporate governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub regulation (2) of Regulation 46 of the Listing Regulations.

19. Code of Conduct:

As required under the Listing Regulations, the Company has in place a Code of Conduct applicable to the Board Members as well as the Senior Management Personnel and that the same has been hosted on the Company's website. The code of conduct approved by the Board of Directors of the Company is available on <https://www.aequs.com/wp-content/uploads/2025/09/Code-of-Conduct-for-Directors-SMP.pdf>. All the Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct, as on March 31, 2026. A certificate to that effect is annexed as **Annexure B**.

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has, inter-alia, adopted a Code of Conduct for Prohibition of Insider Trading Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (Code) and is available on <https://www.aequs.com/wp-content/uploads/2025/12/Code-of-Conduct-to-Regulate-Monitor-Report-Trading-by-Insiders.pdf>

20. Certificate on Corporate Governance:

As required by the Listing Regulations, a Certificate on Corporate Governance from M/s. BMP & Co., LLP, a peer reviewed firm of Practicing Company Secretaries is annexed as **Annexure C**.

21. Disclosures with respect to Demat Suspense Account/Unclaimed Suspense Account:

During the year under review, the Company does not have any Demat Suspense Account/Unclaimed Suspense Account.

22. Disclosure of certain types of agreements:

Disclosure of certain types of agreements binding listed entities under clause 5A of paragraph A of Part A of Schedule III of Listing Regulations: **Nil**

23. Debenture Trustees:

Disclosure on debenture Trustees is not applicable during the year.

24. Reconciliation of Share Capital Audit Report:

A Company Secretary-in-Practice carries out a Reconciliation of Share Capital Audit on a quarterly basis, as per Regulation 76 of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 read with SEBI Circular No. D&CC/FITTC/Cir- 16/2002 dated December 31, 2002, to reconcile the total admitted capital with depositories viz National Securities Depository Limited ('NSDL') and Central Depository Services Limited ('CDSL') and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL).

25. Chief Executive Officer (CEO) & Managing Director (MD) Certification:

As required under Regulation 17 read with Part B of Schedule II of the Listing Regulations, the WTD and CEO certification on the Financial Statements, the Cash Flow Statement, and the Internal Control Systems for financial reporting has been obtained from Mr. Aravind S Melligeri, Executive Chairman and Chief Executive Officer. The said certificate is annexed as **Annexure D** to this report.

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

Mr. Aravind S Melligeri

Executive Chairman & CEO
DIN: 00787735

Address: Aequs SEZ, No. 437/A, Hattargi Village, Hukkeri Taluk, Belagavi – 591243, Karnataka, India

Place: Belagavi

Date: August 07, 2026

Mr. Rajeev Kaul

Co-Founder & Managing Director
DIN: 01468590

Address: Aequs SEZ, No. 437/A, Hattargi Village, Hukkeri Taluk, Belagavi – 591243, Karnataka, India

Place: Belagavi

Date: August 07, 2026

Annexure A

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members of
Aequs Limited
CIN: L80302KA2000PLC026760
Aequs Tower, No. 55, Whitefield Main Road,
Mahadevapura Post, , Bangalore,
Karnataka, India, 560048.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Aequs Limited CIN: L80302KA2000PLC026760 and registered office at Aequs Tower, No. 55, Whitefield Main Road, Mahadevapura Post, Bangalore, Karnataka, India, 560048 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V, Para-C, sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2026, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of the Director	Director Identification Number (DIN)	Designation	Date of original appointment in the Company
1.	Mr. Aravind S Melligeri	00787735	Chairperson, Whole- Time Director and CEO	27/03/2000
2.	Mr. Rajeev Kaul	01468590	Managing Director	02/11/2011
3.	Mr. Ajay Aravind Prabhu	00477195	Non-Executive Director	31/07/2003
4.	Mr. Eberhard Klaus Richter	07427610	Non-Executive Independent Director	24/06/2021
5.	Mr. Anup Wadhawan	03565167	Non-Executive Independent Director	25/04/2025
6.	Ms. Vidya Sarathy	01689378	Non-Executive Independent Director	31/01/2025

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **BMP & Co. LLP**,
Company Secretaries

CS Biswajit Ghosh
Designated Partner

Place: Bengaluru
Date: August 07, 2026
UDIN: F008750H001042937

FCS No.: 8750 CP. No.: 8239
Peer Review Certificate No. 6387/2025
Firm Registration Number: L2017KR003200

Annexure B

Declaration by the Chief Executive Officer under Listing Regulations regarding compliance with Business Conduct Guidelines (Code of Conduct of Board of Directors and Senior Management)

In accordance with the Listing Regulations, I hereby confirm that all the Directors and the Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct as applicable to them, for the financial year ended March 31, 2026, pursuant to Regulation 26(3) of the Listing Regulations.

I, further confirm that the Code of Conduct adopted by the Company is available on the Company's website: <https://www.aequs.com/investor/>

Mr. Aravind S Melligeri

Executive Chairman & CEO (DIN: 00787735)

Address: Aequs SEZ, No. 437/A, Hattargi Village, Hukkeri Taluk,
Belagavi – 591243, Karnataka, India

Place: Belagavi

Date: August 07, 2026

Annexure C

COMPLIANCE CERTIFICATE OF CONDITIONS OF CORPORATE GOVERNANCE

[Schedule V, para E of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,

The Members of

Aequs Limited

CIN: L80302KA2000PLC026760

Aequs Tower, No. 55, Whitefield Main Road,

Mahadevapura Post, Bangalore,

Karnataka, India, 560048.

We have examined the compliance of conditions of Corporate Governance by Aequs Limited ("the Company") having CIN: L80302KA2000PLC026760, for the purpose of certifying of the Corporate Governance under Regulation 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from the period April 01, 2025, to March 31, 2026. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and paragraphs C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **BMP & Co. LLP**,
Company Secretaries

CS Biswajit Ghosh

Designated Partner

FCS No.: 8750 CP. No.: 8239

Peer Review Certificate No. 6387/2025

Firm Registration Number: L2017KR003200

Place: Bengaluru

Date: August 07, 2026

UDIN: F008750H001043071

Annexure D

Chief Executive Officer (CEO) & Managing Director (MD) Certification

To,
The Board of Directors,
AEQUS LIMITED

I certify that:

- A. I have reviewed the financial statements and the cash flow statement of Aequs Limited for the financial year ended March 31, 2026, and that to the best of my knowledge and belief:
1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. To the best of my knowledge and belief, no transactions entered into by the Company during the period are fraudulent, illegal or violate the code of conduct of the Company.
- C. I accept responsibility for establishing and maintaining internal controls over financial reporting and that I have evaluated the effectiveness of internal control systems of the Company over financial reporting, and I have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls over financial reporting, if any, of which I am aware and the steps I have taken, propose to take, to rectify these deficiencies.
- D. I have indicated to the Auditors and the Audit Committee that there are:
1. No significant changes in internal control over financial reporting during the period;
 2. No significant changes in the accounting policies and that the same have been disclosed in the notes to the financial statements; and
 3. No instances of fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control systems over financial reporting.

Mr. Aravind S Melligeri

Executive Chairman & CEO
(DIN: 00787735)

Address: Aequs SEZ, No. 437/A, Hattargi Village,
Hukkeri Taluk, Belagavi – 591243, Karnataka, India

Place: Belagavi

Date: August 07, 2026

Mr. Rajeev Kaul

Co-Founder & Managing Director
(DIN: 01468590)

Address: Aequs SEZ, No. 437/A, Hattargi Village,
Hukkeri Taluk, Belagavi – 591243, Karnataka, India

Place: Belagavi

Date: August 07, 2026

Business Responsibility & Sustainability Report



SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1	Corporate Identity Number (CIN) of the Listed Entity	L80302KA2000PLC026760
2	Name of the Listed Entity	Aequs Limited (Formerly known as Aequs Private Limited)
3	Year of incorporation	2000
4	Registered office address	Aequs Tower, No. 55, Whitefield Main Road Mahadevapura Post, Bengaluru – 560048 Karnataka, India
5	Corporate address	Aequs SEZ, No. 437/A, Hattargi Village, Hukkeri Taluk Belagavi – 591243, Karnataka, India
6	E-mail	Investor.relations@aequs.com
7	Telephone	+91 831 4222500
8	Website	https://www.aequs.com/
9	Financial year for which reporting is being done	01-04-2025 to 31-03-2026
10	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Limited (NSE) / BSE Limited (BSE)
11	Paid-up Capital	₹ 6,706,656,350
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Basavant Patil Chief Administrative Officer Contact No. : +91 831 4222500 Investor.relations@aequs.com
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	The reporting boundary for this report has been compiled on a consolidated basis and includes the reporting entity and its subsidiaries, contributing to 90% of the revenue and workforce. Step-down subsidiaries, joint ventures (domestic and international), and overseas subsidiaries have been excluded.
14	Name of assessment or assurance provider	Not applicable
15	Type of assessment of assurance obtained	Not applicable

II. Products/services

16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing	Manufacturing other transport equipment	85%
		Other manufacturing - consumer	15%

17. Products/Services sold by the entity (accounting for 90% of the entity's turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Parts and accessories of aircraft and spacecraft	30305	85%
2	Other games and toys	32409	11%
3	Kitchen and home appliances	2750	4%

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	7	4	11
International	-	-	-

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	2
International (No. of Countries)	57

b. What is the contribution of exports as a percentage of the total turnover of the entity?

88.13%

c. A brief on types of customers

The Company serves institutional, business-to-business (B2B) customers – comprising OEMs and Tier-1 system integrators across its Aerospace and Consumer segments. In the Aerospace segment, customers include globally recognized manufacturers such as Airbus, Boeing, Safran, Collins Aerospace, Honeywell, SAAB, GKN Aerospace, Eaton, DTL, and Bombardier, to whom the Company supplies precision components, forgings, and aerostructure assemblies under long-term, program-based agreements. In the Consumer segment, customers include global toy brands (Hasbro, Mattel, Spin Master), a leading consumer electronics OEM for whom precision device enclosures are manufactured. The Company has no direct retail or end-consumer sales.

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	1105	980	89%	125	11%
2.	Other than Permanent (E)	30	24	80%	6	20%
3.	Total employees (D + E)	1135	1004	88%	131	12%
WORKERS						
4.	Permanent (F)	661	640	97%	21	3%
5.	Other than Permanent (G)	2850	2326	82%	524	18%
6.	Total workers (F + G)	3511	2966	84%	545	16%

Note: The headcount of 'Other than Permanent' workers has been calculated based on the average for the month of March. Except for wages, all data reported for these categories in the BRSR are derived using this average headcount for March. This includes all types of employment.

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	0	0	0%	0	0%
2.	Other than Permanent (E)	0	0	0%	0	0%
3.	Total differently abled employees (D + E)	0	0	0%	0	0%
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	0	0	0%	0	0%
5.	Other than Permanent (G)	0	0	0%	0	0%
6.	Total differently abled workers (F + G)	0	0	0%	0	0%

21. Participation/Inclusion/Representation of women

	Total (A)	No. and % of Females	
		No. (B)	% (B / A)
Board of Directors	6	1	17%
Key Management Personnel	2	0	0%

22. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

	FY 2025-26 (Turnover rate in current FY)			FY 2024-25 (Turnover rate in previous FY)			FY 2023-24 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	21%	9%	19%	20%	17%	19%	22%	28%	23%
Permanent Workers	10%	38%	11%	10%	11%	10%	10%	7%	10%

V. Holding, Subsidiary and Associate Companies (including joint ventures)**23. (a) Names of holding / subsidiary / associate companies / joint ventures**

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	AeroStructures Manufacturing India Private Limited	Subsidiary	100%	Yes
2	Aerospace Manufacturing Holdings Private Limited	Subsidiary	100%	Yes
3	Aerostructures Assemblies India Private Limited	Subsidiary	100%	Yes
4	Aequs Force Consumer Products Private Limited	Subsidiary	100%	Yes
5	Aequs Toys Private Limited	Subsidiary	100%	Yes
6	Aequs Consumer Products Private Limited	Subsidiary	100%	Yes
7	Aequs Engineered Plastics Private Limited	Subsidiary	100%	Yes
8	Koppal Toys Molding COE Private Limited*	Subsidiary	100%	No
9	Aequs Rajas Extrusion Private Limited*	Subsidiary	100%	No
10	Aequs Oil & Gas LLC	Subsidiary-Foreign	95%	No
11	Aequs Aerospace LLC*	Subsidiary-Foreign	100%	No
12	Aequs Aero Machine Inc*	Subsidiary-Foreign	100%	No
13	Aequs Aerospace BV*	Subsidiary-Foreign	100%	No
14	Aequs Holdings France SAS*	Subsidiary-Foreign	100%	No
15	Aequs Aerospace France SAS*	Subsidiary-Foreign	100%	No
16	Aequs Toys Hong Kong Private Limited*	Subsidiary-Foreign	100%	No
17	Aerospace Processing India Private Limited	Joint Venture	50%	No
18	SQuAD Forging India Private Limited	Joint Venture	50%	No
19	Aequs Cookware Private Limited	Joint Venture	50%	No
20	Ajna Aerospace & Defence Private Limited	Joint Venture	33.33%	No
21	Aequs Foundation	Associate	50%	Yes

Note: * Koppal Toys Molding COE Private Limited and Aequs Rajas Extrusion Private Limited, Aequs Aerospace LLC, Aequs Aero Machine Inc, Aequs Aerospace BV, Aequs Holding France SAS, Aequs Aerospace France, Aequs Toys Hong Kong Private Limited are step-down subsidiary company of Aequs Limited

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)

Yes*

(ii) Turnover (in INR) **₹ 12,304.4 Million**

(iii) Net worth (in INR) **₹ 15,666.9 Million***

**Net worth has been calculated in accordance with Section 135 of the Companies Act*

Note: CSR is applicable to the Company. However, during the reporting year there is no CSR obligation.

VII. Transparency and Disclosures Compliances

25. **Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:**

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes Please refer to Principle 8, Essential Indicator 3	0	0	NA	0	0	NA
Investors (other than shareholders)	Yes^	0	0	NA	0	0	NA
Shareholders	Yes^						
Employees and workers	Yes Please refer to Principle 3 Essential Indicator 6	98	0	NA	0	0	NA
Customers	Yes Please refer to Principle 9 Essential Indicator 1	0	0	NA	0	0	NA
Value Chain Partners	Yes https://www.aequs.com/whistle-blower-policy/	0	0	NA	0	0	NA
Other (please specify)	NA	NA	NA	NA	NA	NA	NA

Note: ^Shareholders can raise queries and concerns by sending an email to Investor.relations@aequs.com. Contact details of the designated officials of the Company responsible for assisting and handling investor grievances are provided on the Company's website under the Investor Grievances sections of <https://www.aequs.com/investor/>.

26. **Overview of the entity's material responsible business conduct issues**

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Energy consumption and associated emissions	Risk / Opportunity	While not inherently energy-intensive, processes involve moderate energy usage generating Scope 1 & 2 GHG emissions OEM customers (including global aerospace OEMs) are increasingly incorporating emissions-related expectations in supplier evaluation; non-compliance risks contract loss Indian operations in SEZs face evolving domestic carbon regulations	Monitoring of energy intensity, efficiency improvements, phased adoption of renewable energy based on commercial viability	Negative: Short-term cost (efficiency/transition investments); potential carbon tax liability. Positive: Long-term savings and improved customer alignment
2	Compliance with chemical and product regulations	Risk	Aerospace manufacturing uses coatings, solvents and polymers - regulated as hazardous substances. Consumer toy manufacturing uses PVC (phthalates, stabilizers), ABS and PP pigments requiring compliance with RoHS, REACH.	Compliance with applicable standards including REACH Regulation and RoHS Directive; periodic compliance audits Maintain robust chemical inventory & Material Safety Data Sheet (MSDS) management system	Compliance cost; avoidance of export restrictions, penalties, and business disruption
3	Waste generation and management (including recyclables)	Risk / Opportunity	Operations subject to Hazardous Waste Management Rules, 2016 under Environment Protection Act. Generation of metal scrap, polymer waste and packaging materials; and opportunity for resource recovery	Segregation, recycling, authorized disposal, optimization of material usage	Negative: Compliance and handling costs Positive: Revenue from scrap recovery
4	Energy Transition & Renewable Energy Adoption	Opportunity	Opportunity to optimize energy costs and align with evolving customer expectations where commercially viable Green energy credentials are increasingly a prerequisite for access to ESG-linked financing and export credit	N/A (Opportunity)	Reduction in energy cost (due to falling solar/wind costs in India); access to green bonds / sustainability-linked loans
5	Workforce Health and well-being	Risk / Opportunity	Employee health and well-being are essential for sustaining productivity and ensuring smooth operational continuity. Inadequate safety systems, weak process controls, or non-compliance with health and safety standards increase the risk of workplace incidents, injuries, and legal liabilities	Implementation of structured OHS management system (aligned to ISO 45001) Mandatory PPE programs, machine guarding Establishing Behavior-Based Safety (BBS) training and near-miss reporting culture, incident monitoring system Performing scheduled audits to ensure compliance with safety regulations and internal guidelines. Organizing health check-ups and wellness programs to enhance overall well-being	Negative: Compensation claims & liabilities; production downtime; regulatory penalties; reputational damage with OEM customers Positive: Reduced absenteeism; lower insurance premiums; improved productivity and enhanced employee satisfaction and morale
6	Labor practices and workforce management	Risk / Opportunity	Diverse workforce (including contract labor) and evolving statutory and customer requirements create compliance and workforce management risks	Robust HR systems, strong statutory compliance, and effective grievance redressal mechanisms	Optimized compliance costs; productivity-driven efficiencies; reduced attrition costs; improved cost predictability

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
7	Data security and protection of customer IP	Risk	Handling of proprietary designs and sensitive information, including aerospace and defense-related components	Implementation of ISO 27001 Information Security Management System. Identify and classify sensitive data such as design files, production metrics, and employee information Regular penetration testing and cybersecurity audits. Employee training on social engineering and phishing	Implementation cost; protection of revenue and client relationships
8	Sustainable supply chain	Risk / Opportunity	Increasing expectations from global customers for responsible sourcing across the value chain; reliance on suppliers for metals, polymers, components and services introduces ESG risks (environmental, labor, compliance) beyond direct operations	Supplier code of conduct ESG screening and risk-based due diligence, integration of ESG criteria in supplier selection, periodic assessments for critical suppliers	Negative: Potential increase in procurement and compliance costs Positive: Increased supply chain resilience, improved customer confidence and eligibility for global contracts
9	Community and stakeholder engagement	Risk / Opportunity	Maintaining positive relationships with local communities and stakeholders helps mitigate operational and reputational risks while strengthening trust, social license to operate, and long-term business resilience	CSR initiatives, stakeholder engagement Establishing grievance mechanism	Reduced operational disruptions through stronger community relations Builds long-term resilience by aligning business success with the well-being of the communities in which the company operates.
10	Ethics, Compliance and Corporate Governance	Risk	An evolving regulatory landscape, increasing corporate governance expectations, and enhanced public disclosure requirements require continuous monitoring and timely compliance. Failure to effectively manage compliance obligations may result in regulatory investigations, litigation, financial penalties, business disruption, and reputational impacts	Comprehensive compliance framework comprising policies, procedures, internal controls, and compliance programs to identify regulatory changes, assess their implications, and implement appropriate actions. Dedicated in-house compliance team supported by regular engagement with regulatory authorities and subject matter experts to monitor the evolving regulatory landscape. Periodic awareness programs and training for employees and vendors. Ongoing compliance monitoring, reporting, and governance with oversight by the Board and its Committees.	Regulatory fines and penalties, litigation costs, business disruption, increased compliance costs, and potential reputational impact.



SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	N	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	The policies/procedures are approved at appropriate levels within the organization, including by the Board, designated committees, or relevant functional departments, as applicable.								
c. Web Link of the Policies, if available	The corporate-level policies are available at: https://www.aequs.com/investor/								
2. Whether the entity has translated the policy into procedures. (Yes / No) *	Y	Y	Y	Y	Y	Y	N	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	N	Y	Y	NA	N	Y
4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	-	ISO 9001:2015 EN 9100:2018 Nadcap	ISO 45001:2018	-	-	ISO 14001:2015	-	-	-
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Company is in the process of formalizing specific organization-level ESG commitments, goals, and targets. As a foundational step, various business units across the Company's manufacturing ecosystems in Belagavi, Hubballi, and Koppal have undertaken sustainability initiatives, the learnings from which are being consolidated to shape company-wide targets. These efforts are expected to culminate in a unified ESG target framework in the near term, encompassing key focus areas such as GHG emissions reduction, energy management, renewable energy adoption, occupational health and safety, and waste management. Aequs Limited is committed to formalizing and disclosing these targets in a structured and time-bound manner in forthcoming reporting cycles.								
6. Performance of the entity against the specific commitments, goals and targets along with reasons in case the same are not met.	The Company continues to implement cluster- and facility-level initiatives relating to energy, safety, waste, and emissions management, while strengthening the framework for formal organization-level commitments and targets.								
Notes: ^ While the Company is a member of industry associations and trade bodies, it does not currently undertake public policy advocacy independently and therefore does not have a separate policy under Principle 7									
* The Company has translated applicable policies into Standard Operating Procedures (SOPs) and related operational processes, which are internally available and accessible to employees, as relevant.									
Governance, leadership and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure):	At Aequs Limited, we are actively laying the groundwork for a structured and credible environmental, social, and governance (ESG) journey, one that is forward-looking, measurable, and deeply embedded in how we operate. We have initiated baseline assessments across our manufacturing facilities to establish benchmarks for greenhouse gas emissions, green energy consumption, and environmental impact, which will guide our targets and transition planning towards carbon neutrality. Our commitment extends equally to our people – ensuring safe, inclusive, and growth-enabling workplaces, and to the communities we operate in. As we progress, our focus will be on systematically improving our ESG performance year-on-year, reducing our environmental footprint, and building the governance structures necessary to sustain this journey responsibly and transparently.								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Rajeev Kaul Designation: Co-Founder & Managing Director								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability-related issues? (Yes / No). If yes, provide details.	Yes. The Risk Management Committee of the Board has oversight on sustainability-related risks, including ESG risks, as part of its mandate. In addition, cluster-level working committees comprising representatives from relevant functions review and oversee implementation of sustainability-related initiatives and actions across operations.								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Board-level policies are periodically reviewed. Other policies and procedures are reviewed by the respective department heads and leadership team in line with the review timelines defined under the relevant policies/procedures.									Annually and as required, based on regulatory changes, operational requirements, or revisions to internal governance processes.								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The compliance review of the statutory requirements is carried out by the leadership team.									Annually or on a need basis								

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P1	P2	P3	P4	P5	P6	P7	P8	P9
	N	Y	Y	N	N	Y	-	N	N

Note: Independent assessments are conducted by certifying agencies while conducting ISO certification audits.

12. If answer to question (11) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:

	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	Yes, Principle 7 is currently not considered material to the Company's operations.								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	Not Applicable								
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	Not Applicable								
It is planned to be done in the next financial year (Yes/No)	Not Applicable								
Any other reason (please specify)	The Company does not currently undertake public policy advocacy independently and therefore does not have a separate policy under Principle 7								



SECTION C: PRINCIPLE-WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE: 1

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programs on any of the Principles during the financial year:

Segment	Total number of training and awareness programs held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programs
Board of Directors	3	Board Familiarization Programs	75%
Key Managerial Personnel	3	Insider Trading, POSH Awareness, CoC & ABAC Awareness	74%
Employees other than BoD and KMPs	36	Insider Trading, POSH Awareness, CoC & ABAC Awareness	80%
Workers	432	CoC & ABAC Awareness, POSH, Awareness, Disciplinary Process etc.	67%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website:

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	NIL	NA	NA	NA	NA
Settlement	NIL	NA	NA	NA	NA
Compounding fee	NIL	NA	NA	NA	NA

Non-Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	NIL	NA	NA	NA
Punishment	NIL	NA	NA	NA

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Not Applicable	

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes. The Company has adopted an Anti-Corruption & Anti-Bribery Policy that reflects its zero-tolerance approach towards any form of corruption or bribery. The Policy prohibits offering, promising, giving, or receiving improper payments, benefits, or anything of value to obtain an unfair business advantage.

The Policy applies to all directors, employees, and third parties, including vendors, service providers, contractors, and consultants. All facilities of the Company are required to comply with applicable anti-corruption and anti-bribery laws and regulations.

The policy can be accessed at: <https://www.aequs.com/investor/>

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. Details of complaints with regard to conflict of interest:

	FY 2025-26 (Current Financial Year)		FY 2024-25 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	NA	0	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	NA	0	NA

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable

8. Number of days of accounts payables (Accounts payable *365) / Cost of goods/services procured) in the following format:

	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Number of days of accounts payables	88	93

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	71.74%	72.03%
	b. Number of trading houses where purchases are made from	176	177
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	65.91%	70.13%
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	NA	NA
	b. Number of dealers / distributors to whom sales are made	NA	NA
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	NA	NA
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	2%	1%
	b. Sales (Sales to related parties / Total Sales)	1%	1%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	-	-
	d. Investments (Investments in related parties / Total Investments made)	100%	100%

PRINCIPLE: 2

Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

- Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)	Details of improvements in environmental and social impacts
R&D	-	-	-
Capex	-	-	-

Note: The Company currently does not separately track such investments. However, initiatives relating to energy efficiency, material reuse and recycling, and process optimization were undertaken during the reporting period. The Company will endeavor to report these investments in future disclosures.

- Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

Yes. The Company has procedures for sustainable sourcing through its Supplier Code of Conduct, which outlines expectations relating to human rights, labor practices, environmental responsibility, and business ethics. Suppliers are encouraged to cascade these principles across their own supply chains and go beyond legal compliance in advancing responsible business practices.

As part of the supplier onboarding process, evaluations covering health & safety and environmental aspects are undertaken. Follow-up assessments and audits are conducted, wherever considered necessary.

- If yes, what percentage of inputs were sourced sustainably?**

The Company undertakes supplier evaluations covering environmental, health & safety, labor, and business ethics aspects as part of its sourcing process. However, a formal methodology for quantifying sustainably sourced inputs is currently under consideration, and a specific percentage cannot be ascertained at this stage.

- Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for**

a. Plastics (Including Packaging)	N/A
b. E-waste	The Company operates in a B2B model where products are supplied to OEMs and Tier-1 system integrators and not to end consumers directly. As such, the company does not have specific products for end-of-life reclamation.
c. Hazardous waste	
d. other waste	

- Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

No

PRINCIPLE: 3

Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators**1. a. Details of measures for the well-being of employees:**

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	980	980	100%	980	100%	NA	NA	0	0%	0	0%
Female	125	125	100%	125	100%	125	100%	NA	NA	125	100%
Total	1105	1105	100%	1105	100%	125	100%^	0	0%	125	100%
Other than Permanent employees											
Male	24	24	100%	24	100%	NA	NA	0	0%	0	0%
Female	6	6	100%	6	100%	6	100%	NA	NA	0	0%
Total	30	30	100%	30	100%	6	100%^	0	0%	0	0%

Note: ^ Percentage calculated based on total female employee count

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	640	640	100%	640	100%	NA	NA	0	0%	0	0%
Female	21	21	100%	21	100%	21	100%	NA	NA	0	0%
Total	661	661	100%	661	100%	21	100%^	0	0%	0	0%
Other than Permanent workers*											
Male	2326	309	13%	309	13%	NA	NA	0	0%	0	0%
Female	524	13	2%	13	2%	0	0%	NA	NA	0	0%
Total	2850	322	11%	322	11%	0	0%	0	0%	0	0%

Note: ^ Percentage calculated based on total female employee count

* The figures reported under the "Other than permanent workers" columns relate only to workers directly covered by the Company. All remaining workers are covered under the Employees' State Insurance Corporation (ESIC) scheme, which provides health insurance, accident insurance, and maternity benefits in accordance with applicable statutory provisions. This includes all types of employment.

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format

	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Cost incurred on wellbeing measures as a % of total revenue of the company	1.14%	1.21%

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI	100% ^	100% ^	Y	100% ^	100% ^	Y
Others – please specify	Not Applicable			Not Applicable		

Note: ^ only employees & workers falling under ESIC salary slab are considered above

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

No. Nevertheless, the Company is committed to promoting an inclusive and accessible workplace in line with the principles of the Rights of Persons with Disabilities Act, 2016. Accessibility considerations are being progressively evaluated across facilities and offices, and the Company intends to undertake appropriate measures, based on operational feasibility and requirements, to enhance accessibility for differently abled people.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

The Company's Code of Conduct incorporates commitments relating to non-discrimination, equal opportunity, and fair treatment in the workplace, including for persons with disabilities, in line with the principles of the Rights of Persons with Disabilities Act, 2016.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	NA	NA	NA	NA
Female	100%	100%	NA	NA
Total	100%	100%	NA	NA

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes. The Company has established a common grievance redressal and ethics reporting mechanism for employees and workers. Any perceived or possible violation, concern, or complaint may be reported through multiple channels, including written submissions through Ethics Boxes, email communication to ethics@aequs.com , or personal meetings with appropriate personnel.
Other than Permanent Workers	
Permanent Employees	Complaints are reviewed and addressed through the designated governance mechanism and may be escalated to the Chief Ethics Officer or the Chairman of the Ethics Audit Committee, as appropriate, particularly in matters relating to financial issues or senior management.
Other than Permanent Employees	

7. Membership of employees and workers in association(s) or Unions recognized by the listed entity:

Category	FY 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association (s) or Union (D)	% (D / C)
Total Permanent Employees	1105	0	0%	789	0	0%
Male	980	0	0%	719	0	0%
Female	125	0	0%	70	0	0%
Total Permanent Workers	661	0	0%	534	0	0%
Male	640	0	0%	507	0	0%
Female	21	0	0%	27	0	0%

8. Details of training given to employees and workers:

Category	FY 2025-26 (Current Financial Year)					FY 2024-25 (Previous Financial Year)				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	1004	980	98%	876	87%	744	700	94%	651	88%
Female	131	110	84%	95	73%	76	70	92%	48	63%
Total	1135	1090	96%	971	86%	820	770	94%	699	85%
Workers										
Male	2966	802	27%	2065	70%	1593	722	45%	938	59%
Female	545	268	49%	427	78%	284	127	45%	245	86%
Total	3511	1070	30%	2492	71%	1877	849	45%	1183	63%

9. Details of performance and career development reviews of employees and worker:

Category	FY 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	Total	No.	Percentage	Total	No.	Percentage
Employees						
Male	980	980	100%	719	719	100%
Female	125	125	100%	70	70	100%
Total	1105	1105	100%	789	789	100%
Workers						
Male	640	640	100%	507	507	100%
Female	21	21	100%	27	27	100%
Total	661	661	100%	534	534	100%

Note: Only permanent employees and workers are considered

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes. All facilities of the Company follow the guidelines and principles of an Occupational Health and Safety Management System (OHSMS), with four facilities covered under ISO 45001:2018 certification during the reporting period. The OHSMS includes Standard Operating Procedures (SOPs), Hazard Identification and Risk Assessment (HIRA), safety inspections and audits, incident reporting mechanisms, and periodic safety training programs to proactively mitigate workplace risks.

The OHSMS covers employees and workers across manufacturing operations and associated support functions within the reporting boundary.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The Company identifies work-related hazards and assesses risks through a structured Hazard Identification and Risk Assessment (HIRA) process covering routine and non-routine activities. The process is supported by safety inspections, audits, incident investigations, and periodic review of operational activities to proactively mitigate workplace risks.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category*	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million person hours worked)^	Employees Workers (including the contract workforce)	0.33	0.48
Total recordable work-related injuries	Employees Workers (including the contract workforce)	0 3	0 4
No. of fatalities	Employees Workers (including the contract workforce)	0 0	0 0
High consequences for work-related injury or ill-health (excluding fatalities)	Employees Workers (including the contract workforce)	0 0	0 0

Note: ^ The Company currently monitors and reports LTIFR on a combined basis for employees and workers, and separate classification is presently not maintained.

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

The Company has implemented multiple measures to ensure a safe and healthy workplace across its operations. These include mandatory use of Personal Protective Equipment (PPE), daily Gemba walk audits, deployment of Zone Safety Leaders, periodic plant and machine safety audits, and structured Hazard Identification and Risk Assessment (HIRA) processes. All relevant machinery is equipped with protective guarding systems, including interlocking guards, fixed guards, safety light curtains, and two-hand control devices, wherever applicable.

The Company also conducts regular toolbox talks, safety training programs, tabletop emergency exercises, and employee engagement initiatives such as safety quizzes, poster presentations, and slogan-writing activities to strengthen safety awareness. In addition, external audits are conducted under ISO 45001 management system to support continual improvement in occupational health and safety performance.

13. Number of Complaints on the following made by employees and workers

Benefits	FY 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	NA	0	0	NA
Health & Safety	0	0	NA	0	0	NA

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

No significant risks or concerns arising from assessments of health & safety practices and working conditions were identified during the reporting period. However, any observations or minor concerns identified through inspections, audits, or routine monitoring were addressed through a structured Corrective and Preventive Action (CAPA) process. Implementation of corrective actions was monitored by the respective teams to ensure timely closure and effectiveness.

In addition, regular toolbox talks and safety awareness sessions were conducted to reinforce safe work practices and strengthen employee awareness on workplace health and safety.

PRINCIPLE: 4
Businesses should respect the interests of and be responsive to all its stakeholders
Essential Indicators
1. Describe the processes for identifying key stakeholder groups of the entity.

The Company identifies its key stakeholder groups based on the nature of its business operations, dependencies, and the extent of impact.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees and Workers	No	Email, noticeboards, meetings, training sessions, toolbox talks	Ongoing	Workplace safety, employee well-being, policy updates, performance reviews, training, grievance redressal
Customers / OEMs	No	Email, meetings, audits, reviews, customer portal	Ongoing	Demand, Forecast & Bid Management, Product requirements, quality feedback, contractual obligations, ESG expectations, Reporting Governance
Suppliers and Contractors	No	Email, meetings, audits, Supplier Code of Conduct	Ongoing / As required	Sourcing requirements, quality, delivery compliance
Investors / Shareholders	No	Annual reports, meetings, website, stock exchange disclosures, Investor Day events	Annually / As required	Financial performance, governance, business strategy, ESG performance
Regulators / Government Bodies	No	Statutory filings, inspections, meetings, email	As required	Statutory compliance, reporting, inspections
Local Communities	Yes [^]	The following link provides information about some of the company's community work through the Aequs Foundation - https://aequsfoundation.org		

Note: [^] Local communities may include vulnerable and marginalized groups based on socio-economic conditions and access to opportunities and services

PRINCIPLE: 5**Businesses should respect and promote human rights****Essential Indicators**

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D/C)
Employees						
Permanent	1105	NA	NA	789	NA	NA
Other than permanent	30	NA	NA	31	NA	NA
Total Employees	1135	NA	NA	820	NA	NA
Workers						
Permanent	661	NA	NA	534	NA	NA
Other than permanent	2850	NA	NA	1343	NA	NA
Total Workers	3511	NA	NA	1877	NA	NA

Note: Human rights-related aspects are covered through existing programs on Code of Conduct, workplace ethics, POSH, and occupational health & safety; however, separate classification of such programs as human rights training is currently not maintained.

2. **Details of minimum wages paid to employees and workers, in the following format**

Category	FY 2025-26 (Current Financial Year)					FY 2024-25 (Previous Financial Year)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	1105	471	43%	634	57%	789	288	37%	501	63%
Male	980	387	39%	593	61%	719	240	33%	479	67%
Female	125	84	67%	41	33%	70	48	69%	22	31%
Other than Permanent	30	30	100%	0	0%	31	31	100%	0	0%
Male	24	24	100%	0	0%	25	25	100%	0	0%
Female	6	6	100%	0	0%	6	6	100%	0	0%
Workers										
Permanent	661	541	82%	120	18%	534	464	87%	70	13%
Male	640	521	81%	119	19%	507	437	86%	70	14%
Female	21	20	95%	1	5%	27	27	100%	0	0%
Other than Permanent	2850	2850	100%	0	0%	1343	1218	91%	126	9%
Male	2326	2326	100%	0	0%	1086	965	89%	122	11%
Female	524	524	100%	0	0%	257	253	98%	4	2%

3. Details of remuneration/salary/wages

a. Median remuneration / wages:

Gender	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (in INR)	Number	Median remuneration/ salary/ wages of respective category (in INR)
Board of Directors (BoD)	5	₹ 65,063,768	1	₹ 2,500,000
Key Managerial Personnel	2	₹ 12,569,166	0	-
Employees other than BoD and KMP	980	₹ 650,003	125	₹ 443,165
Workers	640	₹ 443,855	21	₹ 353,855

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Gross wages paid to females as % of total wages	7%	6%

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

The Human Resources team, in coordination with the Ethics function, is broadly responsible for addressing and coordinating matters relating to human rights impacts and grievance redressal.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company addresses grievances related to human rights issues through its common grievance redressal and ethics reporting mechanism applicable to employees and workers. Any perceived or possible concern, violation, or complaint, including those relating to workplace conduct, discrimination, harassment, or fair treatment, may be reported through multiple channels such as Ethics Boxes, email communication to ethics@aequs.com, or personal meetings with appropriate personnel.

Reported concerns are reviewed and addressed through the designated governance mechanism and may be escalated to the Chief Ethics Officer or the Chairman of the Ethics Audit Committee, as appropriate.

6. Number of Complaints on the following made by employees and workers:

	FY 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	NA	0	0	NA
Discrimination at workplace	0	0	NA	0	0	NA
Child Labor	0	0	NA	0	0	NA
Forced Labor / Involuntary Labor	0	0	NA	0	0	NA
Wages	0	0	NA	0	0	NA
Other human rights related issues	0	0	NA	0	0	NA

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees / workers	0%	NA
Complaints on POSH upheld	0	NA

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company is committed to maintaining an inclusive workplace free from discrimination, harassment, and retaliation. The Code of Conduct, reinforced through periodic awareness programs, along with the Prevention of Sexual Harassment (POSH) Policy, provides the framework for respectful workplace behavior and protection of employees.

The Company has established grievance redressal and ethics reporting mechanisms with confidential reporting channels and investigation processes. Appropriate safeguards are in place to protect complainants and witnesses from retaliation, victimization, or discrimination while also discouraging misuse of the grievance mechanism.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes. Human rights-related requirements form part of the Company's engagement with suppliers, vendors, and contractual labor providers through the Supplier Code of Conduct and related contractual expectations. The Code incorporates principles relating to non-discrimination, fair wages, prohibition of child labor and forced labor, and compliance with applicable labor laws and regulations.

Value chain partners are expected to comply with these requirements, which may also be reviewed through periodic assessments and audits, as applicable.

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labor	100%
Forced/involuntary labor	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	NA

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

No significant corrective actions were identified as necessary based on the assessments conducted across the Company's plants and offices.

PRINCIPLE: 6

Businesses should respect and make efforts to protect and restore the environment

Essential Indicators
1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	Unit	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
From renewable sources			
Total electricity consumption (A)	GJ	35,852	27,441
Total fuel consumption (B)	GJ	0	0
Energy consumption through other sources (C)	GJ	0	0
Total energy consumed from renewable sources (A+B+C)	GJ	35,852	27,441
From non-renewable sources			
Total electricity consumption (D)	GJ	86,298	56,096
Total fuel consumption (E)	GJ	1,102	973
Energy consumption through other sources (F)	GJ	0	0
Total energy consumed from non-renewable sources (D+E+F)	GJ	87,400	57,069
Total energy consumed (A+B+C+D+E+F)	GJ	1,23,252	84,509
Energy intensity per crore rupee of turnover (Total energy consumed (GJ) / Revenue from operations in crore rupees)	GJ/Cr INR	125.33	121.90
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed (GJ)/ Revenue from operations adjusted for PPP (million US\$))*	GJ/million USD	251.66	248.93
Energy intensity in terms of physical output #	-	NA	NA
Energy intensity (optional) – the relevant metric may be selected by the entity	-	NA	NA

Notes: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: **No**

*For FY 2024-25 and 2025-26, the revenue from operations has been adjusted for PPP based on the PPP conversion factor published for the year 2025 and 2026 by the International Monetary Fund which are 20.42 and 20.08 respectively

*Due to the diverse nature of the business operations and products/services of the Company, it is not feasible to determine the physical output for the calculation of Energy Intensity

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No

3. Provide details of the following disclosures related to water, in the following format:

Parameter	Unit	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Water withdrawal by source (in kilolitres)			
(i) Surface water	kL	0	0
(ii) Groundwater	kL	0	0
(iii) Third party water	kL	65,621	43,843
(iv) Seawater / desalinated water	kL	0	0
(v) Others	kL	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	kL	65,621	43,843

Parameter	Unit	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Total volume of water consumption (in kilolitres)	kL	13,124	8,769
Water intensity per rupee of turnover Total water consumption (kL) / Revenue from operations in Crore rupees)	kL/Cr INR	13.35	12.65
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption (kL)/ Revenue from operations adjusted for PPP (million US\$))*	kL/million USD	26.80	25.83
Water intensity in terms of physical output[#]	-	NA	NA
Water intensity (optional) – the relevant metric may be selected by the entity	-	NA	NA

Notes: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: **No**

*For FY 2024-25 and 2025-26, the revenue from operations has been adjusted for PPP based on the PPP conversion factor published for the year 2025 and 2026 by the International Monetary Fund which are 20.42 and 20.08 respectively

[#]Due to the diverse nature of the business operations and products/services of the Company, it is not feasible to determine the physical output for the calculation of Water Intensity

4. Provide the following details related to water discharged:

Parameter	Unit	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)			
(i) To Surface water			
No treatment	kL	0	0
With treatment – please specify level of treatment	kL	0	0
(ii) To Groundwater			
No treatment	kL	0	0
With treatment – please specify level of treatment	kL	0	0
(iii) To Seawater			
No treatment	kL	0	0
With treatment – please specify level of treatment	kL	0	0
(iv) Sent to third parties			
No treatment	kL	52,497	35,075
With treatment – please specify level of treatment	kL	0	0
(v) Others			
No treatment	kL	0	0
With treatment – please specify level of treatment	kL	0	0
Total water discharged (in kilolitres)	kL	52,497	35,075

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: **No**

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

While most facilities of the Company do not involve process water usage, one unit generating process effluent has implemented a Zero Liquid Discharge (ZLD) system. The system is designed to treat and recycle wastewater, thereby minimizing liquid discharge from the facility.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Unit	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
NOx	mg/Nm3	11.30	10.21
SOx	mg/Nm3	5.90	4.30
Particulate matter (PM)	mg/Nm3	46.10	58.13
Persistent organic pollutants (POP)	-	NA	NA
Volatile organic compounds (VOC)	-	NA	NA

Parameter	Unit	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Hazardous air pollutants (HAP)	-	NA	NA
Others – please specify	-	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: **No**

Remark: The Company has only two operational stacks across all facilities within the reporting boundary. Stack emissions are periodically monitored through NABL-accredited laboratories in accordance with applicable regulatory requirements, and all monitored values were within prescribed limits. Emission data is maintained and reported in concentration terms (mg/Nm³) as per regulatory monitoring requirements.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Tonnes of CO ₂ equivalent (tCO ₂ e)	309.27	164.58
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Tonnes of CO ₂ equivalent (tCO ₂ e)	17,019.86	11,328.18
Total Scope 1 and Scope 2 emission intensity per crore rupee of turnover (Total Scope 1 and Scope 2 GHG emissions (tCO ₂ e)/ Revenue from operations in crore rupees)	tCO ₂ e / Cr INR	17.62	16.58
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted For Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions (tCO ₂ e) / Revenue from operations adjusted for PPP (million US\$))*	tCO ₂ e / million USD	35.38	33.85
Total Scope 1 and Scope 2 emission intensity in terms of physical output#	-	NA	NA
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may	-	NA	NA

Notes: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: No

*For FY 2024-25 and 2025-26, the revenue from operations has been adjusted for PPP based on the PPP conversion factor published for the year 2025 and 2026 by the International Monetary Fund which are 20.42 and 20.08 respectively

#Due to the diverse nature of the business operations and products/services of the Company, it is not feasible to determine the physical output for the calculation of Water Intensity

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Yes. The Company has initiated a structured approach towards greenhouse gas (GHG) emissions management across its operations. Scope 1 and Scope 2 emissions are being monitored for the reporting entities, and selected facilities have undergone third-party validation of emissions data in line with ISO 14065 requirements. The Company has also initiated assessment of Scope 3 emissions for select categories as part of its broader emissions management efforts.

In the Belagavi Aerospace Cluster, a significant share of electricity consumption is already sourced from renewable energy, and this share is expected to increase further over time. Based on the emissions baseline and ongoing assessments, the Company is developing a phased GHG mitigation roadmap focused on enhancing energy efficiency, strengthening emissions monitoring practices, increasing the share of renewable energy, and gradually reducing operational emissions.

9. Provide details related to waste management by the entity, in the following format:

Parameter	Unit	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Total Waste generated (in metric tonnes)			
Plastic waste (A)	MT	465.61	423.41
E-waste (B)	MT	0.07	0.03
Bio-medical waste (C)	MT	0.09	0.09
Construction and demolition waste (D)		0.00	0.00
Battery waste (E)	MT	0.04	0.00
Radioactive waste (F)	-	0.00	0.00
Other Hazardous waste. Please specify, if any. (G)	MT	1,559.71	665.04
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	MT	0.21	0.23
Total (A+B + C + D + E + F + G + H)	MT	2,025.72	1,088.80
Waste intensity per crore rupee of turnover (Total waste generated (MT) / Revenue from operations in crore rupees)	MT/Cr INR	2.06	1.57
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated (MT) / Revenue from operations adjusted for PPP (million US\$))*	MT/million USD	4.14	3.21
Waste intensity in terms of physical output	-	NA	NA
Waste intensity (optional) – the relevant metric may be selected by the entity	-	NA	NA
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)			
Category of waste			
(i) Recycled		7.22	2.61
(ii) Re-used		465.31	423.19
(iii) Other recovery operations		0.00	0.00
Total		472.53	425.80
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)			
Category of waste			
(i) Incineration		1,436.32	655.97
(ii) Landfilling		17.99	0.00
(iii) Other disposal operations		0.00	0.01
Total		1,454.31	655.98

Notes: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: No

*For FY 2024-25 and 2025-26, the revenue from operations has been adjusted for PPP based on the PPP conversion factor published for the year 2025 and 2026 by the International Monetary Fund which are 20.42 and 20.08 respectively

*Due to the diverse nature of the business operations and products/services of the Company, it is not feasible to determine the physical output for the calculation of Water Intensity

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Company has implemented waste management practices focused on waste segregation, monitoring, reuse/recycling, and responsible disposal in accordance with applicable regulatory requirements. Metals and plastics are the key input materials across operations, and the scrap generated is reused internally wherever feasible or routed through authorized recycling vendors.

Waste generated across facilities is disposed through agencies approved by the respective State Pollution Control Boards. Hazardous wastes, where generated, are segregated, stored and handled in accordance with applicable legal requirements, and movement/disposal is tracked through prescribed manifest systems.

The Company also undertakes periodic monitoring and process controls to ensure safe handling and management of hazardous materials and wastes associated with its operations.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations / offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
NIL			

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
NIL					

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
NIL				

PRINCIPLE: 7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.

6

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Confederation Indian Industries (CII)	National
2	Federation Indian Chambers of Commerce & Industry (FICCI)	National
3	Society of Indian Aerospace Technologies and Industries (SIATI)	National
4	Aerospace India Association (AIA)	National
5	Export Promotion Council for EOUs and SEZs (EPCES)	National
6	Toy Association of India (TAI)	National

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
	Nil	

PRINCIPLE: 8
Businesses should promote inclusive growth and equitable development
Essential Indicators

- Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes /No)	Results communicated in public domain (Yes / No)	Relevant Web link

Not Applicable

- Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)

Not Applicable

- Describe the mechanisms to receive and redress grievances of the community.**

The Company's facilities operate within recognized industrial areas, resulting in limited direct interface with surrounding communities. The Company maintains regular engagement with local communities through its CSR initiatives. In addition, concerns or grievances, if any, may be reported through the Company's ethics reporting mechanism at ethics@aequs.com, and are reviewed and addressed through the Company's established governance processes, as appropriate.

- Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Directly sourced from MSMEs/small producers	1.35%	1.89%
Directly from within India	58.52%	60.45%

- Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost**

Location	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Rural	27%	25%
Semi-urban	-	-
Urban	73%	75%
Metropolitan	-	-

(Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

PRINCIPLE: 9

Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators**1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

The Company supplies products to a range of institutional, business-to-business (B2B) customers – comprising OEMs and Tier-1 system integrators in the Aerospace, Toys and Consumer segments. For every segment, the Company has established structured processes to address customer concerns including grievances. Any product-related complaints from B2B customers are managed by the respective segment-level cross-functional teams, which are responsible for ensuring timely and effective resolution. A defined escalation matrix is in place to address critical or unresolved issues, enabling swift intervention at higher levels when required.

These teams follow a systematic approach involving investigation, root-cause analysis, continuous monitoring and regular follow-ups to uphold the Company's quality and customer satisfaction standards. In addition, the Company conducts an annual customer survey, and the feedback received is carefully reviewed and incorporated into improvement initiatives.

Customers can contact the Company for product related queries, or to register grievances, through multiple communication channels. They may reach out via email or phone, and all such communications are routed to the appropriate teams for prompt and efficient handling.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	All products of the Company are made as per customer specifications. The relevant information is included as per customer requirements specified.
Safe and responsible usage	
Recycling and/or safe disposal	

3. Number of consumer complaints in respect of the following:

	FY 2025-26 (Current Financial Year)		Remarks	FY 2024-25 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at the end of year		Received during the year	Pending resolution at the end of year	
Data privacy	0	0	NA	0	0	NA
Advertising	0	0	NA	0	0	NA
Delivery of essential services	0	0	NA	0	0	NA
Restrictive trade practices	0	0	NA	0	0	NA
Unfair trade practices	0	0	NA	0	0	NA
Other (Customer Complaints)	0	0	NA	0	0	NA

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	0	NA
Forced recalls	0	NA

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes. The Policy is an internal document and is not currently available in the public domain.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Not applicable.

7. Provide the following information relating to data breaches:**a. Number of instances of data breaches**

0

b. Percentage of data breaches involving personally identifiable information of customers

0

c. Impact, if any, of the data breaches

N/A

Independent Auditor's Report

To
The Members of
Aequus Limited (formerly known as Aequus Private Limited)

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of **Aequus Limited** (formerly known as Aequus Private Limited) (the "Company") its Aequus Stock Option Plan Trust which comprise the standalone balance sheet as at March 31, 2026, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including material accounting policies and other explanatory information (herein referred to as the "standalone financial statements").

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

Revenue recognition

See Notes 2(d) and 15 to standalone financial statements

The key audit matter

The Company is engaged in the business of contract manufacturing, catering to the manufacture of machined parts used in the aerospace sector. The Company supplies goods only against committed orders and has a concentrated customer base. The revenue is derived primarily from sale of these goods.

Revenue from sale of goods is recognised when control is transferred to the customers and when there are no other unfulfilled obligations. There are variations in the terms of different sales contracts which require detailed analysis of each contract regarding timing of revenue recognition. Consequently, there is a risk of revenue being overstated due to recognition prior to the transfer of control, particularly in light of pressures to achieve performance targets at the end of the reporting period.

Accordingly, we have identified the timing of revenue recognition as a key audit matter.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

How the matter was addressed in our audit

In view of the significance of the matter, we applied the following audit procedures, among others, to obtain sufficient appropriate audit evidence:

- We assessed the appropriateness of the accounting policies for revenue recognition and its compliance with applicable accounting standards;
- We evaluated the design and implementation of the Company's manual and general IT controls and key IT application controls with respect to revenue recognition and tested operating effectiveness of these controls over recording of revenue in the correct period, by involving internal IT specialists;
- We performed substantive testing on samples selected using statistical sampling of revenue transactions recorded during the year and around the year end date by testing the underlying documents including sale invoices, customer contracts and delivery documents to assess whether the revenue had been recognised in the correct reporting period;

The key audit matter	How the matter was addressed in our audit
	• We tested sample journal entries for revenue recognised, selected based on specified risk based criteria, to identify unusual entries; • We have performed substantive testing of subsequent credit notes/ reversal entries recorded by selecting a sample of high value items resulting in untested balance being immaterial; and • We evaluated the adequacy and appropriateness of the disclosures made in the standalone financial statements, in accordance with the relevant accounting standard.

Impairment on investments in subsidiaries

See Notes 2(n) and 6 to standalone financial statements

The key audit matter	How the matter was addressed in our audit
The Company has significant investment in subsidiaries as at March 31, 2026 (amounting to INR 14,103.09 million, net of impairment provision of INR 6,627.14 million) which accounts for 70.63% of total assets as on that date. The investments are assessed at the end of each reporting period to determine whether there is any indication of impairment and the consequential impairment loss, if any. Significant judgements are involved in the discounted cash flow models to determine the key assumptions used for impairment testing, such as revenue growth discount rates and terminal growth rate. The impairment testing is also highly dependent on external factors such as future market conditions and the economic environment. We have identified valuation of investments in subsidiaries as a key audit matter because of the financial quantum of the assets as well as the critical judgements, estimates and assumptions involved with respect to the assessment of future cash flows.	In view of the significance of the matter, we applied the following audit procedures, among others, to obtain sufficient appropriate audit evidence: • Understanding the process followed by the Company in respect of the annual impairment analysis for investments in subsidiaries. We also assessed the net profit and net worth of the subsidiaries to identify whether an indicator for impairment existed and evaluated whether the net assets of the subsidiary were sufficient to recover the investment value; • We evaluated the design and implementation and tested the operating effectiveness of key internal financial controls with respect to the process of testing of impairment of its investment in subsidiaries, including controls relating to the determination of key assumptions used in such impairment testing; • We examined the recoverable value computations prepared by the Company using value-in-use models and evaluated the appropriateness of assumptions around the key drivers of the cash flow forecasts such as revenue growth rates, discount rate and terminal growth rate, considering current economic scenario; • We tested the arithmetical accuracy of the valuation model considered for the purpose of valuation of investment; • We performed a retrospective review of estimates by comparing the actual financial performance of the subsidiaries for the year ended March 31, 2026 with the projections considered by management during the previous year and assessed if the estimation process is reasonable; • We involved valuation specialists to assess the appropriateness of valuation methodology applied by the Company and to assess the reasonableness of market driven assumptions used in the valuation of investments; • We assessed the sensitivity of the assumptions on the valuation assessment; and • We evaluated the adequacy and appropriateness of the disclosures made in the standalone financial statements.

Other Information

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

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

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

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

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

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

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

The respective Board of Directors/Board of Trustees are responsible for overseeing the financial reporting process of the Company/Trust.

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

- 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.
- A. As required by Section 143(3) of the Act, we report that:
 - 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.
 - 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 matter stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
 - In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - On the basis of the written representations received from the directors of the Company as on March 31, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164(2) of the Act.
 - the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - 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**".
- 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
 - The Company has disclosed the impact of pending litigations as at March 31, 2026 on its financial position in its standalone financial statements - Refer Note 29 to the standalone financial statements.
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - (i) The management of the Company represented to us that, to the best of its knowledge and belief, as disclosed in the Note 34(vi)(a) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by

or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management of the Company represented to us that, to the best of its knowledge and belief, as disclosed in the Note 34(vi)(b) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures 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 April 01, 2025 to December 15, 2025 at the database level to log any direct data changes; and

- not enabled for the period from April 01, 2025 to October 09, 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/ payable 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/payable to any director by the Company 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

Membership No.: 060573

ICAI UDIN:26060573SJNAZY4183

Place: Chennai

Date: May 26, 2026

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Aequs Limited (formerly known as Aequs Private Limited) for the year ended March 31, 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 lease agreements are duly executed in favor 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:

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	HDFC Bank	Inventories	336.00	333.36	2.64	No
		Trade receivables	176.00	172.24	3.76	No
Sep-25		Inventories	377.00	376.91	0.09	No
		Trade receivables	178.00	177.52	0.48	No
Dec-25		Inventories	401.00	401.13	(0.13)	No
		Trade receivables	206.00	206.18	(0.18)	No
Mar-26		Inventories	421.00	444.63	(23.63)	No
		Trade receivables	249.00	248.59	0.41	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 security or granted advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnership and other parties during the year. The Company has made investments, provided guarantee and granted unsecured loans to companies during the year in respect of which the requisite information is as below. Additionally, a loan recoverable from a subsidiary has also been converted to equity investment during the year. The Company has also not granted any secured loans to companies, or made any investments, provided guarantee or granted loans, secured or unsecured, to any firms and limited liability partnerships or any other parties during the year.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided unsecured loans or stood guarantee, to subsidiaries and joint ventures as below:

Particulars	Guarantees [INR Millions]	Loans [INR Millions]
Aggregate amount during the year		
Subsidiaries*	3,447.40	1,374.70
Joint ventures*	50.00	-
Balance outstanding as at balance sheet date		
Subsidiaries*	3,447.40	1,374.70
Joint ventures*	50.00	-

*As per the Companies Act, 2013

Name of the entity	Amount [INR Millions]	Due date	Extent of delay	Remarks, if any
Aequs Consumer Products Private Limited	83.83	Multiple	1 - 154 days	None
Aerostructures Manufacturing Private Limited	11.88	Multiple	1 - 122 days	None
Aequs Engineered Plastics Private Limited	24.29	Multiple	1 - 183 days	None
Aequs Force Consumer Products Private Limited	10.19	Multiple	1 - 183 days	None
Aequs Toys Private Limited	15.30	Multiple	1 - 305 days	None
Koppal Toys Molding COE Private Limited	4.11	Multiple	1 - 305 days	None
Aequs Rajas Extrusion Private Limited	2.61	Multiple	1 - 366 days	None

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, in case of advance in the nature of loans of INR 17.24 million given to fellow subsidiary and INR 51.55 million to subsidiary, the schedule for repayment of principal and payment of interest have not been stipulated and accordingly we are unable to comment on the amount overdue for

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made, including the investment made in a subsidiary through conversion of loan to equity investment and guarantees provided during the year and the terms and conditions of the grant of loans and guarantees provided during the year 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 repayment of principal and payment of interest have been stipulated, except loans of INR 474.00 million given to subsidiaries which are repayable on demand and outstanding advance in the nature of loan of INR 17.24 million given to fellow subsidiary and INR 51.55 million to a subsidiary, where the schedule of repayment of principal and payment of interest has not been stipulated.

As informed to us, in the 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 the case of advances in the nature of loans where the schedule of repayment of principal and payment of interest has not been stipulated, we are unable to comment on whether the repayments or receipts are regular. In the case of other loans given to subsidiaries, the repayments and receipts have been regular except for the following receipts of interest:

more than ninety days. Further, there is no overdue amount for more than ninety days in respect of loans given except interest of INR 64.74 million overdue for more than ninety days as at March 31, 2026. In our opinion, reasonable steps have been taken by the Company for recovery of the principal and interest.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the

year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties, except that repayment of INR 152.21 million, being the interest due on loans granted to subsidiaries, have been extended. The aggregate amount of such dues extended is 11.07% of the total loans granted 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 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 parties as defined in Clause (76) of Section 2 of the Companies Act, 2013 ("the Act"):

Particulars	Related parties
Aggregate of loans	
- Repayable on demand	115.00
Percentage of loans to the total loans	5.74%

- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of guarantees provided and 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 the 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 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 Services 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 Services Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at March 31, 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
Income Tax Act, 1961	Income Tax	25.30*	Financial year 2016-17	Commissioner of Income Tax-(Appeals)
		0.48	Financial year 2017-18	Commissioner 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, the Company has not obtained any term loans. Accordingly, clause 3(ix)(c) of the Order is not applicable.

- (d) According to the information and explanations given to us and on an overall examination of the standalone 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 standalone financial statements of the Company, we report that the Company has taken funds from following entities and persons on account of or to meet the obligations of its subsidiaries (as defined under the Act) as per details below:

Nature of fund taken	Name of lender(May mention whether Bank/ NBFC/ Corporate etc)	Amount involved (INR Million)	Name of the relevant subsidiary	Relationship	Nature of transaction for which funds utilised	Remarks, if any
Initial public offer	Public	1,748.20	AeroStructures Manufacturing India Private Limited	Subsidiary	Re-payment of loans	None
		2,311.60	Aequs Consumer Products Private Limited			None
		96.30	Aequs Engineered Plastics Private Limited			None
		558.80	AeroStructures Manufacturing India Private Limited		Capital expenditure*	None
		45.90	Aequs Toys Private Limited		General corporate purposes*	
		350.00	Aequs Consumer Products Private Limited			
Private Placement	Multiple	133.30	AeroStructures Manufacturing India Private Limited	Subsidiary	Re-payment of loans	None
		166.42			Capital expenditure#	None
		600.00	Aequs Consumer Products Private Limited		General corporate purposes#	None
		163.70	Aequs Engineered Plastics Private Limited			None
		154.10	Aequs Toys Private Limited			None
		20.00	Aequs Force Consumer Products Private Limited			None

*INR 812.00 million is unutilized by subsidiaries.

#INR 187.80 million is unutilized by subsidiaries.

- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).
- (x) (a) In our opinion and according to the information and explanations given to us, the company has utilised the money raised by way of initial public offer for the purpose for which they were raised. However, some portion of the amount raised, which remain unutilised during the year, have been temporarily invested in bank deposits and placed in current accounts of the Company and its wholly owned subsidiaries as on March 31, 2026.
- (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 of shares, or preferential allotment or private placement of convertible debentures during the year.

In our opinion, in respect of private placement of shares made during the year, the Company has duly complied with the requirements of Section 42 and Section 62 of the Companies Act, 2013. The proceeds from private placement of shares have been used for the purposes for which the funds were raised. However, some portion of the amount raised, which remain unutilised during the year, have been temporarily invested in bank deposits and placed in current accounts as on March 31, 2026.

(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) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.

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

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone 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 Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended) does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are 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) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For B S R & Co. LLP

Chartered Accountants

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

Sampad Guha Thakurta

Partner

Place: Chennai

Date: May 26, 2026

Membership No.: 060573

ICAI UDIN: 26060573SJNAZY4183

Annexure B to the Independent Auditor's Report on the standalone financial statements of Aequs Limited (formerly known as Aequs Private Limited) for the year ended March 31, 2026

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

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

Opinion

We have audited the internal financial controls with reference to financial statements of Aequs Limited (formerly known as Aequs Private Limited) ("the Company") as of March 31, 2026 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with

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

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail,

accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal

financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For B S R & Co. LLP

Chartered Accountants

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

Sampad Guha Thakurta

Partner

Membership No.: 060573

ICAI UDIN:26060573SJNAZY4183

Place: Chennai

Date: May 26, 2026

Standalone 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	4	123.09	99.82
Right-of-use assets	4A	209.17	282.28
Intangible assets	5	22.02	22.64
Financial assets			
Investments in subsidiaries, associates and joint ventures	6	15,194.29	8,519.50
Loans	7 (iv)	1,993.55	-
Other financial assets	7(v)	26.43	25.22
Deferred tax assets (net)	25	104.52	116.67
Current tax assets		56.75	42.77
Other non-current assets	8	70.02	6.72
Total non-current assets		17,799.84	9,115.62
Current assets			
Inventories	9	444.63	372.74
Financial assets			
Trade receivables	7 (i)	248.59	171.44
Cash and cash equivalents	7 (ii)	998.82	168.25
Bank balances other than above	7 (iii)	290.53	0.11
Loans	7 (iv)	-	523.00
Other financial assets	7 (v)	56.78	57.26
Contract assets	7A	10.93	3.64
Other current assets	8	118.05	102.52
Total current assets		2,168.33	1,398.96
Total assets		19,968.17	10,514.58
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	10	6,706.66	5,818.29
Other equity	11	11,970.32	3,277.09
Total equity		18,676.98	9,095.38
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Lease liabilities	4A	175.91	225.45
Other financial liabilities	13 (iii)	326.77	464.25
Provision for employee benefits	12	28.97	19.68
Total non current liabilities		531.65	709.38
Current liabilities			
Financial liabilities			
Borrowings	13 (i)	115.14	224.56
Lease liabilities	4A	62.93	66.79
Trade payables			
a. Total outstanding dues of micro enterprises and small enterprises; and	13(ii)	3.66	7.59
b. Total outstanding dues of creditors other than micro enterprises and small enterprises	13(ii)	316.47	228.66
Other financial liabilities	13 (iii)	115.77	117.02
Provision for employee benefits	12	11.78	8.58
Other current liabilities	14	72.52	2.86
Contract liabilities	7A	61.27	53.76
Total current liabilities		759.54	709.82
Total liabilities		1,291.19	1,419.20
Total equity and liabilities		19,968.17	10,514.58
Summary of material accounting policies	2		

The accompanying notes are an integral part of standalone financial statements

As per our report of even date attached.

for **B S R & Co. LLP**
Chartered Accountants
ICAI Firm's Registration No. 101248W/W-100022

Sampad Guha Thakurta
Partner

Membership No.: 060573
Place: Chennai
Date:

for and on behalf of the Board of Directors of
Aequs Limited (Formerly known as Aequs Private Limited)
CIN : L80302KA2000PLC026760

Rajeev Kaul
Co-Founder and Managing Director
Managing Director
DIN-01468590
Place:
Date: May 26, 2026

Dinesh Iyer
Chief Financial Officer

Place:
Date: May 26, 2026

Aravind S Melligeri
Executive Chairman and Chief Executive Officer
Chief Executive Officer
DIN-00787735
Place:
Date: May 26, 2026

Ravi Mallikarjun Hugar
Company Secretary and
Compliance Officer
M. No. - A20823
Place:
Date: May 26, 2026

Standalone 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	15	1,238.58	922.39
Other income	16	545.34	195.72
Total income (A)		1,783.92	1,118.11
Expenses			
Cost of materials consumed	17	543.13	355.84
Changes in inventories of finished goods and work-in-progress	18	(12.87)	(0.62)
Employee benefit expense	19	236.18	138.33
Impairment (reversals) / losses on financial assets	27	(0.75)	0.82
Other expenses	21	462.36	349.57
Total expenses (B)		1,228.05	843.94
Earnings before finance costs, depreciation and amortisation, exceptional items and tax (A-B)		555.87	274.17
Finance costs	22	88.53	52.64
Depreciation and amortisation expense	20	94.50	102.12
Profit before exceptional items and tax		372.84	119.41
Exceptional items loss	24	187.45	(824.92)
Profit / (loss) before tax		560.29	(705.51)
Income tax expense			
- Current tax	25	49.11	-
- Deferred tax	25	13.19	35.27
Total tax expense		62.30	35.27
Profit / (loss) for the year		497.99	(740.78)
Other comprehensive (loss) / income			
Items that will not be reclassified to profit or loss			
- Remeasurements of post-employment benefit obligations	12	1.15	5.02
- Income tax relating to these items		-	-
Other comprehensive income / (loss) for the year, net of tax		1.15	5.02
Total comprehensive income / (loss) for the year, net of tax		499.14	(735.76)
Earnings per equity share (in INR) (Nominal value per share: ₹10)	32		
Basic		0.82	(1.31)
Diluted		0.81	(1.31)
Summary of material accounting policies	2		

The accompanying notes are an integral part of standalone financial statements

As per our report of even date attached.

for **B S R & Co. LLP**
Chartered Accountants
ICAI Firm's Registration No. 101248W/W-100022

Sampad Guha Thakurta
Partner

Membership No.: 060573
Place: Chennai
Date:

for and on behalf of the Board of Directors of
Aequs Limited (Formerly known as Aequs Private Limited)
CIN : L80302KA2000PLC026760

Rajeev Kaul
Co-Founder and Managing Director
Managing Director
DIN-01468590
Place:
Date: May 26, 2026

Dinesh Iyer
Chief Financial Officer

Place:
Date: May 26, 2026

Aravind S Melligeri
Executive Chairman and Chief Executive Officer
Chief Executive Officer
DIN-00787735
Place:
Date: May 26, 2026

Ravi Mallikarjun Hugar
Company Secretary and
Compliance Officer
M. No. - A20823
Place:
Date: May 26, 2026

Standalone Statement of Changes in Equity

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

A. Equity share capital (refer note 10)

	Amount
Balance as at April 1, 2024	4,247.59
Changes during the year	1,570.70
Balance as at March 31, 2025	5,818.29
Changes during the year	888.37
Balance as at March 31, 2026	6,706.66

B. Instruments entirely equity in nature Compulsorily Convertible Preference Shares (CCPS) (refer note 10A)

	Amount
Balance as at April 1, 2024	4,071.16
Changes during the year	(4,071.16)
Balance as at March 31, 2025	-
Changes during the year	-
Balance as at March 31, 2026	-

C. Other equity (refer note 11)

	Reserves and surplus					Total other equity
	Retained earnings	Securities premium	Share option outstanding account	Treasury shares	Other reserves	
Balance as at April 01, 2024	(5,641.14)	7,306.33	55.58	(265.09)	17.18	1,472.86
Profit/(loss) for the year	(740.78)	-	-	-	-	(740.78)
Other comprehensive income/(loss) for the year	5.02	-	-	-	-	5.02
Other comprehensive income/(loss) for the year	(735.76)	-	-	-	-	(735.76)
Transactions with owners of the Company						
Premium on shares issued during the year	-	2,500.46	-	-	-	2,500.46
Employee stock option expense	-	-	12.30	-	-	12.30
Transfer of reserves relating to lapse of vested options	1.90	-	(1.90)	-	-	-
Total contributions and distributions	1.90	2,500.46	10.40	-	-	2,512.76
Exercise of share option	-	-	-	23.10	-	23.10
ESOP expenses cross charged to other group entities	-	-	-	-	(0.37)	(0.37)
Financial guarantee received during the year	-	-	-	-	4.50	4.50
Sub total	-	-	-	23.10	4.13	27.23
Balance as at March 31, 2025	(6,375.00)	9,806.79	65.98	(241.99)	21.31	3,277.09

Standalone Statement of Changes in Equity

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

	Reserves and surplus					Total other equity
	Retained earnings	Securities premium	Share option outstanding account	Treasury shares	Other reserves	
Balance as at April 01, 2025	(6,375.00)	9,806.79	65.98	(241.99)	21.31	3,277.09
Profit/(loss) for the year	497.99	-	-	-	-	497.99
Other comprehensive income/(loss) for the year	1.15	-	-	-	-	1.15
Other comprehensive income/(loss) for the year	499.14	-	-	-	-	499.14
Transactions with owners of the Company						
Premium on shares issued during the year	-	8,981.27	-	-	-	8,981.27
Employee stock option expense	-	-	45.21	-	-	45.21
Transfer of reserves relating to lapse of vested options	3.87	-	(3.87)	-	-	-
Share issue expenses	-	(437.26)	-	-	-	(437.26)
Total contributions and distributions	3.87	8,544.01	41.34	-	-	8,589.22
Exercise of share option	-	15.69	(15.69)	44.03	-	44.03
ESOP expenses cross charged to other group entities	-	-	-	-	4.18	4.18
Financial guarantee received during the year	-	-	-	-	4.50	4.50
Issue of shares to Aequus Stock Option Plan Trust	-	-	-	(447.84)	-	(447.84)
Sub total	-	15.69	(15.69)	(403.81)	8.68	(395.13)
Balance as at March 31, 2026	(5,871.99)	18,366.49	91.63	(645.80)	29.99	11,970.32

Summary of material accounting policies (Note 2)

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

As per our report of even date attached.

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

Chartered Accountants

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

Sampad Guha Thakurta

Partner

Membership No.: 060573

Place: Chennai

Date:

for and on behalf of the Board of Directors of

Aequus Limited (Formerly known as Aequus Private Limited)

CIN : L80302KA2000PLC026760

Rajeev Kaul

Co-Founder and

Managing Director

DIN-01468590

Place:

Date: May 26, 2026

Dinesh Iyer

Chief Financial Officer

Place:

Date: May 26, 2026

Aravind S Melligeri

Executive Chairman and

Chief Executive Officer

DIN-00787735

Place:

Date: May 26, 2026

Ravi Mallikarjun Hugar

Company Secretary and

Compliance Officer

M. No. - A20823

Place:

Date: May 26, 2026

Standalone Statement of Cash Flows

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

	Year ended March 31, 2026	Year ended March 31, 2025
Cash flow from operating activities		
Profit / (Loss) before income tax	560.29	(705.51)
Adjustments for:		
Depreciation and amortisation expense	94.50	102.12
Unrealized foreign exchange gain	8.38	(33.99)
Realised loss on lease payment	12.81	-
Equity-settled share-based payment transactions	31.17	5.05
Net gain on disposal of property, plant and equipment	-	(0.01)
Impairment (gain)/ loss on long term investments	(234.39)	833.42
Impairment loss on receivable from related parties	-	(8.50)
Interest income from financial asset at amortised cost	(208.33)	(16.08)
Gain on mutual funds	-	(23.44)
Liabilities no longer required written back	(3.74)	(0.23)
Impairment (reversals) / losses on financial assets	(0.75)	0.82
Provision for slow moving inventory	0.50	8.85
Financial guarantee income	(306.74)	(121.98)
Interest expense	49.51	41.93
Unwinding of discount on security deposits	(1.20)	(1.12)
Financial guarantee expense	4.50	5.08
	6.51	86.41
Working capital adjustments		
- (Increase) in trade receivables	(67.84)	(53.41)
- (Increase) in inventories	(72.39)	(79.24)
- Decrease in other financial assets	0.47	32.46
- (Increase) in other assets	(30.17)	(58.69)
- (Increase) in contract assets	(7.29)	(0.93)
- Increase in trade payables	80.81	49.09
- Increase/(decrease) in provision for employee benefit	13.64	(9.22)
- Increase/(decrease) in other financial liabilities	15.30	(2.62)
- Increase/(decrease) in other liabilities	69.66	(6.41)
- Increase in contract liabilities	7.51	52.75
	16.21	10.19
Cash generated from operations	16.21	10.19
Income taxes paid (net of refunds)	(64.13)	(7.49)
Net cash generated from operating activities (A)	(47.92)	2.70
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(102.44)	(18.33)
Proceeds from sale of property, plant and equipment	-	0.83
Loans given to related parties	(1,364.81)	(541.50)
Repayment of loans given to related parties	-	22.50
Interest received	105.61	42.08
Investments in bank deposits	(290.53)	(1,543.15)
Proceeds from maturity of bank deposits	-	3,139.08
Investments in mutual funds	-	(151.89)
Proceeds from sale of mutual funds	-	449.82
Investments in subsidiaries, associate and joint ventures	(6,277.32)	(1,461.29)
Net cash used in investing activities (B)	(7,929.49)	(61.85)

Standalone Statement of Cash Flows

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

	Year ended March 31, 2026	Year ended March 31, 2025
Cash flows from financing activities:		
Proceeds from issue of equity shares	9,437.50	-
Share issue expenses (net)	(437.26)	-
Repayment of long-term borrowings	-	(9.93)
Exercise of share option	44.03	23.10
Principal repayment of lease liabilities	(73.19)	(53.43)
Proceeds from /(repayment of) short term borrowing (net)	(113.37)	7.94
Finance costs paid	(49.73)	(43.18)
Net cash inflow / (outflow) from financing activities (C)	8,807.98	(75.50)
Net increase / (decrease) in cash and cash equivalents (A + B + C)	830.57	(134.65)
Cash and cash equivalents at the beginning of the year	168.25	302.90
Cash and cash equivalents at end of the year	998.82	168.25

Cash and cash equivalents comprise the following:

	Year ended March 31, 2026	Year ended March 31, 2025
Balances with banks:		
- current accounts	9.88	2.30
- deposits with original maturity of three months or less	988.93	165.94
Cash on hand	0.01	0.01
Total cash and bank balance at the end of the year	998.82	168.25

Summary of material accounting policies (Note 2)

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

As per our report of even date attached.

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

Chartered Accountants

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

Sampad Guha Thakurta

Partner

Membership No.: 060573

Place: Chennai

Date:

for and on behalf of the Board of Directors of

Aequs Limited (Formerly known as Aequs Private Limited)

CIN : L80302KA2000PLC026760

Rajeev Kaul

Co-Founder and

Managing Director

DIN-01468590

Place:

Date: May 26, 2026

Dinesh Iyer

Chief Financial Officer

Place:

Date: May 26, 2026

Aravind S Melligeri

Executive Chairman and

Chief Executive Officer

DIN-00787735

Place:

Date: May 26, 2026

Ravi Mallikarjun Hugar

Company Secretary and

Compliance Officer

M. No. - A20823

Place:

Date: May 26, 2026

Notes to the Standalone Financial Statements

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

1. Background:

Aequus Limited (Formerly known as Aequus Private Limited) ('the Company') was incorporated on March 27, 2000 under provisions of the Companies Act, 1956 and is located at Special Economic Zone ('SEZ') Belagavi, Karnataka, India. It has its registered office at Whitefield, Bengaluru. The Company, along with its subsidiaries, and its associates and joint ventures are engaged in the business of contract manufacturing catering to various industries. These units are registered to carry on the operations relating to manufacture of machined parts used in aerospace and products related to consumer market. The Company converted into a public company w.e.f. May 07, 2026. The equity shares of the Company were listed on the National Stock Exchange and the Bombay Stock Exchange of India on December 10, 2025.

2. Material accounting policies:

a. Basis of preparation and presentation

(i) Compliance with Ind AS

These standalone financial statements (hereinafter referred to as the "financial statements") comply in all material aspects with Indian Accounting Standards ("IndAS") notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] (as amended from time to time), presentation requirements of Division II of Schedule III to the Act, as applicable to the financial statements and other relevant provisions of the Act. These policies have been consistently applied to all the years presented, unless otherwise stated.

(ii) The historical cost convention

The financial statements have been prepared on accrual basis under the historical cost convention, except as disclosed in the accounting policies below.

(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

Standards/Specific amendments issued but not yet effective as at March 31, 2026 -

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, Changes in accounting estimates and Errors."

(v) Functional and presentation currency

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

(vi) Accounting policy on earnings before finance costs, depreciation and amortization, share of net profit/(loss) of associate and joint ventures, exceptional items and tax

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 finance costs, depreciation and amortization, share of net profit/(loss) of associate and joint ventures, exceptional items and tax as a separate line item on the face of the Standalone Statement of Profit and Loss. The Company measures earnings before finance costs, depreciation and amortization, share of net profit/(loss) of associate and joint ventures, exceptional items and tax on the basis of profit/ (loss) from its operations. In its measurement, the Company does not include depreciation and amortization expense, finance costs, exceptional items gain/ (loss) and income tax expenses.

b. Operating segment

Operating segment reflect the Company's management structure and the way the financial information is regularly reviewed by the Executive Chairman and Chief Executive Officer (the Company's Chief Operating Decision Maker (CODM)). The CODM considers the business from both

Notes to the Standalone Financial Statements

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

business and product perspective based on the dominant source, nature of risks and returns and the internal organisation and management structure. 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 assess the performance of the segments.

c. Foreign currency translation

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

For the purpose of presenting the financial statements, the assets and liabilities are expressed in using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity.

d. Revenue from contracts with customer

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

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

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

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. Recognition of Other income - Interest income and Dividend income

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

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

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

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

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

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

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.

g. Income tax

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

Notes to the Standalone Financial Statements

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

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 realized or the deferred income tax liability is settled.

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

Current and deferred tax is recognised in profit or loss, except when they relate to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

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.

The Company as a Lessee

Leases are recognised as right of use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Contracts

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

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

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

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 Company's incremental borrowing rate is used, being the rate that the Company would have to pay to borrow the funds necessary to obtain the asset of similar value to the right of use as set 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.

Notes to the Standalone Financial Statements

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

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.

j. Cash and cash equivalents

For the purpose of presentation in the statement of cashflows, 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 at the transaction price initially as they do not contain significant financing components. The Company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost less loss allowance.

m. Inventories

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

Notes to the Standalone Financial Statements

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

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

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

n. Investment and other financial assets

(i) Classification

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

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

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

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

(ii) Recognition

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

(iii) Measurement

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

- (a) Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized

cost. Interest income from these financial assets is included in finance income using the effective interest rate method.

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

- (c) Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net within other gains/ (losses) in the period in which it arises. Interest income from these financial assets is included in other income.

(iv) Investments in equity instruments of subsidiaries, joint ventures and associates

The Company measures its investments in equity instruments of subsidiaries, joint ventures and associates at cost in accordance with Ind AS 27 and Ind AS 28.

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 information, where available, and
- (ii) 'value-in-use' estimates recoverable amounts determined using discounted cash flow projections, where available. The future cash

Notes to the Standalone Financial Statements

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

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, are 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.

(v) Impairment of financial assets:

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. 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.

(vi) Derecognition of financial assets

A financial asset is derecognized only when

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

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

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(vii) 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 methods, estimated useful lives and residual value

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

The estimated useful lives of assets are as follows:

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

The useful lives have been determined based on technical evaluation done by the management which are different from 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.

Notes to the Standalone Financial Statements

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

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. Intangible assets

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

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

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

q. Trade and other payables

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

r. Borrowings

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

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does

not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

s. Borrowing costs

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

t. Employee benefits

1. Short-term obligations

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

2. Other long-term employee benefit obligations

Leave obligations are presented as current liabilities in the balance sheet since the Company does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

3. Post-employment obligations

The Company operates the following post-employment schemes:

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

(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 plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

Notes to the Standalone Financial Statements

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

Gratuity obligations

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

The present value of the defined benefit obligation 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:

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

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.

4. Share-based payments

Share-based compensation benefits are provided to employees through the Aequs Stock Option Plan. The fair value of options granted under the Aequs Employee Stock Option Plan is recognised as an

employee benefits expense with a corresponding increase in equity.

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

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

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

u. Financial guarantee contracts

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

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

Upon cancellation or termination of a financial guarantee contract, the related liability is derecognised when the Company is released from its obligation. Any unamortised balance is recognised immediately in the statement of profit and loss.

v. 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.

Notes to the Standalone Financial Statements

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

w. Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit/(loss) attributable to the equity holders of the Company.
- by the weighted average number of equity shares outstanding during the year, net of treasury shares

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

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

x. 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.

y. 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 and intangible assets, share-based compensation, defined benefit obligations, Impairment of

investments in subsidiaries, associates and joint ventures and estimation of deferred tax expenses/benefits. 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 7: investments accounted for using the equity method: whether the Company has significant influence over an investee;

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

(ii) Assumption and estimation uncertainties

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

Note 12: measurement of defined benefit obligations: key actuarial assumptions;

Note 25: recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised;

Notes 29: recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

Note 27: measurement of ECL allowance for trade receivables: key assumptions in determining the weighted-average loss rate.

Notes to the Standalone Financial Statements

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

Note 4 - Property, Plant and Equipment

As at March 31, 2026

Particulars	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	Exchange differences	As at March 31, 2026	Charge for the year	Disposals	Exchange differences	As at March 31, 2026	
Leasehold improvements	5.02	-	-	-	-	5.02	0.56	-	-	4.05	0.97
Plant and machinery	378.37	20.77	-	19.94	0.25	419.33	24.55	-	(1.09)	319.00	100.33
Computer equipment	46.70	12.18	-	-	-	58.88	5.69	-	-	40.86	18.02
Office equipment	17.24	0.97	-	-	-	18.21	1.13	-	-	14.45	3.76
Furniture and fittings	0.58	-	-	-	-	0.58	-	-	-	0.57	0.01
Total	447.91	33.92	-	19.94	0.25	502.02	31.93	-	(1.09)	378.93	123.09

As at March 31, 2025

Particulars	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	Exchange differences	As at March 31, 2025	Charge for the year	Disposals	Exchange differences		As at March 31, 2025
Leasehold improvements	5.02	-	-	-	-	5.02	0.53	-	-	3.49	1.53
Plant and machinery	355.06	7.57	(1.37)	14.59	2.52	378.37	22.56	(0.53)	-	295.54	82.83
Computer equipment	40.69	6.01	-	-	-	46.70	5.51	-	-	35.17	11.53
Office equipment	14.34	2.90	-	-	-	17.24	1.21	-	-	13.32	3.92
Furniture and fittings	0.58	-	-	-	-	0.58	-	-	-	0.57	0.01
Total	415.69	16.48	(1.37)	14.59	2.52	447.91	29.81	(0.53)	-	348.09	99.82

a. Refer to note no 13(i)(C) for information on property, plant and equipment pledged as security.

Notes to the Standalone Financial Statements

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

Note 4A - (i) Right of use asset

The Company has entered into agreements with lessors for lease of building (factory premises) and plant and machinery. The lease term ranges from 6 to 10 years and incremental borrowing rate ranges from 11% - 11.82% 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	Exchange differences	As at March 31, 2026	Charge for the year	Disposals/Transfer to PPE	Exchange differences	As at March 31, 2026
Building	242.52	-	-	-	242.52	25.46	-	-	124.65
Plant and machinery	336.96	-	(89.25)	1.98	249.69	29.70	(69.30)	(0.02)	158.39
Total	579.48	-	(89.25)	1.98	492.21	55.16	(69.30)	(0.02)	209.17

Particulars	Gross carrying amount				Accumulated depreciation				Net carrying amount as at March 31, 2025
	As at April 01, 2024	Additions	Disposals/Transfer to PPE	Exchange differences	As at March 31, 2025	Charge for the year	Disposals/Transfer to PPE	Exchange differences	As at March 31, 2025
Building	242.52	-	-	-	242.52	25.46	-	-	99.19
Plant and machinery	402.41	-	(64.05)	(1.40)	336.96	37.87	(49.46)	-	198.01
Total	644.93	-	(64.05)	(1.40)	579.48	63.33	(49.46)	-	297.20

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

Lease liability

Particulars	March 31, 2026	March 31, 2025
Current	62.93	66.79
Non-current	175.91	225.45
Total	238.84	292.24

Particulars	March 31, 2026	March 31, 2025
Less than one year	79.60	84.78
Between one and five years	167.03	207.78
After five years	48.02	70.99
Total minimum lease payments	294.65	363.55
Less: imputed interest	55.81	71.31
Present value of lease payments	238.84	292.24

Notes to the Standalone Financial Statements

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

Note 4A - (Contd..)

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

	March 31, 2026	March 31, 2025
Interest expense on lease liabilities	20.86	23.97
Expense relating to leases of low-value assets (included in other expenses)	0.82	0.76
Cash outflow for leases (principal and interest)	94.05	77.40

Note 5 - Intangible assets

Particulars	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	62.00	6.79	-	68.79	42.45	6.06	-	48.51	20.28
Technical knowhow	27.28	-	-	27.28	24.19	1.35	-	25.54	1.74
Total	89.28	6.79	-	96.07	66.64	7.41	-	74.05	22.02

Particulars	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	57.57	4.43	-	62.00	36.68	5.77	-	42.45	19.55
Technical knowhow	27.28	-	-	27.28	20.97	3.22	-	24.19	3.09
Total	84.85	4.43	-	89.28	57.65	8.98	-	66.64	22.64

Note 6 - Investments in subsidiaries, associates and joint ventures

	As at March 31, 2026	As at March 31, 2025
(A) Investment in equity instruments of subsidiaries at cost, unquoted, fully paid-up		
55,009,249 (March 31, 2025: 55,009,249) equity shares of ₹10 each fully paid-up in Aerospace Manufacturing Holdings Private Limited. Refer Note (iii)	758.62	758.62
56,632,187 (March 31, 2025: 48,642,437) equity shares of ₹10 each fully paid-up in AeroStructures Manufacturing India Private Limited. Refer Note (i) &(ii)	4,265.57	1,915.39
23,228,258 (March 31, 2025: 10,840,000) equity shares of Euro 1 each fully paid-up in Aequs Aerospace BV. Refer note (ii) (iii) & (iv)	2,152.67	799.83
95% (March 31, 2025: 95%) common stock in Aequs Oil & Gas LLC. Refer note (ii) &(iii)	822.95	823.59
28,860,801 (March 31, 2025: 28,860,801) equity shares of ₹10 each fully paid-up in Aerostructures Assemblies India Private Limited. Refer note (i), (ii) &(iii)	244.63	241.88
212,615,317 (March 31, 2025: 176,615,317) equity shares of ₹10 each fully paid-up in Aequs Engineered Plastics Private Limited. Refer note (ii) &(iii)	2,265.15	1,904.80
106,188,991 (March 31, 2025: 85,474,802) equity shares of ₹10 each fully paid-up in Aequs Consumer Products Private Limited. Refer Note (i) &(ii)	6,909.25	3,520.26
134,959,799 (March 31, 2025: 125,959,799) equity shares of ₹10 each fully paid-up in Aequs Toys Private Limited. Refer note (i), (ii) &(iii)	1,716.49	1,485.12
157,545,087 (March 31, 2025: 157,545,087) equity shares of ₹10 each fully paid-up in Aequs Force Consumer Products Private Limited. Refer Note (i) &(iii)	1,387.58	1,387.58

Notes to the Standalone Financial Statements

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

Note 6 - Investments in subsidiaries, associates and joint ventures (Contd..)

	As at March 31, 2026	As at March 31, 2025
(B) Investment in equity instruments of joint ventures at cost, unquoted, fully paid-up		
8,444,923 (March 31, 2025: 8,444,923) equity shares of ₹10 each fully paid-up in Aerospace Processing India Private Limited. Refer note (i) &(ii)	96.05	95.84
83,711,087 (March 31, 2025: 83,711,087) equity shares of ₹10 each fully paid-up in SQuAD Forging India Private Limited. Refer note (i), (ii) &(iii)	789.09	787.87
4,150,000 (March 31, 2025: 4,150,000) equity shares of ₹10 each fully paid-up in Aequs Cookware Private Limited. Refer note (i) &(ii)	105.95	105.95
10,000 (March 31, 2025: Nil) equity shares of ₹10 each fully paid-up in Ajna Aerospace & Defence Private Limited. Refer note (ii)	1.00	-
(C) Investment in equity instruments of associate at cost, unquoted, fully paid-up		
1000 (March 31, 2025: Nil) equity shares of ₹ 10 each fully paid-up in Aequs Foundation	0.01	-
(D) Investment in seed compulsorily convertible preference shares (Seed CCPS) of joint ventures at cost, unquoted, fully paid-up		
991,000 (March 31, 2025: Nil) seed compulsorily convertible preference shares (Seed CCPS) of ₹10 each fully paid-up in Ajna Aerospace & Defence Private Limited. Refer note (ii)	99.10	-
(E) Other Investments at fair value through profit and loss		
20,325,300 (March 31, 2025: 20,325,300) Compulsorily Convertible Debentures (CCD) of INR 10 each in Aequs Force Consumer Products Private Limited. Refer note (iii)	207.32	207.32
Aggregate amount	21,821.43	14,034.05
Aggregate amount of impairment in value of investment.	(6,627.14)	(5,514.55)
Total non-current investments	15,194.29	8,519.50
Aggregate market value of quoted investments	-	-
Aggregate amount of unquoted investments	21,821.43	14,034.05
Aggregate amount of impairment in the value of investments	(6,627.14)	(5,514.55)

i. Investment in the following entities includes fair value of financial guarantee extended

	As at March 31, 2026	As at March 31, 2025
Aerostructures Manufacturing India Private Limited	224.29	190.16
Aerostructures Assemblies India Private Limited	11.75	9.05
SQuAD Forging India Private Limited	41.23	40.33
Aequs Force Consumer Products Private Limited	8.06	9.80
Aequs Consumer Products Private Limited	554.90	442.56
Koppal Toys Molding COE Private Limited	106.50	106.50
Aequs Toys Private Limited	102.22	102.22
Aerospace Processing India Private Limited	6.32	6.32
Aequs Cookware Private Limited	64.29	64.29
	1,119.56	971.23

Notes to the Standalone Financial Statements

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

Note 6 - Investments in subsidiaries, associates and joint ventures (Contd..)

ii. Investment in the following entities includes share based compensation cost cross charged:

	As at March 31, 2026	As at March 31, 2025
Aerostructures Manufacturing India Private Limited	14.65	5.71
Aerostructures Assemblies India Private Limited	1.72	1.67
Aequs Aerospace BV	16.06	10.37
Aequs Toys Private limited	4.67	1.56
Aequs Consumer Products Private Limited	6.56	6.49
Aequs Oil and Gas LLC	0.95	1.59
Aequs Engineered Plastics Private Limited	(0.01)	(0.36)
	44.60	28.51

iii. Breakup of total impairment

	As at March 31, 2026	As at March 31, 2025
Aequs Oil and Gas LLC	823.59	823.59
SQuAD Forging India Private Limited	-	234.39
Aerospace Manufacturing Holdings Private Limited	758.62	758.62
Aequs Aerospace BV	2,142.00	795.02
Aequs Engineered Plastics Private Limited	969.52	969.52
Aequs Toys Private Limited	891.99	891.99
Aequs Force Consumer Products Private Limited	834.09	834.09
Aequs Force Consumer Products Private Limited - CCD	207.33	207.33
	6,627.14	5,514.55

iv. During the year ended March 31, 2026, outstanding loan and accrued interest thereon amounting to INR 1,346.98 has been converted into equity share capital.

Note 7 - (i) Trade receivables (unsecured)

	As at March 31, 2026	As at March 31, 2025
Trade receivables from other than related parties (considered good)	198.61	153.94
Receivables from related parties (considered good) (Refer note 31)	49.98	18.34
Less: Loss allowance (refer note 27 for movement in loss allowance)	-	(0.84)
Total trade receivables	248.59	171.44

*Note: Refer note 13(i)(C) for information on lien/charge against trade receivables.

Ageing of trade receivables as at March 31, 2026

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables							
Considered good	180.90	58.15	1.24	-	6.04	2.26	248.59
Total	180.90	58.15	1.24	-	6.04	2.26	248.59
Less : Loss allowance	-	-	-	-	-	-	-
	180.90	58.15	1.24	-	6.04	2.26	248.59

Notes to the Standalone Financial Statements

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

Ageing of trade receivables as at March 31, 2025

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables							
Considered good	109.80	51.16	1.14	7.91	2.27	-	172.28
Total	109.80	51.16	1.14	7.91	2.27	-	172.28
Less : Loss allowance	-	-	-	(0.84)	-	-	(0.84)
	109.80	51.16	1.14	7.07	2.27	-	171.44

(ii) Cash and cash equivalents

	As at March 31, 2026	As at March 31, 2025
Cash on hand	0.01	0.01
Balances with banks:		
- In current accounts	9.88	2.30
- Deposits with original maturity of 3 months or less	988.93	165.94
	998.82	168.25

(iii) Bank balances other than above

	As at March 31, 2026	As at March 31, 2025
Margin money deposits *	5.00	-
Deposits with original maturity of more than three months but less than 12 months	-	0.11
Earmarked balance with banks**	285.53	-
	290.53	0.11

Note:

*Margin money deposits are towards guarantees extended by banks.

**Earmarked balance includes INR 285.53 being amounts withheld from IPO proceeds

(iv) Loans

	As at March 31, 2026	As at March 31, 2025
Non-current (unsecured)		
Loan to related party (refer note 31)	2,003.51	-
Less: Loss allowance	(9.96)	-
	1,993.55	-
Current (unsecured)		
Loan to related party (refer note 31)	-	1,617.97
Less: Loss allowance	-	(1,094.97)
	-	523.00
Break up of loans		
Loans considered good	1,993.55	523.00
Loans- credit impaired	9.96	1,094.97
Total	2,003.51	1,617.97
Less: Loss allowance	(9.96)	(1,094.97)
Total loans	1,993.55	523.00

Notes to the Standalone Financial Statements

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

	As at March 31, 2026	As at March 31, 2025
Following loans were granted to related parties which are repayable on demand:		
Aggregate of loans/advances in nature of loan repayable on demand	1,993.55	523.00
Aggregate of loans/advances in nature of loan where agreement does not specify any terms or period of repayment	-	-
Percentage of loans/advances in nature of loan to the total loans	100.00%	100.00%

Note:

Unsecured loans have been granted to related parties for general corporate purposes, bearing interest at 12% per annum and repayable on demand.

(v) Other financial assets

(Unsecured, considered good unless otherwise specified)

	As at March 31, 2026	As at March 31, 2025
Non current		
Security deposits	26.43	25.22
	26.43	25.22
Current		
Recoverable from related parties (Refer note 31)	70.82	72.92
Unamortized financial guarantee expense	2.13	2.13
Other deposits	1.62	-
Less: Expected credit loss	(17.79)	(17.79)
	56.78	57.26
Expected credit loss includes		
Expected credit loss for recoverable from related party	(17.79)	(17.79)

7A Contract assets and contract liabilities

	As at March 31, 2026	As at March 31, 2025
Contract assets - Current	10.93	3.64
	10.93	3.64
Contract liabilities- Current		
Advance from customers	0.38	0.41
Unearned revenue	60.89	53.35
	61.27	53.76
Note:		
Revenue recognised that was included in contract liabilities balance as at the beginning of the period:		
- Sale of goods	53.35	-

Notes to the Standalone Financial Statements

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

Note 8 - Other assets

	As at March 31, 2026	As at March 31, 2025
Non current	64.75	-
Capital advances	5.16	6.61
Prepaid expenses	0.11	0.11
Balance with statutory authorities	70.02	6.72
Current	94.74	55.56
Advance to suppliers	0.01	0.13
Advances to employees	23.30	46.82
Prepaid expenses	-	0.01
Sundry advances	118.05	102.52

Note 9 - Inventories

	As at March 31, 2026	As at March 31, 2025
Raw materials [(Including goods in transit: ₹ 39.41 (March 31, 2025: ₹27.52)]	227.65	174.90
Work-in-progress	165.68	163.71
Finished goods	51.71	39.67
Stores and spares [includes goods in transit: ₹0.46 (March 31, 2025: ₹0.37)]	36.51	30.88
	481.55	409.16
Less: Provision for slow moving inventory	(36.92)	(36.42)
	444.63	372.74

Note:

- For lien/charge against inventories refer note no 13(i)(C)
- Write- down of inventories to net realizable value amounted to ₹ 25.18 (March 31, 2025: ₹20.21). These were recognized as an expense during the year and included in 'changes in inventories of finished goods and work-in-progress' in Statement of Profit and Loss.
- Provision for slow moving inventory includes provision in respect of:

	As at March 31, 2026	As at March 31, 2025
Raw materials	(9.51)	(9.47)
Work-in-progress	(5.90)	(8.83)
Finished goods	(4.11)	-
Stores and spares	(17.40)	(18.12)
	(36.92)	(36.42)

Note 10 - Equity share capital

	As at March 31, 2026		As at March 31, 2026	
	No. of shares	Amount	No. of shares	Amount
Authorised				
Equity shares of ₹10 each	1,01,46,29,934	10,146.30	60,57,29,934	6,057.30
	1,01,46,29,934	10,146.30	60,57,29,934	6,057.30
Issued, subscribed and fully paid up				
Equity shares of ₹10 each	67,06,65,635	6,706.66	58,18,28,940	5,818.29
	67,06,65,635	6,706.66	58,18,28,940	5,818.29

Notes to the Standalone Financial Statements

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

Note 10 - Equity share capital (Contd..)

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

	As at March 31, 2026		As at March 31, 2025	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	60,57,29,934	6,057.30	43,14,60,000	4,314.60
Increase during the year	40,89,00,000	4,089.00	17,42,69,934	1,742.70
Outstanding at the end of the year	1,01,46,29,934	10,146.30	60,57,29,934	6,057.30

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

	March 31, 2026	March 31, 2025
Issued, subscribed and fully paid up equity share capital	6,706.66	5,818.29
670,665,635 (March 31, 2025: 581,828,940) equity shares of ₹10/- each fully paid up		
Total issued, subscribed and fully paid-up equity share capital	6,706.66	5,818.29

(ii) Reconciliation of the number of shares Issued, subscribed and fully paid up and amount outstanding at the beginning and at the end of the reporting year:

	As at March 31, 2026		As at March 31, 2025	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	58,18,28,940	5,818.29	42,47,59,003	4,247.59
Add: Shares issued for cash	8,88,36,695	888.37	-	-
Add: Shares allotted through the conversion of Compulsorily Convertible Preference Shares	-	-	15,70,69,937	1,570.70
Outstanding at the end of the year	67,06,65,635	6,706.66	58,18,28,940	5,818.29

Following are the details of allotment made during the year of equity shares with face value ₹10 each.

Details of Allotment	Date of Allotment	Number of shares allotted	Issue price in INR
Rights Issue	May 2, 2025	1,71,73,024	74.64
Private placement to ASOP Trust	July 8, 2025	30,00,000	74.64
Private placement to ASOP Trust	July 14, 2025	30,00,000	74.64
Private placement to SBI Optimal Equity Fund- Long Term	November 10, 2025	29,84,593	123.97
Private placement to SBI Emergent India Fund	November 10, 2025	50,81,874	123.97
Private placement to DSP India Fund - India Long / Short Strategy Fund with Cash Management Option	November 10, 2025	32,26,587	123.97
Private placement to Think India Opportunities Master Fund LP	November 10, 2025	3,22,659	123.97
Fresh Issue under IPO	December 8, 2025	5,38,70,967	124.00
Fresh Issue under IPO- Employee Quota	December 8, 2025	1,76,991	113.00

(iii) Terms and 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. 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.

Notes to the Standalone Financial Statements

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

Note 10 - Equity share capital (Contd..)

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

Name of the shareholder	As at March 31, 2026		As at March 31, 2025	
	No. of shares	Amount	No. of shares	Amount
Aequs Manufacturing Investments Private Limited	29,07,08,225	2,907.08	27,21,89,936	2,721.90

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

	As at March 31, 2026		As at March 31, 2025	
	No. of shares	% holding	No. of shares	% holding
Aequs Manufacturing Investments Private Limited	29,07,08,225	43.35%	27,21,89,936	46.78%
Melligeri Private Family Foundation	10,04,38,070	14.98%	10,62,61,570	18.26%
Amansa Investments Ltd	5,01,32,863	7.48%	4,82,35,541	8.29%

(vi) Details of shareholding of Promoters

Name of the 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 Manufacturing Investments Private Limited	29,07,08,225	43.35%	-3.44%	27,21,89,936	46.78%	-15.33%
Melligeri Private Family Foundation	10,04,38,070	14.98%	-3.28%	10,62,61,570	18.26%	-8.68%
Aravind Melligeri	10,00,000	0.15%	-0.02%	10,00,000	0.17%	0.08%

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

	As at March 31, 2026	As at March 31, 2025
	Number of equity shares	
Shares allotted through the conversion of Compulsorily Convertible Preference Shares	-	15,70,69,937

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

(ix) For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, refer note 10B.

ESOP Trust was created for the welfare and benefit of employees and directors of the Company. The Board of Directors has approved the employee stock option plan of the Company. On October 25, 2013, July 25, 2016, December 15, 2021, December 22, 2021, July 8, 2025 and July 14, 2025 the trust purchased 5,500,000, 2,900,000, 3,000,000, 3,000,000, 3,000,000 and 3,000,000 equity shares respectively of the Company using the proceeds from interest free loan of ₹670.00 obtained from the Company.

(x) There are no shares which are reserved for issuance and there are no securities issued/ outstanding which are convertible into equity shares, except ESOP.

Notes to the Standalone Financial Statements

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

Note 10A - Instruments entirely equity in nature

Preference Share Capital	As at March 31, 2026		As at March 31, 2025	
	No. of shares	Amount	No. of shares	Amount
Authorised				
Compulsorily convertible preference shares of ₹10 each	-	-	40,89,00,000	4,089.00
	-	-	40,89,00,000	4,089.00
Issued, subscribed and fully paid up				
Compulsorily convertible preference shares of ₹10 each	-	-	40,71,15,771	4,071.16
Less: Converted to equity shares	-	-	(40,71,15,771)	(4,071.16)
	-	-	-	-

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

	As at March 31, 2026		As at March 31, 2025	
	No. of shares	% holding	No. of shares	% holding
Balance outstanding at the beginning of the year	40,89,00,000	4,089.00	40,89,00,000	4,089.00
Converted to equity	(40,89,00,000)	(4,089.00)	-	-
Balance outstanding at the end of the year	-	-	40,89,00,000	4,089.00

(ii) Reconciliation of the number of shares issued, subscribed and fully paid up and amount outstanding at the beginning and at the end of the reporting year:

	As at March 31, 2026		As at March 31, 2025	
	No. of shares	% holding	No. of shares	% holding
Balance outstanding at the beginning of the year	-	-	40,71,15,771	4,071.16
Less: Converted into equity shares	-	-	(40,71,15,771)	(4,071.16)
Balance outstanding at the end of the year	-	-	-	-

Note 10B - Stock option plan

Aequus Limited (formerly known as Aequus Private Limited) granted stock options to the employees of the Company and its subsidiaries.

ESOP scheme is administered through an ESOP Trust called as "Aequus Stock Option Plan Trust" ('ESOP Trust') that has been constituted on May 14, 2013. The object of the ESOP Trust is to manage schemes made available for the benefit of the employees. During the year ended March 31, 2025, four stock option plans viz., ESOP scheme 2013, ESOP scheme 2016, ESOP scheme 2020 and ESOP scheme 2022 were in existence. The Company has amended and consolidated the previous employee stock option plans as mentioned above to Aequus Employee Stock Option Plan 2025 (ESOP 2025) in compliance with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 with effect from April 01, 2025. Vesting under each of these schemes is subject to satisfaction of the prescribed vesting conditions viz., continuing employment, employee performance and certain performance conditions. These vesting conditions vary depending on the role and seniority of the employees.

The details of activity under the Aequus Employee Stock Option Plan 2025 (ESOP 2025) are summarised below :

Particulars	Exercise Price	Year ended March 31, 2026		Year ended March 31, 2025	
		Number	WAEP (INR)	Number	WAEP (INR)
Options outstanding at beginning of period	-	-	-	-	-
Add:					
Options transferred from the previous plans*	10 - 75	1,04,75,580	26.38	-	-
Options granted during the period	75	32,15,000	74.64	-	-
Less:					
Options exercised during the period	10 - 40	(19,92,313)	22.15	-	-
Options forfeited during the period	10 - 40	(12,51,374)	33.67	-	-
Options outstanding at the end of period	10 - 75	1,04,46,893	41.10	-	-

Notes to the Standalone Financial Statements

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

Note 10B - Stock option plan (Contd..)

Particulars	Exercise Price	Year ended March 31, 2026		Year ended March 31, 2025	
		Number	WAEP (INR)	Number	WAEP (INR)
Option exercisable at the end of period	10 - 40	23,21,952	25.89	-	-
The weighted average remaining contractual life (years)		11.89			

Weighted average share price as on the date of exercise is ₹ 22.15 (previous year : ₹ 30.60/-)

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

	March 31, 2026	March 31, 2025
Fair value at grant date	47.64-52.20	13.76- 15.38
Share price at grant date	105.00	30.60
Exercise price	74.64	30.60
Expected volatility (weighted-average)	12.41%-18.97%	16.38- 17.22%
Expected life (weighted-average) (years)	2.50-6.50	8.50-9.50
Expected dividends	0%	0%
Risk-free interest rate (based on government securities)	5.82%-6.23%	6.63 - 7.03%

ESOP Scheme 2013

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

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

Particulars	Exercise Price	Year ended March 31, 2025	
		Number	WAEP (INR)
Options outstanding at beginning of year	10 - 32	36,71,063	18.83
Add:			
Options granted during the year	10 - 32	5,00,000	30.60
Less:			
Options exercised during the year	10 - 32	(6,77,672)	13.24
Options forfeited during the year	10 - 32	(3,03,000)	17.26
Options outstanding at the end of year	10 - 32	31,90,391	22.01
Option exercisable at the end of year		17,20,391	

ESOP Scheme 2016

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

Notes to the Standalone Financial Statements

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

Note 10B - Stock option plan (Contd..)

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

Particulars	Exercise Price	March 31, 2025	
		Number	Weighted average exercise price
Options outstanding at beginning of year	24 - 40	19,30,414	30.29
Add:			
Options granted during the year	24 - 40	4,25,000	36.60
Less:			
Options exercised during the year	24 - 40	(2,22,047)	26.97
Options forfeited during the year	24 - 40	-	-
Options outstanding at the end of year	24 - 40	21,33,367	29.52
Option exercisable at the end of year		11,48,368	

ESOP Scheme 2020

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

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

Particulars	Exercise Price	March 31, 2025	
		Number	Weighted average exercise price
Options outstanding at beginning of year	26 - 31	17,50,000	26.10
Add:			
Options granted during the year	26 - 31	12,15,000	30.60
Less:			
Options exercised during the year	26 - 31	(1,50,000)	26.10
Options forfeited during the year	26 - 31	(1,50,000)	30.60
Options outstanding at the end of year	26 - 31	26,65,000	27.90
Option exercisable at the end of year		1,50,000	

ESOP Scheme 2022

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

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

Particulars	Exercise Price	March 31, 2025	
		Number	Weighted average exercise price
Options outstanding at beginning of year	26 - 31	18,95,000	26.42
Add:			
Options granted during the year	26 - 31	9,03,821	30.60
Less:			
Options exercised during the year	26 - 31	(1,24,000)	26.10
Options forfeited during the year	26 - 31	(1,88,000)	27.27
Options outstanding at the end of year	26 - 31	24,86,821	27.89
Option exercisable at the end of year		4,25,000	

Notes to the Standalone Financial Statements

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

Note 11 - Other equity

	As at March 31, 2026	As at March 31, 2025
(i) Retained earnings	(5,871.99)	(6,375.00)
(ii) Securities premium	18,366.49	9,806.79
(iii) Share options outstanding account	91.63	65.98
(iv) Treasury shares	(645.80)	(241.99)
(v) Other reserves	29.99	21.31
	11,970.32	3,277.09

Nature and purpose of reserves

a. Retained earnings

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

a. Securities premium

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

b. Share option outstanding account

The share options outstanding account is used to recognise the fair value of options issued to employees under Aequs Stock Option Plan. Refer note 10B.

c. Treasury shares

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

d. Other reserves

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

Note 12 - Provision for employee benefits

	As at March 31, 2026	As at March 31, 2025
Non-current		
Provision for gratuity	28.97	19.68
	28.97	19.68
Current		
Provision for leave obligations	11.78	8.58
	11.78	8.58

(i) Leave obligations

The leave obligations cover the Company's liability for earned leave. The amount of the provision is presented as current. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

	As at March 31, 2026	As at March 31, 2025
Leave obligation not expected to settled within next 12 months	10.93	6.95

Notes to the Standalone Financial Statements

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

Note 12 - Provision for employee benefits (Contd..)

(ii) Defined contribution plans

The Company has defined contribution plans in the form of provident fund and Employees' State Insurance (ESI) for qualifying employees. The 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 INR 7.25 (March 31, 2025 : INR 5.42).

(iii) Defined benefit 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.

	As at March 31, 2026	As at March 31, 2025
(a) Total amount recognised in the statement of profit and loss account (note 19 and 24)		
Current service cost	3.42	4.80
Interest on defined benefit obligation	1.69	2.03
Past service cost	7.92	-
Total amount recognised in statement of profit or loss (A)	13.03	6.83
(b) Amounts recognised in other comprehensive income		
Actuarial (gains)/losses arising from changes in		
- return on plan assets	0.11	0.02
- demographic assumptions	0.39	0.82
- financial assumptions	(1.00)	0.53
- experience adjustments	(0.65)	(6.39)
Total amount recognised in other comprehensive income (B)	(1.15)	(5.02)
Total amount recognised in statement of profit and loss and other comprehensive income (A+B)	11.88	1.81
(c) Changes in the defined benefit obligation during the year		
Obligations at the beginning of the year	21.07	30.00
Current service cost	3.42	4.80
Past service cost	7.92	-
Interest cost	1.69	2.03
Benefits paid	(0.53)	(0.69)
Liabilities (transferred) / assumed	1.04	(10.03)
Remeasurement (gains)/ losses		
- arising from changes in demographic assumptions	0.39	0.82
- arising from changes in financial assumptions	(1.00)	0.53
- arising from changes in experience adjustments	(0.65)	(6.39)
Defined benefit obligation at the end of the year	33.35	21.07
(d) Change in fair value of plan assets		
Fair value of plan assets at the beginning of the year	0.96	0.91
Expected return on plan assets	0.15	0.07
Contributions	3.44	0.69
Benefit payments from plan assets	(0.53)	(0.69)
Actuarial gain/(loss) on plan assets	(0.10)	(0.02)
Fair value of plan assets at the end of the year	3.92	0.96

Notes to the Standalone Financial Statements

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

Note 12 - Provision for employee benefits (Contd..)

	As at March 31, 2026	As at March 31, 2025
(e) Net (asset)/ liability:		
Present value of unfunded defined benefit obligation	33.35	21.07
Fair value of plan assets	(3.92)	(0.96)
Net defined benefit liability/(asset) recognized in balance sheet	29.43	20.11
(f) Classification		
Current liability	-	-
Non current liability	28.97	19.68
	28.97	19.68
(g) Investment details of plan assets		
Pooled asset with an insurance Company	3.92	0.96
Total	3.92	0.96
(h) Actual return on plan assets	0.10	0.05
(i) Expected contribution in next year	3.81	0.64

Actuarial assumptions

	As at March 31, 2026	As at March 31, 2025
Significant actuarial assumptions are as follows:		
Discount rate per annum	7.25%	7.00%
Salary escalation rate per annum	10.00%	10.00%
Other actuarial assumptions		
Expected return on plan assets	15%	7%
Attrition rate	0.00%-7.25% on a graduated scale.	0.00%-7.00% on a graduated scale.
Retirement age	58	58

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

Sensitivity analysis

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

Changes in assumption	As at March 31, 2026	As at March 31, 2025
Discount rate		
Defined benefit obligation (DBO) on decrease in 50 bps	35.41	22.53
Discount rate -50 basis points impact (%)	6.10%	6.65%
Defined benefit obligation (DBO) on increase in 50 bps	31.50	19.84
Discount rate +50 basis points impact (%)	-5.62%	-6.11%
Salary increase rate		
Defined benefit obligation (DBO) on decrease in 50 bps	31.82	19.94
Impact of decrease in 50 bps on DBO	-4.66%	-5.61%
Defined benefit obligation (DBO) on increase in 50 bps	35.00	22.41
Impact of increase in 50 bps on DBO	4.87%	6.05%

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.

Notes to the Standalone Financial Statements

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

Note 12 - Provision for employee benefits (Contd..)

The method used to calculate the liability in these scenarios is by keeping all the other parameters and the data same as in the base liability calculation except the parameters to be stressed.

There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analyses.

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

Maturity profile of the defined benefit obligations:

Expected future cashflows [Undiscounted]	As at March 31, 2026	As at March 31, 2025
Less than one year	1.95	0.64
Between one and five year	8.24	5.03
After five year	81.28	53.41
Total	91.47	59.08
Weighted average duration of defined benefit obligation in years	11.70	12.74

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.

Note 13 - Financial liabilities

(i) Borrowings

	As at March 31, 2026	As at March 31, 2025
Current:		
Working capital facilities from banks (secured)	114.53	223.59
Interest accrued but not due on borrowings	0.61	0.97
	115.14	224.56

Notes to the Standalone Financial Statements

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

Note 13 - Financial liabilities (Contd..)

Notes:

(A) Details of security and terms of repayment

	As at March 31, 2026	As at March 31, 2025
Working capital facilities: HDFC Bank	114.53	223.59
Working capital facilities taken by the Company includes Export Packing Credit (EPC) and Pre-shipment Credit in Foreign Currency (PCFC) and Cash Credit (CC)		
- Hypothecation of stock meant for export and book debts; further collaterally secured by charge on existing unincumbered plant and machinery and parcel of land owned by Aequs SEZ Private Limited,		
- Corporate guarantee provided by Aequs SEZ Private Limited.		
Rate of Interest:		
CC and EPC: 3 month repo + 2.50% p.a.		
PCFC: SOFR + 200bps p.a.		

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

For year ended March 2026

Quarter	Name of bank	Particulars of Securities Provided	Amount as per books of account (net of provision)	Amount as reported in the quarterly return/statements	Amount of difference	Reason for discrepancies
Jun-25	HDFC Bank	Inventories	333.36	336.00	(2.64)	Refer below note a
		Trade Receivables	172.24	176.00	(3.76)	Refer below note b
		Trade Payables	203.82	201.00	2.82	Refer below note b
Sep-25		Inventories	376.91	377.00	(0.09)	Refer below note a
		Trade Receivables	177.52	178.00	(0.48)	Refer below note b
		Trade Payables	266.33	266.00	0.33	Refer below note b
Dec-25		Inventories	401.13	401.00	0.13	Refer below note a
		Trade Receivables	206.18	206.00	0.18	Refer below note b
		Trade Payables	836.44	747.00	89.44	Refer below note b
Mar-26		Inventories	444.63	421.00	23.63	Refer below note a
		Trade Receivables	248.59	249.00	(0.41)	Refer below note b
		Trade Payables	320.13	296.00	24.13	Refer below note b

Note:

- (a) Valuation related adjustments and provision for slow moving inventory recorded after submission of data to the bank.
- (b) Differences are due to adjustments made post submission of the statement to the bank.

For year ended March 2025

Quarter	Name of bank	Particulars of Securities Provided	Amount as per books of account (net of provision)	Amount as reported in the quarterly return/statements	Amount of difference	Reason for discrepancies
Mar-25	HDFC Bank	Inventories	372.74	378.00	(5.26)	Refer Note a
		Trade Receivables	171.44	172.00	(0.56)	Refer Note b

Notes to the Standalone Financial Statements

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

Note 13 - Financial liabilities (Contd..)

Notes:

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

(C) Assets pledged as security

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	248.59	171.44
B. Non financial assets:		
- Inventories	444.63	372.74
Total current assets pledged as security	693.22	544.18
Non current		
A. Non financial assets:		
- Property, plant and equipment	100.33	82.83
Total Non-current assets pledged as security	100.33	82.83
Total assets pledged as security	793.55	627.01

(D) Net debt reconciliation:

Particulars	As at March 31, 2026	As at March 31, 2025
Cash and cash equivalents	998.82	168.25
Bank balances other than above	290.53	0.11
Current borrowings	(115.14)	(224.56)
Lease liabilities	(238.84)	(292.24)
Net debt	935.37	(348.44)

Particulars	Cash and cash equivalents and other bank balances	Liabilities from financing activities		Total
		Current borrowings	Lease obligations	
Net debt as at March 31, 2024	1,899.19	(218.69)	(347.39)	1,333.11
Interest expense	-	(17.72)	(23.97)	(41.69)
Interest paid	-	17.72	23.97	41.69
Repayments of long-term leases and borrowings	-	-	53.43	53.43
Cashflows (net)	(1,730.83)	(7.94)	-	(1,738.77)
Foreign exchange adjustments	-	2.07	1.72	3.79
Other non-cash adjustments	-	-	-	-
Net debt as at March 31, 2025	168.36	(224.56)	(292.24)	(348.44)
Interest expense	-	(13.65)	(20.86)	(34.51)
Interest paid	-	14.00	20.86	34.86
Repayments of long-term leases and borrowings	-	-	73.19	73.19
Cashflows (net)	1,120.99	113.37	-	1,234.36
Foreign exchange adjustments	-	(4.30)	(19.79)	(24.09)
Other non-cash adjustments	-	-	-	-
Net debt as at March 31, 2026	1,289.35	(115.14)	(238.84)	935.37

Notes to the Standalone Financial Statements

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

Note 13 - Financial liabilities (Contd..)

(ii) Trade payables

	As at March 31, 2026	As at March 31, 2025
Current:		
Dues to micro and small enterprises	3.66	7.59
	3.66	7.59
Due to other than micro and small enterprises		
- Dues to related parties (Refer note 31)	64.48	10.36
- Other trade payables	251.99	218.30
	316.47	228.66
	320.13	236.25

Aging of trade payables as at March 31, 2026

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
(i) Undisputed dues -MSME	3.49	0.17	-	-	-	3.66
(ii) Undisputed dues -Others	76.22	69.61	0.01	0.03	1.19	147.06
(v) Unbilled	169.41	-	-	-	-	169.41
Total	249.12	69.78	0.01	0.03	1.19	320.13

Aging of trade payables as at March 31, 2025

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
(i) Undisputed dues -MSME	3.31	4.28	-	-	-	7.59
(ii) Undisputed dues -Others	19.52	83.56	1.92	1.24	0.13	106.38
(v) Unbilled	122.28	-	-	-	-	122.28
Total	145.12	87.84	1.92	1.24	0.13	236.25

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 the suppliers registered under MSMED Act and remaining unpaid at the end of each accounting year;	3.66	8.16
(ii) Interest due to suppliers registered under MSMED Act and remaining unpaid as at the end of each accounting year	-	0.29
(iii) Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year.*	14.40	20.65
(iv) Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.*	-	-
(v) 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	0.33	0.47

Notes to the Standalone Financial Statements

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

Note 13 - Financial liabilities (Contd..)

	As at March 31, 2026	As at March 31, 2025
(vi) 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	-	0.24
(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.	-	-

(iii) Other financial liabilities

	As at March 31, 2026	As at March 31, 2025
Non current:		
Guarantee liability (Refer note 31)	326.77	464.25
	326.77	464.25
Current:		
Capital creditors	7.24	2.86
Guarantee liability (Refer note 31)	72.05	92.98
Employees related liability	29.82	19.75
Dues to related parties	6.66	1.43
	115.77	117.02

Note 14 - Other liabilities

	As at March 31, 2026	As at March 31, 2025
Current:		
Statutory dues payable	72.52	2.86
	72.52	2.86

Note 15 - Revenue from operations

	Year ended March 31, 2026	Year ended March 31, 2025
Revenue from contracts with customers		
Sale of manufactured goods	1,198.49	881.09
Sale of services	34.04	30.56
	1,232.53	911.65
Other operating income		
Sale of scrap	6.05	10.74
	6.05	10.74
	1,238.58	922.39

Notes:

(i) Aggregate amount of transaction price allocated towards performance obligations unfulfilled as at reporting date 60.89 53.35

(ii). Trade receivables are non-interest bearing and generally carry credit period of 0 to 60 days.

Notes to the Standalone Financial Statements

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

Note 15 - Revenue from operations (Contd..)

(iii) Revenues from major customers are as follows:

Customer	Year ended March 31, 2026		Year ended March 31, 2025	
	Revenue	% of total revenue	Revenue	% of total revenue
Customer 1	516.32	43.08%	345.44	37.32%
Customer 2	236.58	19.74%	184.56	19.94%

Note 16 - Other income

	Year ended March 31, 2026	Year ended March 31, 2025
Liabilities no longer required written back	3.74	0.23
Net gain on disposal of property, plant and equipment	-	0.01
Interest income	208.33	16.08
Gain on mutual funds	-	23.44
Unwinding of discount on security deposit	1.20	1.12
Financial guarantee income	306.74	121.98
Exchange difference (other than on borrowings)	25.33	32.86
	545.34	195.72

Note 17 - Cost of materials consumed

	Year ended March 31, 2026	Year ended March 31, 2025
Raw material consumed		
Opening stock	174.90	94.05
Less: Provision for slow moving inventory	(9.47)	(7.16)
Add: Purchases during the year	595.84	434.38
Less: Closing stock	227.65	174.90
Less: Provision for slow moving inventory	(9.51)	(9.47)
Cost of raw materials consumed	543.13	355.84

Note 18 - Change in inventories of work-in-progress and finished goods

	Year ended March 31, 2026	Year ended March 31, 2025
Inventory at the end of the year (a)		
Work-in-progress	165.68	163.71
Finished goods	51.71	39.67
	217.39	203.38
Inventory at the beginning of the year (b)		
Work-in-progress	163.71	139.03
Finished goods	39.67	58.83
	203.38	197.86
Less: Movement in provision for slow moving inventory (c)	1.14	4.90
Change in inventories of work -in-progress and finished goods (a-b-c)	(12.87)	(0.62)

Notes to the Standalone Financial Statements

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

Note 19 - Employee benefit expenses

	Year ended March 31, 2026	Year ended March 31, 2025
Salaries, wages and bonus	170.96	115.25
Contribution to provident and other funds	7.25	5.42
Employee stock option expense (refer notes 10B and note 31)	31.17	5.05
Leave compensation	4.28	(4.58)
Gratuity (refer note 12)	5.11	6.83
Staff welfare expenses	17.41	10.36
	236.18	138.33

Note 20 - Depreciation and amortisation expense

	Year ended March 31, 2026	Year ended March 31, 2025
Depreciation of property, plant and equipment (refer note 4)	31.93	29.81
Depreciation on right to use assets (refer note 4A)	55.16	63.33
Amortisation of intangible assets (refer note 5)	7.41	8.98
	94.50	102.12

Note 21 - Other expenses

	Year ended March 31, 2026	Year ended March 31, 2025
Consumption of stores and spare parts	100.06	76.25
Subcontracting expenses	117.46	81.29
Insurance	25.57	9.83
Power and fuel	25.45	28.20
Repair and maintenance		
Machinery	17.76	17.81
Building	1.21	0.34
Others	60.77	50.14
Legal and professional fees	45.26	17.48
Payment to auditors (refer note below)	2.00	2.00
Rental charges	0.82	0.75
Printing and stationery	1.46	1.32
Freight & forwarding	18.66	9.35
Rates and taxes	2.96	10.06
Travelling and conveyance	12.88	11.18
Communication	7.23	6.26
Advertising and sales promotion	18.54	12.88
Bank charges	2.40	11.85
Miscellaneous expenses	1.87	2.58
	462.36	349.57

Note

	Year ended March 31, 2026	Year ended March 31, 2025
Payments to auditors		
- Audit fee	2.00	2.00
	2.00	2.00

Eligible expenses relating to IPO have been debited to securities premium.

Notes to the Standalone Financial Statements

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

Note 22 - Finance cost

	Year ended March 31, 2026	Year ended March 31, 2025
Interest expense on working capital borrowings	13.65	16.95
Interest expense on term loan	-	0.24
Interest expense -others	14.87	0.77
Interest expense on lease liabilities	20.86	23.97
Loan processing charges	0.13	-
Financial guarantee expense (Refer note 31)	4.50	5.08
Exchange differences (on borrowings)	34.52	5.63
	88.53	52.64

Note 23 - Corporate social responsibility ("CSR")

Based on applicable thresholds, the Company was not required to make any CSR contributions during the year ended March 31, 2026 and March 31, 2025. Hence, the details with respect to CSR have not been disclosed.

Note 24 - Exceptional items

	Year ended March 31, 2026	Year ended March 31, 2025
Impairment loss on investment in subsidiaries [refer note (i)]	-	833.42
Reversal of impairment loss on investment in joint venture [refer note(ii)]	(234.39)	-
Impairment loss / (gain) on receivable from related parties [refer note (iii)]	-	(8.50)
Share capital issuance charges [refer note (iv)]	39.02	-
Statutory impact of new Labour Codes [refer note (v)]	7.92	-
	(187.45)	824.92

Note:

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

	March 31, 2026	March 31, 2025
Aequs Toys Private Limited(ATPL)	-	184.62
Aequs Force Consumer Products Private Limited(AFCPL)	-	648.80
	-	833.42

- (ii) The Company has reversed the impairment loss previously recognised on investment in its joint venture, SQuAD Forging India Private Limited considering the improved performance and business.
- (iii) The Company has reversed an impairment loss previously recognised against its receivables in Aequs End Solutions Private Limited upon actual recovery.
- (iv) During the year ended March 31, 2026, the Company has incurred ₹ 476.22 Mn towards Initial Public Offer ('IPO') expenses including Pre-IPO. Of this, ₹ 39.02 Mn has been expensed off to the Consolidated Statement of Profit and Loss as an exceptional loss and the balance ₹ 437.20 Mn has been reduced from Securities Premium as cost of fresh issue.
- (v) 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 labor laws. The Ministry of Labour and Employment published Central Rules and FAQs 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 the Consolidated Statement of Profit and Loss. The incremental impact on gratuity of ₹ 7.92 Mn primarily arising due to change in wage definition.

Notes to the Standalone Financial Statements

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

Note 25 - Tax expense

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Current tax		
Current tax on profits for the year	49.11	-
Total current tax expense (A)	49.11	-
Deferred tax		
MAT credit entitlement	(25.94)	-
Deferred tax expense for the year	39.13	35.27
Total deferred tax expense (B)	13.19	35.27
Income tax expense/ (benefit) (A+B)	62.30	35.27

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

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Tax expense under general provision of Income Tax		
Profit/(loss) before income tax expense	560.29	(705.51)
Tax rate	27.82%	27.82%
Tax at the above rate	155.87	(196.27)
Tax impact due to permanent difference	40.20	32.24
Tax impact on income not chargeable to tax	(85.34)	(34.25)
Tax impact of business loss and other items on which no deferred tax has been recognized	(48.43)	-
Deferred tax not recognised on the impairment of financial assets	-	233.55
Total tax expense	62.30	35.27

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

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

	Year ended March 31, 2026	Expiry date	Year ended March 31, 2025	Expiry date
Expire	87.35	2029-30	-	-
Never expire	-	-	261.68	-

Deferred tax:

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Deferred tax liabilities		
Property, plant and equipment and intangible assets	(3.86)	(10.62)
Right-of-use assets	(32.79)	(39.78)
	(36.65)	(50.40)
Deferred tax assets		
Tax losses carried forward	24.30	72.83
Lease liabilities	48.40	52.73
Inventories	10.27	10.13
Others	31.07	31.38
MAT credit entitlement	27.13	-
	141.17	167.07
Deferred tax assets (net)	104.52	116.67

Notes to the Standalone Financial Statements

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

Note 25 - Tax expense (Contd..)

Deferred tax assets (net)

Particulars	As at March 31, 2026	As at March 31, 2025
Deferred tax liabilities		
Property, plant and equipment and intangible assets	(3.86)	(10.62)
Right-of-use assets	(32.79)	(39.78)
	(36.65)	(50.40)
Deferred tax assets		
Tax losses carried forward	24.30	72.83
MAT credit entitlement	27.13	-
Lease liabilities	48.40	52.73
Inventories	10.27	10.13
Others	31.07	31.38
	141.17	167.08
Deferred tax assets (net)	104.52	116.68

Deferred tax asset/ (liabilities)

(a) Movement in deferred tax balances for the year ended March 31, 2026

Deferred tax asset/ (liabilities)	Balance as at April 1, 2025	Recognized in profit or loss	MAT credit utilisation	As at March 31, 2026		
				Deferred tax asset	Deferred tax liability	Net
Deferred tax asset/ (liabilities)						
Property, plant and equipment and intangible assets	(10.62)	6.76	-	-	(3.86)	(3.86)
Right-of-use assets	(39.78)	6.99	-	-	(32.79)	(32.79)
Tax losses carried forward	72.83	(48.53)	-	24.30	-	24.30
MAT credit entitlement	-	-	27.13	27.13	-	27.13
Lease liabilities	52.73	(4.33)	-	48.40	-	48.40
Inventories	10.13	0.14	-	10.27	-	10.27
Others	31.38	(0.31)	-	31.07	-	31.07
Net deferred tax asset/ (liabilities)	116.68	(39.28)	27.13	141.17	(36.65)	104.52

(b) Movement in deferred tax balances for the year ended March 31, 2025

Deferred tax asset/ (liabilities)	Balance as at April 1, 2024	Recognized in profit or loss	MAT credit utilisation	As at March 31, 2025		
				Deferred tax asset	Deferred tax liability	Net
Deferred tax asset/ (liabilities)						
Property, plant and equipment and intangible assets	9.43	(20.05)	-	-	(10.62)	(10.62)
Right-of-use assets	(100.43)	60.65	-	-	(39.78)	(39.78)
Tax losses carried forward	122.32	(49.49)	-	72.83	-	72.83
MAT credit entitlement	-	-	-	-	-	-
Lease liabilities	57.76	(5.03)	-	52.73	-	52.73
Inventories	7.79	2.34	-	10.13	-	10.13
Others	54.90	(23.51)	-	31.39	-	31.38
Net deferred tax asset/ (liabilities)	151.78	(35.09)	-	167.09	(50.40)	116.68

The tax impact for the above purpose has been arrived at by applying tax rate of 27.82% (March 31, 2025 : 27.82%) being the substantively enacted prevailing tax rate for the Company under Income the Tax Act.

Notes to the Standalone Financial Statements

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

Note 25 - Tax expense (Contd..)

(a) Transfer pricing:

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

For the 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.

Note 26 - Fair value measurement

Financial instruments by category

	Fair value hierarchy	Classification	As at March 31, 2026	As at March 31, 2025
Financial assets				
Loans	-	Amortised cost	1,993.55	523.00
Trade receivables	-	Amortised cost	248.59	171.44
Cash and cash equivalents and other bank balances	-	Amortised cost	998.82	168.25
Bank balances other than above	-	Amortised cost	290.53	0.11
Other financial assets	-	Amortised cost	83.21	82.48
Total financial assets			3,614.70	945.28
Financial liabilities				
Borrowings	-	Amortised cost	115.14	224.56
Lease liabilities	-	Amortised cost	238.84	292.24
Trade payables	-	Amortised cost	320.13	236.25
Other financial liabilities	-	Amortised cost	442.54	581.27
Total financial liabilities			1,116.65	1,334.32

(i) Fair value hierarchy

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

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

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

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

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

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

Notes to the Standalone Financial Statements

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

Note 26 - Fair value measurement (Contd..)

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

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

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

The 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 Company's incremental borrowing rate is used.

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

(iii) Significant estimates

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

Note 27 - 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 and its Risk Management Committee has the overall responsibility for establishing and governing the Company's risk management and have established policies to identify and analyse the risks faced by the Company. They help in identification, measurement, mitigation and reporting all risks associated with the activities of the Company. These risks are identified on a continuous basis and assesses for the impact on the financial performance. The below table broadly summarises the sources of financial risk to which the entity is exposed to and how the entity manages the risk.

A. Credit risk

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

(i) Credit risk management

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.

(ii) Provision for expected credit losses.

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

1) Deposits :

Deposits comprises of mainly refundable security deposits made on buildings (leased premises). Deposits have negligible or nil risk based on past history of defaults and reasonable forward looking information. Hence, no provision for expected credit losses are made in the financial statements.

2) Deposits with bank :

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

3) Trade receivables and other dues from related parties

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

Notes to the Standalone Financial Statements

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

Note 27 - Financial risk management (Contd..)

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

Particulars	Amount
As at March 31, 2024	(0.02)
Charged to profit and loss	0.82
Utilisation/ reversal in loss allowance	0.04
As at March 31, 2025	(0.84)
Charged to profit and loss	(0.75)
Utilisation/ reversal in loss allowance	1.59
As at March 31, 2026	-

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 has access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	As at March 31, 2026	As at March 31, 2025
A. Expiring within one year	28.73	26.41
B. Expiring beyond one year	-	-
	28.73	26.41

(ii) Maturities of financial liabilities

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

Contractual maturities of financial liabilities

	Less than 1 year	1 to 5 years	More than 5 years	Total
As at March 31, 2026				
Borrowings	115.14	-	-	115.14
Trade payables	320.13	-	-	320.13
Lease liabilities (actual lease rentals)	79.60	167.03	48.02	294.65
Other financial liabilities	115.77	254.55	72.22	442.54
Total financial liabilities	630.64	421.58	120.24	1,172.46

Notes to the Standalone Financial Statements

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

Note 27 - Financial risk management (Contd..)

Contractual maturities of financial liabilities

	Less than 1 year	1 to 5 years	More than 5 years	Total
As at March 31, 2025				
Borrowings	224.56	-	-	224.56
Trade payables	236.25	-	-	236.25
Lease liabilities (actual lease rentals)	84.78	207.78	70.99	363.55
Other financial liability	24.04	-	-	24.04
Total financial liabilities	569.63	207.78	70.99	848.40

C. Market risk

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

(i) Foreign currency risk

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

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

(a) Foreign currency risk exposure

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR as against respective foreign currency are as follows as at March 31, 2026

	GBP	USD	EUR
Financial asset			
Trade receivable	-	200.52	32.80
Loans (unsecured)	-	-	-
Other financial assets	-	-	0.18
Net exposure to foreign currency risk (assets)	-	200.52	32.98
Financial liability			
Trade payables	10.45	150.58	8.53
Borrowings	-	153.87	-
Lease liabilities	-	-	90.26
Other financial liabilities	-	0.56	-
Net exposure to foreign currency risk (liabilities)	10.45	305.01	98.79

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, 2025

	GBP	USD	EUR
Financial asset			
Trade receivable	-	160.69	0.01
Loans (unsecured)	-	-	1,086.69
Other financial assets	-	-	0.18
Other assets	14.25	35.99	1.48
Net exposure to foreign currency risk (assets)	14.25	196.68	1,088.35

Notes to the Standalone Financial Statements

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

Note 27 - Financial risk management (Contd..)

	GBP	USD	EUR
Financial a liability			
Trade payables	12.34	105.87	14.77
Borrowings	-	153.87	-
Lease liabilities	-	-	120.61
Other financial liabilities	-	0.56	-
Net exposure to foreign currency risk (liabilities)	12.34	260.30	135.38

(b) Sensitivity

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

	Impact on profit after tax and equity	
	As at March 31, 2026	As at March 31, 2025
USD Sensitivity		
INR/USD - Increase by 5%	(3.70)	(2.30)
INR/USD - decrease by 5%	3.70	2.30
GBP Sensitivity		
INR/GBP - Increase by 5%	(0.37)	0.07
INR/GBP - decrease by 5%	0.37	(0.07)
EUR Sensitivity		
INR/EUR - Increase by 5%	2.33	(34.39)
INR/EUR - decrease by 5%	(2.33)	34.39

(ii) Interest rate risk

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

	As at March 31, 2026	As at March 31, 2025
Variable rate borrowings	114.53	223.59
Fixed rate borrowings	238.84	293.21
Total borrowings	353.37	516.80

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

	As at March 31, 2026	As at March 31, 2025
Interest rates - increase by 50 basis points	0.41	0.81
Interest rates - decrease by 50 basis points	(0.41)	(0.81)

(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 significantly exposed to such risks, as it has not invested in any such securities.

Notes to the Standalone Financial Statements

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

Note 28 - Capital management

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

The Company's objectives when managing capital are to:

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

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

(i) Net debt to equity ratio

	As at March 31, 2026	As at March 31, 2025
Net debt (Refer note 13(i)(D))	935.37	(348.44)
Total equity	18,676.98	9,095.38
Net debt to equity ratio	0.05	(0.04)

Note 29 - Contingent liabilities

	As at March 31, 2026	As at March 31, 2025
Labour related matters (Refer note (i))	20.00	22.00
Tax matters	25.23	805.00

- (i) A few cases have been filed against the Company in District Labour court, Belagavi. If the Labour Court passes an award against the Company, the probable compensation would amount to ₹20.00 (March 31, 2025: ₹24.80). The Company is however confident of winning this case based on the counsel advice and hence the same is not provided in the standalone financial statements.
- (ii) The Company has received demand order u/s 156 of the Income Tax Act, 1961 amounting to ₹25.23 (March 31, 2025: ₹25.23) for the FY 2016-17 (AY 2017-18) and has appealed the said order before Commissioner Appeals and the Company believes it has strong merits in its case.
- (iii) The Company has received an order during the period / year ended March 31, 2022 under Section 143(3) of the Income Tax Act, 1961 relating to financial period / year 2017-18 (assessment period / year 2018-19) with a demand of ₹ 779.56. The Company had filed a writ petition with the Hon'ble High Court of Karnataka against the Order and the Company has received a favorable High court order in the current year whereby the assessment order raising demand has been set aside and the matter has been remanded back to AO for fresh assessment. Hence, the Company has reversed the contingent liability.
- (iv) Income tax refund claimed by the Parent Company (pertaining from FY 18-19 to 24-25 amounting to ₹39.82) has been adjusted by Tax department against the outstanding demand. The said adjustment is not accepted by the Parent Company and is treated as payments made under protest.
- (v) The Company has evaluated the impact of the Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-1/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the management which is supported by legal advice, the Company expects that the aforesaid matter is not likely to have a significant impact and accordingly, no provision has been made in the financial statements. Further, the Company has complied with the above judgement and has revised the wages of its employees with effect from April 01, 2019.

Notes to the Standalone Financial Statements

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

Note 29 - Contingent liabilities (Contd..)

- (vi) Refer Note 31(B) for Corporate guarantees given to third parties by the Company for loans taken by related parties of the Company.
- (vii) It is not practicable to estimate for the Company to estimate the timing of cash outflows, if any, in respect of the above matters pending resolution of the above matters.
- (viii) The Company does not expect any reimbursement in respect of the above contingent liabilities.

Note 30 - Commitments

(a) Capital commitments

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

Particulars	March 31, 2026	March 31, 2026
Property, plant and equipment	7.58	1.44
	7.58	1.44

Note 31 - Related Party Disclosures

Names of related parties and related party relationship

Relationship	Name of the related party
(i) Names of related parties where control exists:	
Ultimate Holding Company	: Aequs Inc, Cayman Islands (100% beneficially owned and controlled by the Melligeri Foundation) (up to December 10, 2025)
Holding Company	: Aequs Manufacturing Investments Private Limited, Mauritius (AMIPL) (up to December 10, 2025)
(ii) Related parties with whom transactions have taken place during the year	
Joint ventures	: Aerospace Processing India Private Limited, India (API) : SQuAD Forging India Private Limited, India ('SQuAD') : Aequs Cookware Private Limited, India (ACPL) : Ajna Aerospace & Defence Private Limited, India (AJNA) (w.e.f. March 6, 2026)
Subsidiaries	: AeroStructures Manufacturing India Private Limited, India (ASMIPL) : Aequs Aerospace BV, Netherlands (AABV) : Aerospace Manufacturing Holdings Private Limited, India (AMHPL) : Aequs Oil and Gas LLC, USA (AOGLLC) : Aequs Engineered Plastics Private Limited, India (AEPPL) : Aequs Force Consumer Products Private Limited, India (AFCPPL) : Aequs Consumer Products Private Limited, India (ACPPL) : Aequs Toys Private Limited, India (ATPL) : Aerostructures Assemblies India Private Limited, India (AAI) Subsidiary of ASMIPL : Aequs Aerospace LLC, USA ('AALLC') Subsidiary of Aequs Aerospace LLC, USA ('AALLC') : Aequs Aero Machine Inc, USA ('AAM') Subsidiary of AABV : Aequs Holdings France SAS, France ('AHF') : Aequs Aerospace France SAS, France ('AAF SAS') Subsidiary of Aequs Engineered Plastics Private Limited ('AEPPL') : Aequs Toys Hong kong Private Limited, Hong Kong ('ATHKPL') Subsidiary of Aequs Consumer Products Private Limited : Aequs Home Appliances Private Limited, Inida (AHAPL) (Struck off w.e.f June 27, 2025) Subsidiaries of Aequs Toys Private Limited, India : Koppal Toys Molding COE Private Limited, India (KTMCPPL) : Aequs Rajas Extrusion Private Limited, India (AREPL)

Notes to the Standalone Financial Statements

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

Note 31 - Related Party Disclosures (Contd..)

Relationship	Name of the related party
Associates	: Aequs Foundation, India (w.e.f. 27 March, 2026)
Directors/Key management personnel	: Mr. Rajeev Kaul, Co-Founder and Managing Director
	: Mr. Aravind S. Melligeri, Executive Chairman and Chief Executive Officer
	: Dr. Ajay Aravind Prabhu, Director
	: Dr. Eberhard Klaus Richter, Independent Director
	: Ms. Vidya Sarathy, Independent Director
	(Appointed as an additional director w.e.f January 31, 2025 and Independent director w.e.f April 25, 2025)
	: Dr. Anup Wadhawan, Independent Director (w.e.f. April 25, 2025)
	: Mr. Dinesh Iyer, Chief Financial Officer
	: Mr. Ravi Mallikarjun Hugar, Company Secretary and Compliance Officer
Enterprises in which individuals owning interest in the Company, or their relatives have control or significant influence	: Aequs Stock Option Plan Trust, India ('ESOP Trust')
	: Aequs SEZ Private Limited, India ('ASEZ')
	: Automotive End Solution Private Limited, India ('AESPL')
	: Industrial Knowledge Centre Private Limited, India ('IKC')
	: Hubballi Durable Goods Cluster Private Limited, India ('HDGCPL')
	: MFO IP Holdings Private Limited, Malta (MFO IP Holding)

A. Transactions with related parties

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Subsidiaries		
AMHPL		
Expense incurred on behalf of related party	-	0.00
ASMIPL		
Investments in equity shares	2,307.12	
Purchase of goods and consumables	4.28	0.97
Sale of goods	0.43	0.02
Expense incurred on behalf of related party	1.38	0.13
Expense incurred by related party	5.54	8.75
Employee stock option expense cross charges	8.93	0.28
Interest income on loan given	13.20	-
Service rendered (Subcontracting service)	13.62	4.20
Fair value of financial guarantee issued	34.13	20.48
Unsecured loan given during the year	299.70	-
Financial guarantee income	37.60	29.36
Subcontracting expenses	-	0.07
ATPL		
Investments in equity shares	230.00	100.00
Expenses incurred by related party	0.54	0.82
Fair value of financial guarantee issued	-	29.38
Financial guarantee income	9.60	10.05
Employee stock option expense cross charges	5.28	0.51
Expense incurred on behalf of related party	-	0.01
Interest income on loan given	14.18	3.34
Unsecured loan given during the year	45.00	100.00
Impairment of investments	-	184.62
ACPPL		
Investments in equity shares	3,276.59	1,270.01
Expense incurred on behalf of related party	5.00	0.40
Expense incurred by related party	0.19	1.62
Fair value of financial guarantee issued/(reversed)	112.33	(41.63)

Notes to the Standalone Financial Statements

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

Note 31 - Related Party Disclosures (Contd..)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Employee stock option expense cross charges	0.07	2.44
Financial guarantee income	236.44	59.65
Unsecured loan given during the year	930.00	180.00
Interest income on loan given	83.40	0.44
Sale of assets	6.91	0.85
AAI		
Expense incurred on behalf of related party	0.16	0.00
Fair value of financial guarantee issued	2.70	2.70
Employee stock option expense cross charges	-	0.57
Financial guarantee income	2.70	3.00
Cost of raw materials consumed	-	0.04
SubCon expenses	1.20	2.07
Expenses incurred by related party	0.64	0.33
AABV		
Conversion of loans to investment in equity shares	1,346.98	-
Employee stock option expense cross charges	5.87	2.74
Interest income on loan given	67.92	74.56
(Reversal) / Impairment of loan and interest thereon	(1,346.98)	0.83
Impairment of investment	1,346.98	-
AAM		
Purchase of goods and consumables	0.25	0.71
AAF Corp		
Expense incurred by related party	13.67	0.65
Subcontracting expenses	36.39	28.91
Sale of goods	27.76	-
AOGLLC		
Employee stock option expense cross charges	0.64	-
Impairment of investments	0.64	-
AEPPL		
Investments in equity shares	360.00	-
Employee stock option expense cross charges/(reverse)	0.35	(1.00)
Expenses incurred by related party	-	0.58
Expense incurred on behalf of related party	-	0.13
Service rendered	0.30	0.01
Unsecured loan given during the year	70.00	152.50
Interest income on loan given	22.90	5.56
Repayment of loan given	-	22.50
Purchase of asset	-	0.00
Sale of manufactured goods	0.00	0.00
AFCPPL		
Purchase of assets	-	0.01
Expense incurred on behalf of related party	0.00	0.15
Expenses incurred by related party	-	0.17
Investments in equity shares	-	50.00
Fair value of financial guarantee issued	-	1.26
Financial guarantee income	-	2.75
Interest income on loan given	10.05	2.81
Unsecured loan given during the year	30.00	70.00
Impairment of investments	-	648.80
KTMPL		
Expense incurred on behalf of related party	-	0.00
Financial guarantee income	10.67	10.68
Unsecured loan given during the year	-	39.00
Interest income on loan given	4.68	0.97

Notes to the Standalone Financial Statements

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

Note 31 - Related Party Disclosures (Contd..)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Associates		
AF		
Impairment of investments (reversed)	-	0.00
Sale of Investment	-	0.00
Expense incurred on behalf of related party	-	0.32
Joint Ventures		
API		
Service Received (Subcontracting service)	29.97	14.67
Service Rendered	21.12	19.20
Expense incurred on behalf of related party	0.01	-
Cost of Material Consumed	0.69	-
Financial guarantee income	0.90	0.90
AREPL		
Expense incurred on behalf of related party	-	0.00
Interest income on loan given	0.89	0.83
Impairment of loan and interest thereon	0.89	0.83
SQuAD		
Expense incurred on behalf of related party	0.00	0.06
Service Rendered	-	10.80
Purchase of goods and consumables	83.95	42.53
Fair value of financial guarantee issued	0.90	0.90
Reversal impairment loss	234.39	-
Sale of manufactured goods	47.35	45.57
Sale of service (Subcontracting service)	11.88	-
Financial guarantee income	2.39	2.40
ACPL		
Investments in equity shares	-	41.50
Fair value of financial guarantee issued	-	64.29
Service Rendered	-	1.56
Financial guarantee income	6.43	3.20
AJNA		
Investments in equity shares	1.00	-
Investments in compulsorily convertible preference shares (CCPS)	99.10	-
Service Rendered	0.30	-
Key Management Personnel		
Managerial remuneration paid (Refer note (a) below)		
Mr.Rajeev Kaul	17.97	18.36
Mr.Ravi Mallikarjun Hugar	7.80	7.23
Mr.Dinesh Iyer	17.34	17.02
Ms. Vidya Sarathy	2.50	0.42
Mr. Ajay Aravind Prabhu	-	1.45
Dr. Anup Wadhawan	4.50	-
Dr. Eberhard Klaus Richter	3.90	-
Short-term employee benefits	24.33	40.02
Post employee benefits	0.81	0.75
Share-based payment	0.91	3.72
Enterprises in which individuals owning interest in the Company, or their relatives have control or significant influence		
ASEZ		
Service Received	81.44	49.17
Interest expense on lease liability	17.99	20.41
Repayment of lease liability	23.05	19.05
Expense incurred on behalf of related party	1.26	2.48
Expense incurred by related party	0.97	0.98

Notes to the Standalone Financial Statements

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

Note 31 - Related Party Disclosures (Contd..)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Fair value of financial guarantee received	4.50	4.50
Financial guarantee expense	4.50	5.08
AESPL		
Expenses incurred by related party	0.86	-
Repayment of dues from related parties	-	8.50
IKC		
Service Received	-	0.65
Expense incurred on behalf of related party	-	0.08
MFO IP Holding (Earlier name Aequs Limited, Malta)		
Services Received (Branding charges)	10.00	10.00

Note:

- Out of the above remuneration to KMP, no amount has been cross charged to other group entities. Further, the remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.
- All transactions were made on normal commercial terms and conditions.

B. Balance at the year end

Particulars	As at March 31, 2026	As at March 31, 2025
Subsidiaries		
AMHPL		
Investment in Equity shares	758.62	758.62
Dues from related party	0.55	0.55
Impairment of Investments	758.62	758.62
Impairment on dues from related parties	0.55	0.55
ASMIPL		
Investment in Equity shares	4,026.64	1,719.52
Fair value of financial guarantee issued	224.29	190.16
Fair value of ESOP cost	13.80	4.87
Dues to related party	2.83	0.26
Dues from related party	0.00	-
Trade payable	4.36	0.23
Trade receivable	0.65	1.46
Loan to related party	299.70	-
Interest accrued on loan given	11.88	-
ATPL		
Investment in Equity shares	1,501.36	1,273.10
Fair value of financial guarantee issued	102.22	102.22
Fair value of ESOP cost	4.67	1.56
Trade receivable	1.22	1.22
Dues from related party	6.06	6.06
Dues to related party	0.49	-
Impairment of Investments	891.99	891.99
Loan to related party	145.00	100.00
Interest accrued on loan given	12.79	1.02
AABV		
Investment in Equity shares	2,136.44	789.46
Fair value of ESOP cost	16.24	10.37
Impairment of Investments	2,142.00	795.02
Loan to related party including interest accrued & unrealised gain	-	1,085.86
Impairment of loan and interest thereon	-	1,085.86

Notes to the Standalone Financial Statements

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

Note 31 - Related Party Disclosures (Contd..)

Particulars	As at March 31, 2026	As at March 31, 2025
ACPPL		
Investment in Equity shares	6,347.80	3,071.21
Fair value of financial guarantee issued	554.90	442.56
Fair value of ESOP cost	6.56	6.49
Dues from related party	22.95	22.95
Loan to related party	1,110.00	180.00
Interest accrued on loan given	50.97	0.44
AAI		
Investment in Equity shares	231.15	231.15
Fair value of financial guarantee issued	11.75	9.05
Fair value of ESOP cost	1.72	1.67
Dues from related party	0.00	-
Trade payable	-	0.35
Dues to related party	0.54	0.04
AAM		
Trade payable	11.58	1.13
Dues to related party	0.65	0.58
Fair value of ESOP cost	0.84	0.84
AAF Corp		
Dues from related party	0.22	0.18
Trade receivable	29.47	-
Trade payable	6.50	4.44
AOGLLC		
Investment in Equity shares	822.01	822.01
Fair value of ESOP cost	0.95	1.59
Impairment of Investments	822.95	823.59
AEPL		
Investment in Equity shares	2,265.16	1,905.16
Fair value of ESOP cost	0.01	(0.36)
Impairment of Investments	969.52	969.52
Dues from related party	5.29	5.29
Dues to related party	-	0.19
Trade receivable	-	1.56
Trade payable	-	0.01
Loan to related party	200.00	130.00
Interest accrued on loan given	13.73	1.38
AFCPPL		
Dues from related party	17.26	17.26
Dues to related party	-	0.05
Trade receivable	6.38	6.38
Interest accrued on loan given	6.36	0.78
Loan to related party	100.00	70.00
Investment in Equity shares	1,379.52	1,379.52
Investment in CCD	207.32	207.32
Fair value of financial guarantee issued	8.06	8.06
Impairment of Investments	834.09	834.09
Impairment of Investments-CCD	207.32	207.32
KTMPL		
Fair value of financial guarantee issued	106.50	106.50
Interest accrued on loan given	4.11	0.38
Loan to related party	39.00	39.00
Associate		
AF		
Investment in Equity shares	0.01	-

Notes to the Standalone Financial Statements

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

Note 31 - Related Party Disclosures (Contd..)

Particulars	As at March 31, 2026	As at March 31, 2025
Joint Ventures		
API		
Investment in Equity shares	89.52	89.52
Fair value of financial guarantee issued	6.32	6.32
Trade payable	11.12	4.67
SQUAD		
Investment in Equity shares	746.23	746.23
Fair value of financial guarantee issued	41.23	40.33
Impairment of Investments	-	234.39
Dues from related party	0.00	0.06
Trade payable	18.48	1.06
Trade receivable	10.65	7.61
ACPL		
Investment in Equity shares	41.50	41.50
Fair value of ESOP cost	0.16	0.16
AJNA		
Investment in Equity shares	100.10	-
Trade receivable	0.30	-
Enterprises in which individuals owning interest in the Company, or their relatives have control or significant influence		
ASEZ		
Security deposit	32.64	32.64
Trade payable	2.27	3.28
Dues from related party	1.26	2.48
Dues to related party	0.97	-
Fair value of financial guarantee received	23.84	19.34
AESPL		
Trade payable	0.17	0.15
Dues from related party	17.24	17.24
Dues to related party	1.19	0.33
Impairment on dues from related parties	17.24	17.24
IKC		
Trade payable	-	0.03
Dues from related party	-	0.03
MFO IP Holdings (Earlier name Aequs Limited, Malta)		
Trade payable	10.00	10.00
AREPL		
Dues from related party	0.00	0.00
Loan to related party including interest	9.96	9.12
Impairment of loan and interest thereon	9.96	9.12

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

Note:

- Loan given to ESOP Trust reflected as Treasury shares.
- Mr. Aravind Melligeri, Director of the Company, has issued personal guarantees towards securing various working capital facilities: ₹250.00 (March 31, 2025: ₹250) and term loan facilities: ₹53.80 (March 31, 2025: ₹53.80) obtained by the Company.

Particulars	As at March 31, 2026	As at March 31, 2025
Key managerial personnel and their relatives		
Short-term employee benefits	8.95	8.95
Post employee benefits	0.75	0.75

Notes to the Standalone Financial Statements

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

Note 31 - Related Party Disclosures (Contd..)

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

Particulars	As at March 31, 2026	As at March 31, 2025
(i) Loans receivable (for funding of operations)		
AeroStructures Manufacturing India Private Limited, India (ASMIPL)	300	-
Aequs Engineered Plastics Private Limited, India (AEPPL)	200.00	130.00
Aequs Force Consumer Products Private Limited, India (AFCPPL)	100.00	70.00
Aequs Toys Private Limited, India (ATPL)	145.00	100.00
Aequs Consumer Products Private Limited(ACPPL)	1,110.00	180.00
Koppal Toys Molding COE private Limited, India (KTMCPPL)	39.00	39.00
Aequs Rajas extrusion Private Limited, India(AREPL) (from June 25, 2021)	7.40	7.40
Aequs Aerospace BV ('AABV'), Netherlands	-	810.34
(ii) Investments in subsidiaries, associates and joint ventures(Refer Note 6)	21,821.43	14,034.05
(iii) Guarantees given (for term loan, working capital and leases)		
AeroStructures Manufacturing India Private Limited ('ASMIPL')	1,797.40	1,772.79
SQuAD Forging India Private Limited ('SQuAD')	170.00	120.00
Aerostructures Assemblies India Private Ltd (AAI)	150.00	150.00
Aequs Consumer Products Private Limited(ACPPL) (including leases)	2,193.00	3,153.80
Aequs Toys Private Limited, India (ATPL) (including leases)	533.62	533.62
Koppal Toys Molding COE private Limited(KTMCPPL) (including leases)	593.14	593.14
Aerospace Processing India Private Limited(API)	50.00	50.00
Aequs Cookware Private Limited(ACPL)	357.06	357.06

Note 32 - Earnings per Share

	As at March 31, 2026	As at March 31, 2025
(a) Earnings per share (basic)	0.82	(1.31)
(b) Earnings per share (diluted)	0.81	(1.31)
(c) Profit attributable to the equity share holders used in calculating basic and diluted earnings per share	497.99	(740.78)
(c) Weighted Average number of Equity shares (basic)	60,61,98,382	56,74,85,326
(d) Weighted Average number of Equity shares (diluted)	61,19,18,725	56,74,85,326

For the year ended March 31, 2025, ESOPs outstanding have an impact of reducing the earnings per share on dilution and hence are anti-dilutive. Hence, diluted EPS presented is same as the basic EPS.

Note 33 - Financial ratios

Ratios	Numerator	Denominator	March 31, 2026	March 31, 2025	% Variance	Reason for Variance
i) Current ratio (times)	Current assets	Current liabilities	2.85	1.97	44.67%	Note 2
ii) Debt-equity ratio (times)	Borrowings including lease liabilities	Equity	0.02	0.06	-66.67%	Note 3
iii) Debt service coverage ratio (times)	Net operating income	Debt service	2.06	0.76	171.05%	Note 4
iv) Return on equity ratio (%)	Profit after tax	Average equity	3.59%	-7.84%	145.72%	Note 5
v) Inventory turnover ratio (times)	Cost of goods sold (COGS)	Average inventory	1.33	1.05	26.67%	Note 6

Notes to the Standalone Financial Statements

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

Note 33 - Financial ratios (Contd..)

Ratios	Numerator	Denominator	March 31, 2026	March 31, 2025	% Variance	Reason for Variance
vi) Trade receivables turnover ratio (times)	Sales (revenue from operations)	Average receivables	5.90	6.38	-7.52%	Note 1
vii) Trade payable turnover ratio (times)	Purchase of goods & other expenses	Average trade payables	4.19	4.01	4.49%	Note 1
viii) Net capital turnover ratio (times)	Sales (revenue from operations)	Working capital	0.88	1.34	-34.33%	Note 7
ix) Net profit ratio (%)	Profit after tax	Sales (revenue from operations)	40.21%	-80.31%	150.06%	Note 5
x) Return on capital employed (%)	Earning before interest and taxes	Capital employed (tangible net worth + total debt + deferred tax liability)	3.41%	-6.81%	150.13%	Note 8
xi) Return on investment (%)	Other income from investment	Average of opening & closing investment	36.08%	1.38%	2519.44%	Note 9

Notes:

- Reason for variances less than 25% is not required to be provided, as exempted by Schedule III of the Act.
- Increase in current assets as result of funds received from IPO.
- Increase in equity and decrease in debt
- Increase in profit before tax and decrease in amount of debt service
- Increase in profit after tax.
- Increase in cost of goods sold
- Increase in working capital at higher rate than increase in revenue
- Increase in earnings before interest and taxes
- Increase in income from investment while there is decrease in average total assets

Note 34 - Additional regulatory information required by Schedule III

- 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.
- Willful defaulter: The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- Relationship with struck off companies: The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.
- Compliance with number of layers of companies: The Company has complied with the number of layers prescribed under the Companies Act, 2013.
- 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.
- 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:
 - 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

Notes to the Standalone Financial Statements

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

Note 34 - Additional regulatory information required by Schedule III (Contd..)

- (ii) provide any guarantee or security or the like on behalf of the Ultimate Beneficiaries.
- (vi) (b) 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) the Company shall:
 - (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (ii) provide any guarantee or security or the like on behalf of the Ultimate Beneficiaries.
- (vii) There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- (viii) The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.
- (ix) The Company has not revalued its Property, plant and equipment or intangible assets during the current or previous year.
- (x) The Company does not own any immovable properties.
- (xi) There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.
- (xii) The borrowings obtained by the Company from bank have been applied for the purposes for which such loans were 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 contracts as at March 31, 2026.
- (xiv) The Company does not have Core Investment Company (CIC) as part of the Group, as defined in the regulations made by the Reserve Bank of India as on March 31, 2026.
- (xv) The Company has borrowings from banks and financial institutions on the basis of security of current assets. Refer note 13 (i)(C) for details of quarterly statements of current assets filed by the company with the bank and reconciliation with the books of accounts.

Notes to the Standalone Financial Statements

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

Note 35 - Subsequent events

1. a) The Company, vide its board resolution dated April 23, 2026, has approved the Scheme of Amalgamation of certain wholly owned subsidiaries i.e, AeroStructures Manufacturing India Private Limited, Aequs Engineered Plastics Private Limited and Aequs Force Consumer Products Private Limited with itself. As of the date of adoption of these financial statements, the Scheme and the related applications are yet to be filed with requisite authorities, and necessary approvals are still pending.

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

Note 36 - The financial statements were approved for issue by the Board of Directors on May 26, 2026.

As per our report of even date attached.

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

Chartered Accountants

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

Sampad Guha Thakurta

Partner

Membership No.: 060573

Place: Chennai

Date:

for and on behalf of the Board of Directors of

Aequs Limited (Formerly known as Aequs Private Limited)

CIN : L80302KA2000PLC026760

Rajeev Kaul

Co-Founder and
Managing Director

DIN-01468590

Place:

Date: May 26, 2026

Dinesh Iyer

Chief Financial Officer

Place:

Date: May 26, 2026

Aravind S Melligeri

Executive Chairman and
Chief Executive Officer

DIN-00787735

Place:

Date: May 26, 2026

Ravi Mallikarjun Hugar

Company Secretary and
Compliance Officer

M. No. - A20823

Place:

Date: May 26, 2026

Independent Auditor's Report

To
The Members of
Aequus Limited (formerly known as Aequus Private Limited)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of **Aequus Limited** (formerly known as Aequus Private Limited) (hereinafter referred to as the "Holding Company"), its Aequus Stock Option Plan Trust, and its subsidiaries (Holding Company, its Aequus Stock Option Plan Trust and its subsidiaries together referred to as "the Group"), its associate and its joint ventures, which comprise the consolidated balance sheet as at March 31, 2026, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associate and joint ventures as at March 31, 2026, of its consolidated loss and other comprehensive loss, consolidated changes in equity and consolidated cash flows for the year then ended.

Revenue recognition

See notes 2(i) and 18 to consolidated financial statements

The key audit matter

The Group is engaged in the business of contract manufacturing, catering to the manufacture of machined parts used in the aerospace sector and products related to the consumer market. The Group supplies goods only against committed orders and has a concentrated customer base. The revenue is derived primarily from sale of these products.

Revenue from sale of goods is recognised when control is transferred to the customers and when there are no other unfulfilled obligations. There are variations in the terms of different sales contracts which require detailed analysis of each contract regarding timing of revenue recognition. Consequently, there is a risk of revenue being overstated due to recognition prior to the transfer of control, particularly from pressures to achieve performance targets at the end of the reporting period.

Accordingly, we have identified the timing of revenue recognition as a key audit matter.

Basis for Opinion

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

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

How the matter was addressed in our audit

In view of the significance of the matter, we applied the following audit procedures, among others, to obtain sufficient appropriate audit evidence:

- We assessed the appropriateness of the accounting policies for revenue recognition and its compliance with applicable accounting standards;
- We evaluated the design and implementation of the Group's manual and general IT controls and key IT application controls with respect to revenue recognition and tested operating effectiveness of these controls over recording of revenue in the correct period, by involving internal IT specialists;
- We performed substantive testing on samples selected using statistical sampling of revenue transactions recorded during the year and around the year end date by testing the underlying documents including sale invoices, customer contracts and delivery documents to assess whether the revenue had been recognised in the correct reporting period;

The key audit matter**How the matter was addressed in our audit**

- We tested sample journal entries for revenue recognised, selected based on specified risk based criteria, to identify unusual entries;
- We have performed substantive testing of subsequent credit notes / reversal entries recorded by selecting a sample of high value items resulting in untested balance being immaterial; and
- We evaluated the adequacy and appropriateness of the disclosures made in the consolidated financial statements, in accordance with the relevant accounting standard.

Other Information

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

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

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

When we read the Holding Company's annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

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

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associate and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group and the respective Management and Board of Directors of its associate and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate

accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and the respective Management and Board of Directors of its associate and joint ventures are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive

to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group, its associate and joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of such entities or business activities within the Group, its associate and joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

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

independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- a. We did not audit the financial statements of nine subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of INR 5,115.78 million as at March 31, 2026, total revenues (before consolidation adjustments) of INR 2,422.05 million and net cash inflows (before consolidation adjustments) amounting to INR 47.12 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Holding Company's share of loss of INR 3.31 million for the year ended March 31, 2026, in respect of one joint venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint venture is based solely on the reports of the other auditors.
- b. Three of these subsidiaries located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in its country and which have been audited by other auditors under generally accepted auditing standards applicable in its country. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in its country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the reports of other auditors and

the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

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, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries and joint venture as were audited by other auditors, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books except for the matters stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2026 taken on record by the Board of Directors of the Holding Company, written representations received by the management on March 31, 2026 from the directors of the associate company and certain joint venture companies, and the reports of the statutory auditors of its subsidiary companies and joint venture company audited by other auditors, incorporated in India, none of the directors of the Group companies, joint venture companies and associate company incorporated in India is disqualified as on March 31, 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 Holding Company and its subsidiary companies and joint venture companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries and joint venture as noted in the "Other Matters" paragraph:
 - a. The consolidated financial statements disclose the impact of pending litigations as at March 31, 2026 on the consolidated financial position of the Group, its associate and joint ventures. Refer Note 30 to the consolidated financial statements.
 - b. The Group, its associate and joint ventures did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended March 31, 2026.
 - c. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies, associate company and joint venture companies incorporated in India during the year ended March 31, 2026.
 - d. (i) The respective management of the Holding Company, its subsidiary companies, associate company and joint venture companies incorporated in India whose financial statements have been audited under the Act represented to us and the other auditors of such subsidiary companies and joint venture company respectively that, to the best of its knowledge and belief, as disclosed in the Note 40(vi)(a) to the consolidated financial statements, no

funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary companies or associate or joint venture companies to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary companies or associate or joint venture companies ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The respective management of the Holding Company, its subsidiary companies, associate company and joint venture companies incorporated in India whose financial statements have been audited under the Act represented to us and the other auditors of such subsidiary companies and joint venture company respectively that, to the best of its knowledge and belief, as disclosed in the Note 40(vi)(b) to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary companies or associate or joint venture companies from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary companies or associate or joint venture companies shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

e. The Holding Company, its subsidiary companies, associate company and joint venture companies incorporated in India have neither declared nor paid any dividend during the year.

f. Based on our examination which included test checks, except for the instance mentioned below,

the Holding Company, its subsidiary companies and joint venture companies which are companies incorporated in India whose financial statements have been audited under the Act, have used accounting softwares for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective softwares.

In respect of the Holding Company, its four subsidiary companies and three joint venture companies, the feature of recording audit trail (edit log) facility;

- was not enabled for the period from April 01, 2025 to December 15, 2025 at the database level to log any direct data changes; and
- was not enabled for the period from April 01, 2025 to October 09, 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 and operated throughout the year, we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail where enabled, has been preserved by the Company as per the statutory requirements for record retention.

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

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies and joint venture company incorporated in India which were not audited by us, the remuneration paid/payable during the current year by the Holding Company, its subsidiary companies, joint venture companies and its associate to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid/payable to any director by the Holding Company, its subsidiary companies, joint venture companies, and its associate 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

Membership No.: 060573

ICAI UDIN:26060573QBFUDUT4061

Place: Chennai

Date: May 26, 2026

Annexure A

to the Independent Auditor's Report on the Consolidated Financial Statements of Aequs Limited (formerly known as Aequs Private Limited) for the year ended March 31, 2026

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

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

Sr. No.	Name of the entities	CIN	Holding Company / Subsidiary	Clause number of the CARO report which is unfavorable or qualified or adverse
1	Aequs Limited	L80302KA2000PLC026760	Holding Company	ii(b), iii(c), iii(d), iii(e) and iii(f)
2	AeroStructures Manufacturing India Private Limited	U29253KA2013PTC067763	Subsidiary	ii(b), iii(c), iii(d), iii(e) and iii(f)
3	Aequs Consumer Products Private Limited	U28995KA2019PTC129087	Subsidiary	xvii
4	Aequs Engineered Plastics Private Limited	U22209KA2015PTC078777	Subsidiary	ii(b) and xvii
5	Aequs Force Consumer Products Private Limited	U28191KA2018PTC114901	Subsidiary	ii(a), ii(b), ix(d) and xvii
6	Aequs Toys Private Limited	U26400KA2021PTC150503	Subsidiary	ii(a)
7	Ajna Aerospace & Defence Private Limited	U30400KA2025PTC209996	Joint Venture	vii(a) and xiv

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

Sr No.	Name of the entities	CIN	Subsidiary/Joint Venture
1	SQuAD Forging India Private Limited	U28910KA2011PTC056681	Joint Venture
2	Aerospace Processing India Private Limited	U35303KA2007PTC043311	Joint Venture
3	Aequs Cookware Private Limited	U27504KA2024PTC189903	Joint Venture
4	Aequs Foundation	U74999KA2016NPL095790	Associate

For B S R & Co. LLP

Chartered Accountants

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

Sampad Guha Thakurta

Partner

Membership No.: 060573

ICAI UDIN:26060573QBFUDUT4061

Place: Chennai

Date: May 26, 2026

Annexure B to the Independent Auditor's Report on the consolidated financial statements of Aequus Limited (formerly known as Aequus Private Limited) for the year ended March 31, 2026

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

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

Opinion

In conjunction with our audit of the consolidated financial statements of Aequus Limited (formerly known as Aequus Private Limited) (hereinafter referred to as "the Holding Company") as of and for the year ended March 31, 2026, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Act which are its subsidiary companies, its associate and its joint venture companies, as of that date.

In our opinion and based on the consideration of report of the other auditors on internal financial controls with reference to financial statements of subsidiary companies incorporated in India, as were audited by the other auditors, the Holding Company and such companies incorporated in India which are its subsidiary companies, its associate and its joint venture companies, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at March 31, 2026, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

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

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial

controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matter

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

Our opinion is not modified in respect of this matter.

For B S R & Co. LLP

Chartered Accountants

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

Sampad Guha Thakurta

Partner

Place: Chennai

Date: May 26, 2026

Membership No.: 060573

ICAI UDIN:26060573QBFUDUT4061

Consolidated 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	4	7,732.10	1,668.82
Right-of-use assets	5	2,733.44	3,349.25
Capital work-in-progress	4A	786.59	3,950.90
Goodwill	6	172.56	172.56
Other intangible assets	6	63.75	61.23
Investments accounted for using the equity method	7	1,054.74	768.12
Financial assets			
Investments	8	0.99	0.85
Other financial assets	9 (iv)	671.84	706.24
Contract assets	12	111.41	-
Deferred tax assets (net)	35	317.41	331.70
Current tax assets		7.00	19.04
Other non-current assets	10	222.55	133.08
Total non-current assets		13,874.38	11,161.79
Current assets			
Inventories	11	5,674.36	4,082.69
Financial assets			
Trade receivables	9 (i)	2,646.07	1,566.04
Cash and cash equivalents	9 (ii)	3,014.89	609.43
Bank balances other than above	9 (iii)	551.63	188.48
Other financial assets	9 (iv)	183.67	128.72
Contract assets	12	85.61	52.89
Other current assets	10	874.01	808.22
Assets classified as held for sale	39	0.08	0.14
Total current assets		13,030.32	7,436.61
Total assets		26,904.70	18,598.40
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	6,706.66	5,818.29
Other equity	14	8,158.19	1,350.90
Equity attributable to owners of Aequs Limited (Formerly known as Aequs Private Limited)		14,864.85	7,169.19
Non controlling interest	14	(9.39)	(9.41)
Total Equity		14,855.46	7,159.78
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	15 (i)	1,001.73	1,424.39
Lease liabilities	5	2,447.08	2,785.57
Other financial liabilities	15 (ii)	57.43	64.75
Provision for employee benefits	17	208.47	161.79
Other non-current liabilities	16	34.49	45.00
Contract liabilities	12	73.51	192.92
Total non current liabilities		3,822.71	4,674.42
Current liabilities			
Financial liabilities			
Borrowings	15 (i)	3,034.05	2,946.23
Lease liabilities	5	526.45	694.28
Trade payables			
a. Total outstanding dues of micro and small enterprises; and	15 (iii)	28.76	65.70
b. Total outstanding dues to creditors other than micro enterprises and small enterprises	15 (iii)	3,194.58	2,243.17
Other financial liabilities	15 (ii)	647.94	400.25
Provision for employee benefits	17	71.29	65.57
Other current liabilities	16	206.51	152.83
Current tax liabilities (net)		178.61	35.16
Contract liabilities	12	338.34	160.72
Liabilities directly associated with assets classified as held for sale	39	0.00	0.29
Total current liabilities		8,226.53	6,764.20
Total liabilities		12,049.24	11,438.62
Total equity and liabilities		26,904.70	18,598.40
Summary of material accounting policies	2		

The accompanying notes are an integral part of these Consolidated Financial Statements

As per our report of even date attached.

for **B S R & Co. LLP**
Chartered Accountants
ICAI Firm's Registration No. 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
Aequs Limited (Formerly known as Aequs Private Limited)
CIN : L80302KA2000PLC026760

Rajeev Kaul
Co-Founder and
Managing Director
DIN-01468590
Place: Belagavi
Date: May 26, 2026

Dinesh Iyer
Chief Financial Officer

Place: Belagavi
Date: May 26, 2026

Aravind S Melligeri
Executive Chairman and
Chief Executive Officer
DIN-00787735
Place:
Date: May 26, 2026

Ravi Mallikarjun Hugar
Company Secretary and
Compliance Officer
M. No. - A20823
Place: Belagavi
Date: May 26, 2026

Consolidated 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
Continuing operations			
Revenue from operations	18	12,304.36	9,246.06
Other income	19	653.79	346.07
Total income (A)		12,958.15	9,592.13
Expenses			
Cost of materials consumed	20	5,223.08	4,082.60
Changes in inventories of finished goods and work-in-progress	21	(275.21)	(160.60)
Purchase of traded goods	22		
Employee benefit expense	22	2,121.77	1,587.41
Impairment (reversals)/ losses on financial assets	28	(11.08)	4.16
Other expenses	23	4,355.09	2,998.87
Total expenses (B)		11,413.65	8,512.44
Earnings from continuing operations before finance costs, depreciation and amortization, share of net profit/(loss) of associate and joint ventures, exceptional items and tax (A-B)		1,544.50	1,079.69
Finance costs	24	923.54	589.01
Depreciation and amortisation expense	25	1,376.91	1,034.06
Loss from continuing operations before share of net profit/(loss) of associate and joint ventures, exceptional items and tax		(755.95)	(543.38)
Share of net profit / (loss) of joint ventures accounted for using the equity method, net of tax	7	117.54	85.24
Exceptional items gain / (loss)	26	(76.95)	(482.65)
Loss before tax from continuing operations		(715.36)	(940.79)
Income tax expense			
- Current tax	35	400.27	148.88
- Deferred tax	35	17.28	(65.48)
Total tax expense		417.55	83.40
Loss from continuing operations		(1,132.91)	(1,024.19)
Discontinued operations			
Profit / (loss) from discontinued operations before tax	39	0.43	0.73
Tax expense of discontinued operations		-	-
Profit / (loss) from discontinued operations		0.43	0.73
Loss for the year		(1,132.48)	(1,023.46)
Other comprehensive income			
Items that will be reclassified to profit or loss			
- Exchange differences on translating financial statements of foreign operations		(348.51)	(49.37)
Items that will not be reclassified to profit or loss			
- Remeasurements of post-employment benefit obligations		27.50	(3.86)
- Tax impact on items that will not be reclassified to profit or loss		-	-
Other comprehensive loss for the year, net of tax		(321.01)	(53.23)
Total comprehensive loss for the year		(1,453.49)	(1,076.69)
Profit / (loss) attributable to:			
Owners of Aequs Limited (Formerly known as Aequs Private Limited)		(1,132.50)	(1,023.46)
Non controlling interests		0.02	0.00
		(1,132.48)	(1,023.46)
Other comprehensive loss attributable to:			
Owners of Aequs Limited (Formerly known as Aequs Private Limited)		(321.01)	(53.23)
Non controlling interests		-	-
		(321.01)	(53.23)
Total comprehensive loss attributable to:			
Owners of Aequs Limited (Formerly known as Aequs Private Limited)		(1,453.51)	(1,076.69)
Non controlling interests		0.02	0.00
		(1,453.49)	(1,076.69)
Total comprehensive loss attributable to owners of Aequs Limited (Formerly known as Aequs Private Limited)			
Continuing operation		(1,453.92)	(1,077.42)
Discontinued operations		0.43	0.73
		(1,453.49)	(1,076.69)
Earnings per equity share for profit from continuing operation attributable to owners of Aequs Limited (Formerly known as Aequs Private Limited) (Basic and diluted in INR) (Nominal value per share: ₹ 10)	32	-1.87	-1.80
Earnings per equity share for profit from discontinuing operation attributable to owners of Aequs Limited (Formerly known as Aequs Private Limited) (Basic and diluted in INR) (Nominal value per share: ₹ 10)	32	0.00	0.00
Earnings per equity share for profit from discontinuing & continuing operation attributable to owners of Aequs Limited (Formerly known as Aequs Private Limited) (Basic and diluted in INR) (Nominal value per share: ₹ 10)	32	-1.87	-1.80
Summary of material accounting policies	2		

The accompanying notes are an integral part of these Consolidated Financial Statements

As per our report of even date attached.

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

Chartered Accountants

ICAI Firm's Registration No. 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

Aequs Limited (Formerly known as Aequs Private Limited)

CIN : L80302KA2000PLC026760

Rajeev Kaul

Co-Founder and

Managing Director

DIN-01468590

Place: Belagavi

Date: May 26, 2026

Dinesh Iyer

Chief Financial Officer

Place: Belagavi

Date: May 26, 2026

Aravind S Melligeri

Executive Chairman and

Chief Executive Officer

DIN-00787735

Place:

Date: May 26, 2026

Ravi Mallikarjun Hugar

Company Secretary and

Compliance Officer

M. No. - A20823

Place: Belagavi

Date: May 26, 2026

Consolidated Statement of Changes in Equity

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

A. Equity share capital (refer note 13)

	Amount
Balance as at April 01, 2024	4,247.59
Changes during the year	1,570.70
Balance as at March 31, 2025	5,818.29
Changes during the year	888.37
Balance as at March 31, 2026	6,706.66

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

	Amount
Balance as at April 01, 2024	4,071.16
Changes during the year	(4,071.16)
Balance as at March 31, 2025	-
Changes during the year	-
Balance as at March 31, 2026	-

C. Other equity and non-controlling interests (refer note 14)

	Other equity									
	Attributable to owners of the Company									Non controlling interest
	Reserves and surplus							Items of OCI	Total other equity	
	Retained earnings	Securities premium	Share option outstanding account	Statutory reserve	Common control capital reserve	Treasury shares	Other reserves	Foreign currency translation reserve		
Balance as at April 01, 2024	(7,274.55)	7,293.77	60.14	11.16	93.94	(265.09)	214.92	(287.43)	(153.14)	(9.41)
Profit / (loss) for the year	(1,023.46)	-	-	-	-	-	-	-	(1,023.46)	0.00
Other comprehensive income / (loss) for the year	(3.86)	-	-	-	-	-	-	-	(3.86)	-
Translation of financial statement of foreign operations	-	-	-	-	-	-	-	(49.37)	(49.37)	-
Total comprehensive profit/(loss) for the year	(1,027.32)	-	-	-	-	-	-	(49.37)	(1,076.69)	0.00
Transactions with owners of the Company										
Premium on shares issued during the year	-	2,500.45	-	-	-	-	-	-	2,500.45	-
Employee stock option expense	-	-	8.77	-	-	-	-	-	8.77	-
Total contributions and distributions	-	2,500.45	8.77	-	-	-	-	-	2,509.22	-
Financial guarantee received during the year	-	-	-	-	-	-	48.41	-	48.41	-
Exercise of share options	-	-	-	-	-	23.10	-	-	23.10	-
Sub total	-	-	-	-	-	23.10	48.41	-	71.51	-
Balance as at March 31, 2025	(8,301.87)	9,794.22	68.91	11.16	93.94	(241.99)	263.33	(336.80)	1,350.90	(9.41)

Consolidated Statement of Changes in Equity

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

	Other equity									Non controlling interest
	Attributable to owners of the Company									
	Reserves and surplus							Items of OCI	Total other equity	
	Retained earnings	Securities premium	Share option outstanding account	Statutory reserve	Common control capital reserve	Treasury shares	Other reserves	Foreign currency translation reserve		
Balance as at April 01, 2025	(8,301.87)	9,794.22	68.91	11.16	93.94	(241.99)	263.33	(336.80)	1,350.90	(9.41)
Profit / (loss) for the year	(1,132.50)	-	-	-	-	-	-	-	(1,132.50)	0.02
Other comprehensive income / (loss) for the year	27.50	-	-	-	-	-	-	-	27.50	-
Translation of financial statement of foreign operations	-	-	-	-	-	-	-	(348.51)	(348.51)	-
Total comprehensive profit/(loss) for the year	(1,105.00)	-	-	-	-	-	-	(348.51)	(1,453.51)	0.02
Transactions with owners of the Company										
Premium on shares issued during the year	-	8,981.27	-	-	-	-	-	-	8,981.27	-
Share issue expense	-	(437.26)	-	-	-	-	-	-	(437.26)	-
Employee stock option expense	-	-	38.41	-	-	-	-	-	38.41	-
Total contributions and distributions	-	8,544.01	38.41	-	-	-	-	-	8,582.42	-
Financial guarantee received during the year	-	-	-	-	-	-	82.19	-	82.19	-
Transfers	-	12.57	-	-	-	-	(12.57)	-	-	-
Issue of shares to Aequus Stock Option Plan Trust	-	-	-	-	-	(447.84)	-	-	(447.84)	-
Exercise of share options	-	15.69	(15.69)	-	-	44.03	-	-	44.03	-
Sub total	-	28.26	(15.69)	-	-	(403.81)	69.62	-	(321.62)	-
Balance as at March 31, 2026	(9,406.87)	18,366.49	91.63	11.16	93.94	(645.80)	332.95	(685.31)	8,158.19	(9.39)

Summary of material accounting policies (note 2)

The accompanying notes are an integral part of these Consolidated Financial Statements

As per our report of even date attached.

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

Chartered Accountants

ICAI Firm's Registration No. 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

Aequus Limited (Formerly known as Aequus Private Limited)

CIN : L80302KA2000PLC026760

Rajeev Kaul

Co-Founder and

Managing Director

DIN-01468590

Place: Belagavi

Date: May 26, 2026

Dinesh Iyer

Chief Financial Officer

Place: Belagavi

Date: May 26, 2026

Aravind S Melligeri

Executive Chairman and

Chief Executive Officer

DIN-00787735

Place:

Date: May 26, 2026

Ravi Mallikarjun Hugar

Company Secretary and

Compliance Officer

M. No. - A20823

Place: Belagavi

Date: May 26, 2026

Consolidated Statement of Cash Flows

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

	Year ended March 31, 2026	Year ended March 31, 2025
Cash flow from operating activities		
Loss before income tax from continuing operations	(715.36)	(940.79)
Profit before tax from discontinuing operations	0.43	0.73
Loss before tax	(714.93)	(940.06)
Adjustments for :		
Depreciation and amortisation expense	1,376.91	1,034.06
Equity-settled share-based payment transactions	43.30	8.77
Net (profit) / loss on disposal of property, plant and equipment / investment property	1.32	(0.42)
Interest income from financial asset at amortised cost	(120.71)	(89.12)
Liabilities no longer required written back	(25.08)	(21.07)
Gain on mutual funds	-	(23.74)
Impairment (reversals)/ losses on financial assets	(11.08)	4.16
Provision for slow moving inventory	(7.32)	138.42
Interest expense	870.35	574.43
Finance guarantee income	(11.05)	(9.46)
Unwinding of discount on security deposits	(20.30)	(19.72)
Realized exchange loss on lease payments	98.28	29.00
Finance guarantee expense	53.19	14.58
Unrealised exchange (gain) / loss	(468.63)	(20.38)
Share of net profit / (loss) of joint ventures accounted for using the equity method, net of tax	(117.54)	(85.24)
Provision for doubtful advances and advance written off	18.81	8.07
Impairment of goodwill	-	482.65
Government grant related to property, plant and equipment	(10.69)	(32.10)
Gain on derecognition of lease	-	(18.59)
Working capital adjustments		
- (Increase) in trade receivables	(887.01)	(319.48)
- (Increase) in inventories	(1,489.93)	(734.26)
- (Increase) / decrease in other financial assets	51.41	(28.77)
- (Increase) in other assets	(72.93)	(267.40)
- (Increase) in contract assets	(139.68)	(27.91)
- Increase in trade payables	785.75	381.02
- Increase in employee benefit obligations	71.83	47.71
- (Decrease)/increase in other financial liabilities	(49.15)	91.80
- (Decrease) in other liabilities	(14.71)	(58.48)
- Increase in contract liabilities	51.68	264.04
Cash (used in) / generated from operations	(737.91)	382.51
Income taxes paid (net of refunds)	(249.60)	(121.10)
Net cash (used in) / generated from operating activities (A)	(987.51)	261.41
Cash flow from investing activities :		
Acquisition of property, plant and equipment	(3,425.51)	(2,651.62)
Proceeds from sale of property, plant and equipment / investment property	14.25	-
Loans given to related parties	-	15.38
Proceeds from sale of mutual funds	-	493.04
Investment in mutual funds	-	(172.17)
Investment in bank deposits	(1,108.75)	(3,204.99)
Proceeds from maturity of bank deposits	761.45	4,701.97
Government grants received	32.12	46.70
Interest received	120.71	72.44
Assets classified as held for sale	(0.23)	3.36
Investments in joint ventures and associate	(101.00)	(42.31)
Net cash used in investing activities (B)	(3,706.96)	(738.20)

Consolidated Statement of Cash Flows

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

	Year ended March 31, 2026	Year ended March 31, 2025
Cash flow from financing activities		
Proceeds from issue of equity shares (net of treasury shares)	9,438.10	-
Proceeds from exercise of share options	44.03	23.10
Proceeds from issue of non-convertible debentures	350.00	-
Share issue expenses (net)	(437.26)	-
Proceeds from long term borrowing	2,761.01	1,107.91
Repayment of long term borrowing	(3,031.65)	(345.06)
Principal payment of lease liabilities	(800.65)	(561.63)
(Repayment of)/ proceeds from short term borrowing (net)	(498.23)	641.82
Finance costs paid	(785.62)	(612.13)
Net cash generated from financing activities (C)	7,039.73	254.01
Net increase/ (decrease) in cash and cash equivalents (A + B + C)	2,345.26	(222.78)
Cash and cash equivalents at the beginning of the year	609.43	792.74
Effects of exchange rate changes on cash and cash equivalents	60.20	39.47
Cash and cash equivalents at the end of the year	3,014.89	609.43

Cash and cash equivalents comprise of the following :

	Year ended March 31, 2026	Year ended March 31, 2025
Balances with banks :		
- In current accounts	1,144.98	296.70
- Deposits with maturity of three months or less	1,869.85	312.70
Cash on hand	0.06	0.03
	3,014.89	609.43

Summary of material accounting policies (note 2)

The accompanying notes are an integral part of these Consolidated Financial Statements

As per our report of even date attached.

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

Chartered Accountants

ICAI Firm's Registration No. 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

Aequs Limited (Formerly known as Aequs Private Limited)

CIN : L80302KA2000PLC026760

Rajeev Kaul

Co-Founder and

Managing Director

DIN-01468590

Place: Belagavi

Date: May 26, 2026

Dinesh Iyer

Chief Financial Officer

Place: Belagavi

Date: May 26, 2026

Aravind S Melligeri

Executive Chairman and

Chief Executive Officer

DIN-00787735

Place:

Date: May 26, 2026

Ravi Mallikarjun Hugar

Company Secretary and

Compliance Officer

M. No. - A20823

Place: Belagavi

Date: May 26, 2026

Notes to Consolidated Financial Statements

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

1. Background:

Aequus Limited (formerly known as Aequus Private Limited) ('the Parent Company') was incorporated on March 27, 2000 under provisions of the Companies Act, 1956 and is located at Special Economic Zone ('SEZ') Belagavi, Karnataka, India. It has its registered office at Whitefield, Bengaluru. The Parent Company, along with its subsidiaries (hereinafter collectively referred to as "the Group"), its associate and joint ventures are engaged in the business of contract manufacturing catering to various industries. These units are registered to carry on the operations relating to manufacture of machined parts used in aerospace and products related to consumer market. The Parent Company converted into a public company w.e.f. May 07, 2026. The equity shares of the Parent Company were listed on the National Stock Exchange and the Bombay Stock Exchange of India on December 10, 2025.

2. Material accounting policies:

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

a. Basis of preparation and presentation

The consolidated financial statements of Aequus Limited (formerly known as Aequus Private Limited) (hereinafter referred to as the "Holding Company"), its Aequus Stock Option Plan Trust and its subsidiaries (Holding Company, its Aequus Stock Option Plan Trust and its subsidiaries together referred to as "the Group") its associate and joint ventures, comprise the consolidated Balance Sheet as at March 31, 2026, and the consolidated statement of Profit and Loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year ended March 31, 2026, and notes to the consolidated financial statements, including material accounting policies (hereinafter referred to as "the consolidated financial statements").

These Consolidated Financial Statements comply in all material aspects with Indian Accounting Standards (IndAS) as amended from time to time, notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The Consolidated Financial Statements have been prepared on accrual basis under the historical cost convention, except for the following assets and liabilities, which have been measured at fair value as required by relevant Ind AS:

- Certain financial assets and liabilities are measured at fair value;
- Share-based payments
- Defined employee benefit plans; and

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

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

These consolidated financial statements have been prepared on a going concern basis. The accounting policies are applied consistently over the period.

These consolidated financial statements were authorised for issue by the Holding Company's board of directors on May 26, 2026.

Functional and presentation currency

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

Accounting policy on earnings before finance costs, depreciation and amortization, share of net profit/(loss) of associate and joint ventures, exceptional items and tax

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

Recent pronouncements

Standards/Specific amendments issued but not yet effective as at March 31, 2026 -

Notes to Consolidated Financial Statements

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

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, Changes in accounting estimates and Errors.

b. Principles of consolidation and equity accounting

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

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

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

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

(i) Subsidiaries:

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

Items of assets, liabilities, equity, income, expenses and cash flows of the Parent Company with those of its subsidiaries are combined like to like basis. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the Consolidated Financial Statements at the acquisition date.

(ii) Non-controlling interests (NCI)

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

(iii) Transactions eliminated on consolidation

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

c. Business combination

A common control business combination, involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and where the control is not transitory, is accounted for using the pooling of interest method in accordance with Ind AS 103 'Business Combinations'. Other business combinations, involving entities or businesses are accounted for using acquisition method. Consideration transferred in such business combinations is measured at fair value, which is calculated as the sum of the acquisition date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange of control of the acquiree. Goodwill is recognised and is measured as the excess of the sum of the (i) consideration transferred, (ii) the amount of any non-controlling interests in the acquiree, and (iii) the fair value of the acquirer's previously held equity

Notes to Consolidated Financial Statements

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

interest in the acquiree, over the net of the consideration date amounts of the identifiable assets acquired and the liabilities assumed. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

d. Goodwill

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

e. Investment in associate and joint ventures

Associates:

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

Joint ventures:

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

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

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

f. Provisions and onerous contracts

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

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

Notes to Consolidated Financial Statements

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

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

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

h. Foreign currency transactions

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

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

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

i. Revenue from contracts with customers

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

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

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

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

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

A contract asset is recognised when the Group gets the right to consideration in exchange for goods or services that it has transferred to the customers and the right is conditional upon acts other than passage of time. When the payment exceeds the value of goods supplied or services rendered, a contract liability (advance from customers) is recognised.

j. Government grants

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

k. Income tax

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

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

Notes to Consolidated Financial Statements

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

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

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

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

I. Leases

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

As a lessee

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

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

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date

- Amounts expected to be payable by the Group under residual value guarantees
- The exercise price of a purchase option if the Group is reasonably certain to exercise that option.
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

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

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

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

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

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

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

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

Notes to Consolidated Financial Statements

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

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

m. Impairment of non-financial assets

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

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

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

n. Cash and cash equivalents

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

o. Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflects Group's unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The Group holds the trade receivables with

the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

p. Inventories

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

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

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

q. Investments and other financial assets

Classification

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

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

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

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

Recognition

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

Measurement

At initial recognition, the Group measures a financial asset (other than trade receivables) at its fair value plus, in the case of a financial asset not at fair value through profit

Notes to Consolidated Financial Statements

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

or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

- (a) Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method.
- (b) Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other expenses and impairment expenses in other expenses.
- (c) Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Impairment of financial assets

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

Derecognition of financial assets

A financial asset is derecognized only when

- The Group has transferred the rights to receive cash flows from the financial asset or

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

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

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group 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

Income recognition

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

Dividend income

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

r. Property, plant and equipment

All items of property, plant and equipment are stated at historical cost or deemed cost applied on transition to Ind AS less depreciation. 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 Group and the cost of the item can be measured reliably. When significant spare parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant

Notes to Consolidated Financial Statements

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

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.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

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

Depreciation methods, estimated useful lives and residual value

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

The estimated useful lives of assets are as follows:

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

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

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Assets in the course of development or construction are not depreciated.

s. Investment property

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

t. Intangible assets

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

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

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

u. Trade and other payables

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

v. Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption

Notes to Consolidated Financial Statements

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

amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

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

w. Borrowing costs

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

x. Employee benefits

Short-term obligations

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

Other long-term employee benefit obligations

Leave obligations are presented as current liabilities in the balance sheet since the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Post-employment obligations

The Group operates the following post-employment schemes:

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

(a) Defined benefit plans:

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

Gratuity obligations (India):

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

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

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

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

Pension obligations (France):

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

Notes to Consolidated Financial Statements

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

employees retire. The defined benefit obligation is calculated annually by actuaries using appropriate criteria applicable in France.

(b) Defined contribution plans:

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

India:

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

United States of America:

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

Share-based payments

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

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

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

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied on an accelerated basis. At the end of each period, the entity revises its estimates of the number of options that are

expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

y. Financial guarantee contracts

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

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

z. Contributed equity

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

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

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

Notes to Consolidated Financial Statements

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

ab. Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

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

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

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

3. Use of judgements and estimates

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

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

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

(i) Judgements

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

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

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

(ii) Assumption and estimation uncertainties

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

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

Note 35: recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised;

Note 30: uncertain tax treatments;

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

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

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

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

Notes to Consolidated Financial Statements

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

Note 4 - Property, plant and equipment

As at March 31, 2026

Particulars	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	Exchange differences	As at March 31, 2026	Charge for the year	Disposals	Transfer from Right of Use assets		Exchange differences	As at March 31, 2026
Leasehold improvements	58.17	180.49	-	-	0.73	239.39	15.41	-	-	0.60	53.79	185.60
Plant and machinery	3,640.69	6,198.87	(15.57)	154.63	66.63	10,045.25	685.55	(15.50)	-	47.05	2,757.26	7,287.99
Computer equipment	136.84	236.35	-	-	0.36	373.55	37.06	-	-	1.83	145.23	228.32
Office equipment	63.86	14.49	-	-	0.45	78.80	49.49	-	-	(0.03)	55.71	23.09
Furniture and fittings	0.58	3.11	-	-	(0.97)	2.72	0.57	-	-	(0.18)	0.80	1.92
Vehicles	2.02	1.87	-	-	0.33	4.22	(1.00)	-	-	(0.00)	(0.96)	5.18
Total	3,902.16	6,635.18	(15.57)	154.63	67.53	10,743.93	744.72	(15.50)	-	49.27	3,011.83	7,732.10

As at March 31, 2025

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

Notes

- a. Refer note 15(i)(D) for information on property, plant and equipment pledged as security.

Notes to Consolidated Financial Statements

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

Note 4A - Capital Work-in-progress

Particulars	As at April 1, 2024	Additions	Transfer	As at March 31, 2025	As at April 1, 2025	Additions	Transfer	As at March 31, 2026
Capital work in progress	1,753.85	2,227.71	(30.66)	3,950.90	3,950.90	957.61	(4,121.92)	786.59

Aging of Capital work-in-progress as at March 31, 2026

	Amounts in Capital work in progress				Total
	Less than one year	1-2 years	2-3 years	More than 3 years	
Projects in progress	782.16	4.43	-	-	786.59
Total	782.16	4.43	-	-	786.59

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

	Amounts in Capital work in progress				Total
	Less than one year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2,228.20	1,722.70	-	-	3,950.90
Total	2,228.20	1,722.70	-	-	3,950.90

Capitalization of expenditure

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

	As at March 31, 2026	As at March 31, 2025
Other expenses	196.76	448.04
Employee benefit expenses	163.63	275.12
Finance cost	159.24	217.74
Cost of materials consumed	358.56	74.51
Depreciation on right-of-use assets	20.26	43.38
	898.45	1,058.79

Notes to Consolidated Financial Statements

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

Note 5 - Right of use assets (Contd..)

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

Particulars	March 31, 2026	March 31, 2025
Interest expense on lease liabilities	271.00	276.94
Expense relating to leases of low-value assets (included in other expenses)	60.61	39.47
Cash outflow for leases (principal and interest)	1,071.65	838.57

Note 6 - Intangible assets

As at March 31, 2026

Particulars	Gross carrying amount				Accumulated depreciation				Net carrying amount as at March 31, 2026
	As at April 01, 2025	Additions	Disposals	Exchange differences	As at March 31, 2026	Charge for the period	Disposals	Exchange differences	As at March 31, 2026
Software	176.67	21.40	-	1.02	199.09	15.51	-	0.97	143.07
Technical knowhow	127.39	-	-	13.92	141.31	15.28	-	2.06	133.58
Total	304.06	21.40	-	14.94	340.40	30.79	-	3.03	276.65
Goodwill	655.21	-	-	-	655.21	-	-	-	172.56

Particulars	Gross carrying amount				Accumulated depreciation				Net carrying amount as at March 31, 2025
	As at April 01, 2024	Additions	Disposals	Exchange differences	As at March 31, 2025	Charge for the period	Disposals	Exchange differences	As at March 31, 2025
Software	161.90	15.64	(0.97)	0.10	176.67	15.22	(0.97)	(1.50)	126.59
Technical knowhow	128.33	-	-	(0.94)	127.39	25.00	-	0.28	116.24
Total	290.23	15.64	(0.97)	(0.84)	304.06	40.22	(0.97)	(1.22)	242.83
Goodwill	655.21	-	-	-	655.21	482.65	-	-	172.56

Notes to Consolidated Financial Statements

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

Note 6 - Intangible assets (Contd..)

a. Impairment tests for goodwill

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

Goodwill has been allocated to the CGUs as below:

Particulars	March 31, 2026	March 31, 2025
Aerostructures Assemblies India Private Limited (AAI)	148.49	148.49
Aequs Aeromachine Inc (AAM)	24.07	24.07
Aequs Force Consumer Products Private Limited (AFCPPL)	-	-
Total	172.56	172.56

The assumptions used in the impairment testing is as below:

Particulars	March 31, 2026		March 31, 2025	
	AFCPPL	AAI	AFCPPL	AAI
Average sales growth rate	Not applicable	Average of 21.89%	Average of 22.67%	Average of 5.67%
Discount rate range		14.13%	14.59%	17.40%
Terminal value growth rate		5.00%	5.00%	5.00%
Significant estimate: Impact of possible changes in key assumptions				
- 0.5% decrease in sales growth rate will lead to a change in the entity's valuation by:		11.26	10.14	12.07
- 0.5% decrease in terminal growth rate will lead to a change in the entity's valuation by:		27.45	15.18	10.25

The discount rate is a measure estimated based on the historical industry averaged weighted-average cost of capital. Debt leveraging as applicable to the region has been considered with relevant region's applicable interest rate.

Revenue growth has been projected taking into account the average growth levels experienced over the past period / years and the estimated sales volume and price growth for the next foreseeable period. The terminal growth rate has been determined based on management's estimate of the long-term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make.

During the year ended March 31, 2025, the Group noted that it did not meet its revenue and EBITDA assumptions for AFCPPL, due to significant and unexpected decline in market demand. Based on the Group's assessment of future business and possible margins it determined that the carrying value of the CGU exceeded the fair value of INR 324.01 and accordingly recorded an impairment of INR 482.65, which was disclosed as an exceptional item in the statement of profit and loss.

For the year ended March 31, 2026, there were no other probable scenarios where the CGU's recoverable amount would fall below its carrying amount.

Notes to Consolidated Financial Statements

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

Note 7 - Investments accounted for using equity method

	As at March 31, 2026	As at March 31, 2025
(A) Investment in equity instruments of associates		
Aequus Foundation	0.01	-
(B) Investment in equity instruments of joint ventures		
Aerospace Processing India Private Limited	314.55	238.96
SQuAD Forging India Private Limited	643.39	497.15
Aequus Cookware Private Limited	-	32.01
Ajna Aerospace and Defence Private Limited	-	-
(B) Investment in seed compulsory convertible preference shares of joint ventures		
Ajna Aerospace and Defence Private Limited	96.79	-
Net investment	1,054.74	768.12
Aggregate amount of unquoted investments	1,054.74	768.12

Notes:

- Investment in Aerospace Processing India Private Limited includes ₹ 6.32 (March 31, 2025: ₹6.32) towards fair value of financial guarantee extended. (Refer Note 15(i))
- Investment in SQUAD Forging India Private Limited includes ₹ 49.33 (March 31, 2025: ₹ 40.33) towards fair value of financial guarantee extended. (Refer Note 15(i))
- Investment in Aequus Cookware Private Limited includes ₹ 64.29 (March 31, 2025: ₹ 64.29) towards fair value of financial guarantee extended. (Refer Note 15(i))
- During the year ended March 31, 2026, the Parent Company recognised its share of losses of Aequus Cookware Private Limited until the carrying value of the investment was reduced to Nil. The Group's share of losses in excess of the investment amounting to ₹ 68.93 (March 31, 2025: ₹ 10.57) has been recognised under other financial liabilities. (Refer note 15 (ii))
- The Parent Company has made an investment in Ajna Aerospace and Defence Private Limited of INR 10,01,00,000/- (Indian Rupees Ten Crores and One Lakh only) by subscribing to 10,000 Equity Shares of face value INR 10/- (Indian Rupees Ten only) each at a premium of INR 90/- (Indian Rupees Ninety only) per share and 9,91,000 Seed Compulsorily Convertible Preference Shares of face value INR 10/- (Indian Rupees Ten only) each at a premium of INR 90/- (Indian Rupees Ninety only) per share.
- Investment in the following entities includes share of profit/ (loss) of joint ventures accounted under the equity method:

	As at March 31, 2026	As at March 31, 2025
SQuAD Forging India Private Limited	145.02	52.12
Aerospace Processing India Private Limited	75.37	60.65
Aequus Cookware Private Limited	(99.54)	(27.53)
Ajna Aerospace and Defence Private Limited	(3.31)	-
	117.54	85.24

Note 8 - Investments

	As at March 31, 2026	As at March 31, 2025
Unquoted		
Investment in Government Securities	0.99	0.85
	0.99	0.85
Aggregate market value of quoted investments	-	-
Aggregate amount of unquoted investments	0.99	0.85
Aggregate amount of impairment in the value of investments	-	-

Notes to Consolidated Financial Statements

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

Note 9

(i) - Trade Receivables

	As at March 31, 2026	As at March 31, 2025
Trade receivables from other than related parties	2,647.00	1,583.47
Receivables from related parties	18.43	13.01
Less: Loss allowance	(19.36)	(30.44)
Total receivables	2,646.07	1,566.04

Ageing of trade receivables as on March 31, 2026

Particulars	Not due	Outstanding for following periods from 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	2,153.76	420.64	13.85	59.72	12.43	0.00	2,660.40
	2,153.76	420.64	13.85	59.72	12.43	0.00	2,660.40
Less: Loss allowance	-	-	(2.11)	(16.22)	(1.01)	(0.00)	(19.34)
Unbilled revenue	5.01	-	-	-	-	-	5.01
Total trade receivables	2,158.77	420.64	11.74	43.50	11.42	0.00	2,646.07

Ageing of trade receivables as on March 31, 2025

Particulars	Not due	Outstanding for following periods from 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	1,288.66	257.18	18.00	20.10	-	12.54	1,596.48
	1,288.66	257.18	18.00	20.10	-	12.54	1,596.48
Less: Loss allowance	-	-	-	(20.10)	-	(10.34)	(30.44)
Total trade receivables	1,288.66	257.18	18.00	-	-	2.20	1,566.04

Note:

Refer note 15(i)(D) for information on lien/charge against trade receivables.

(ii) - Cash and cash equivalents

	As at March 31, 2026	As at March 31, 2025
Cash on hand	0.06	0.03
Balance with banks:		
In current accounts**	1,144.98	296.70
Deposits with maturity of 3 months or less**	1,869.85	312.70
	3,014.89	609.43

Notes to Consolidated Financial Statements

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

(iii) - Bank balances other than above

	As at March 31, 2026	As at March 31, 2025
Margin money deposits*	96.33	188.01
Deposits with original maturity of more than 3 months but less than 12 months	169.77	0.47
Earmarked balance with banks**	285.53	-
	551.63	188.48

Note:

*Margin money deposits are against letter of credit issued in favor of domestic and foreign vendors.

**Earmarked balance includes INR 285.53 being amounts withheld from IPO proceeds.

(iv) - Other financial assets

(unsecured, considered good, unless otherwise specified)

	As at March 31, 2026	As at March 31, 2025
Non current		
Deposits with banks with remaining maturity of more than one year	-	15.85
Deferred consideration receivable	250.44	300.53
Security deposits	421.40	389.86
	671.84	706.24
Current		
Recoverable from related parties	20.57	24.01
Deferred consideration receivable	102.38	18.03
Government grant receivable	59.68	91.80
Other financial assets	21.60	16.04
Less: Expected credit loss for recoverable from related party	(20.56)	(21.16)
	183.67	128.72

Note 10 - Other assets

	As at March 31, 2026	As at March 31, 2025
Non current		
Capital advances	195.01	101.51
Prepaid expenses	37.55	31.84
Provision for doubtful advances	(10.01)	(0.27)
Total	222.55	133.08
Current		
Advance to suppliers	304.00	233.74
Advances to employees	9.65	9.80
Prepaid expenses	87.71	98.93
Unamortized financial guarantee expense	34.06	50.88
Balance with statutory authorities	438.59	415.17
Provision for doubtful balances with statutory authorities	-	(0.30)
Total	874.01	808.22

Notes to Consolidated Financial Statements

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

Note 11 - Inventories

	As at March 31, 2026	As at March 31, 2025
Raw materials [Including Goods In Transit: March 31, 2026: ₹ 353.49 (March 31, 2025: ₹186.01)]	2,986.80	2,051.54
Work-in-progress	1,499.21	1,211.12
Finished goods [Including Goods In Transit: March 31, 2026: ₹ Nil (March 31, 2025: Nil)]	1,160.82	1,095.98
Stores and spares [Including Goods In Transit: March 31, 2026: ₹ 6.08 (March 31, 2025: ₹7.80)]	449.65	153.49
Less: Provision for slow moving inventory	(422.12)	(429.44)
Total	5,674.36	4,082.69

Note:

- For lien/charge against inventories refer note 15(i)(D)
- Write-down of inventories to net realizable value amounted to ₹ 266.54 (March 31, 2025: ₹ 152.89). These were recognized as an expense during the year and included in 'changes in inventories of work-in-progress and finished goods' in the statement of profit and loss.
- Provision for slow moving inventory includes provision in respect of:

	As at March 31, 2026	As at March 31, 2025
Raw materials	(173.62)	(164.42)
Work-in-progress	(65.46)	(112.56)
Finished goods	(80.93)	(105.67)
Stores and spares	(102.11)	(46.79)
	(422.12)	(429.44)

Note 12 - Contract assets and contract liabilities

	As at March 31, 2026	As at March 31, 2025
Non-Current		
Contract assets	111.41	-
	111.41	-
Contract liabilities		
Unearned revenue	73.51	192.92
	73.51	192.92
Current		
Contract assets	85.61	52.89
	85.61	52.89
Contract liabilities		
Advance from customers	33.33	102.58
Unearned revenue	305.01	58.14
	338.34	160.72

Note:

	As at March 31, 2026	As at March 31, 2025
Revenue recognized that was included in contract liabilities balance as at the beginning of the period:		
Sale of goods	160.72	122.06

Notes to Consolidated Financial Statements

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

Note 13 - Equity share capital

	As at March 31, 2026		As at March 31, 2025	
	No. of shares	Amount	No. of shares	Amount
Authorized				
Equity shares of ₹ 10 each	1,01,46,29,934	10,146.30	60,57,29,934	6,057.30
	1,01,46,29,934	10,146.30	60,57,29,934	6,057.30
Issued, subscribed and fully paid-up				
Equity shares of ₹ 10 each	67,06,65,635	6,706.66	58,18,28,940	5,818.29
	67,06,65,635	6,706.66	58,18,28,940	5,818.29

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

	As at March 31, 2026		As at March 31, 2025	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the period / year	60,57,29,934	6,057.30	43,14,60,000	4,314.60
Increase during the period / year	40,89,00,000	4,089.00	17,42,69,934	1,742.70
Outstanding at the end of the period / year	1,01,46,29,934	10,146.30	60,57,29,934	6,057.30

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

	As at March 31, 2026		As at March 31, 2025	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the period / year	58,18,28,940	5,818.29	42,47,59,003	4,247.59
Shares issued for cash	8,88,36,695	888.37	-	-
Shares allotted through the conversion of Compulsorily Convertible Preference Shares	-	-	15,70,69,937	1,570.70
Outstanding at the end of the period / year	67,06,65,635	6,706.66	58,18,28,940	5,818.29

Following are the details of allotment made during the year of equity shares with face value ₹10 each.

Details of Allotment	Date of Allotment	Number of shares allotted	Issue price in INR
Rights Issue	May 2, 2025	1,71,73,024	74.64
Private placement to ASOP Trust	July 8, 2025	30,00,000	74.64
Private placement to ASOP Trust	July 14, 2025	30,00,000	74.64
Private placement to SBI Optimal Equity Fund- Long Term	November 10, 2025	29,84,593	123.97
Private placement to SBI Emergent India Fund	November 10, 2025	50,81,874	123.97
Private placement to DSP India Fund - India Long / Short Strategy Fund with Cash Management Option	November 10, 2025	32,26,587	123.97
Private placement to Think India Opportunities Master Fund LP	November 10, 2025	3,22,659	123.97
Fresh Issue under IPO	December 8, 2025	5,38,70,967	124.00
Fresh Issue under IPO- Employee Quota	December 8, 2025	1,76,991	113.00

(iii) Terms and 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. 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.

Notes to Consolidated Financial Statements

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

Note 13 - Equity share capital (Contd..)

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

Name of the shareholder	As at March 31, 2026		As at March 31, 2025	
	No. of shares	Amount	No. of shares	Amount
Aequus Manufacturing Investments Private Limited	29,07,08,225	2,907.08	27,21,89,936	2,721.90

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

	As at March 31, 2026		As at March 31, 2025	
	No. of shares	% holding	No. of shares	% holding
Aequus Manufacturing Investments Private Limited	29,07,08,225	43.35%	27,21,89,936	46.78%
Melligeri Private Family Foundation	10,04,38,070	14.98%	10,62,61,570	18.26%
Amansa Investments Ltd	5,01,32,863	7.48%	4,82,35,541	8.29%

(vi) Details of shareholding of Promoters

Name of the 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
Aequus Manufacturing Investments Private Limited	29,07,08,225	43.35%	-3.44%	27,21,89,936	46.78%	-15.33%
Melligeri Private Family Foundation	10,04,38,070	14.98%	-3.28%	10,62,61,570	18.26%	-8.68%
Aravind S. Melligeri	10,00,000	0.15%	-0.02%	10,00,000	0.17%	0.05%

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

	As at March 31, 2026	As at March 31, 2025
	Number of equity shares	
Shares allotted through the conversion of Compulsorily Convertible Preference Shares	-	15,70,69,937

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

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

ESOP Trust was created for the welfare and benefit of employees and directors of the Company. The Board of Directors has approved the employee stock option plan of the Company. On October 25, 2013, July 25, 2016, December 15, 2021, December 22, 2021, July 8, 2025 and July 14, 2025 the trust purchased 5,500,000, 2,900,000, 3,000,000, 3,000,000, 3,000,000 and 3,000,000 equity shares respectively of the Company using the proceeds from interest free loan of ₹670.00 obtained from the Company.

(x) There are no shares which are reserved for issuance and there are no securities issued/ outstanding which are convertible into equity shares, except ESOP.

Notes to Consolidated Financial Statements

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

Note 13A - Instruments entirely equity in nature

Preference Share Capital	As at March 31, 2026		As at March 31, 2025	
	No. of shares	Amount	No. of shares	Amount
Authorised				
Compulsorily convertible preference shares of ₹10 each	-	-	40,89,00,000	4,089.00
	-	-	40,89,00,000	4,089.00
Issued, subscribed and fully paid up				
Compulsorily convertible preference shares of ₹10 each	-	-	40,71,15,771	4,071.16
Less: Converted to equity shares	-	-	(40,71,15,771)	(4,071.16)
	-	-	-	-

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

	As at March 31, 2026		As at March 31, 2025	
	No. of shares	Amount	No. of shares	Amount
Balance outstanding at the beginning of the period / year	-	-	40,89,00,000	4,089.00
Less: Converted into equity shares	-	-	(40,89,00,000)	(4,089.00)
Balance outstanding at the end of the period / year	-	-	-	-

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

	As at March 31, 2026		As at March 31, 2025	
	No. of shares	Amount	No. of shares	Amount
Balance outstanding at the beginning of the period / year	-	-	40,71,15,771	4,071.16
Add: Preferential issue during the period / year	-	-	-	-
Balance outstanding at the end of the period / year	-	-	40,71,15,771	4,071.15
Less: Re-classified to borrowing*	-	-	-	-
Less: Converted into equity shares	-	-	40,71,15,771	4,071.15
Balance outstanding at the end of the period / year	-	-	-	-

Note 13B - Stock option plan

As at March 31, 2026

The Parent Company has granted stock options to the employees of the Parent Company and its subsidiaries.

ESOP scheme is administered through an ESOP Trust called as ""Aequs Stock Option Plan Trust"" ('ESOP Trust') that has been constituted on May 14, 2013. The object of the ESOP Trust is to manage schemes made available for the benefit of the employees. During the year ended March 31, 2025, four stock option plans viz., ESOP scheme 2013, ESOP scheme 2016, ESOP scheme 2020 and ESOP scheme 2022 were in existence. The Company has amended and consolidated the previous employee stock option plans as mentioned above to Aequs Employee Stock Option Plan 2025 (ESOP 2025) in compliance with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 with effect from April 01, 2025. Vesting under each of these schemes is subject to satisfaction of the prescribed vesting conditions viz., continuing employment, employee performance and certain performance conditions. These vesting conditions vary depending on the role and seniority of the employees.

The details of activity under the Aequs Employee Stock Option Plan 2025 (ESOP 2025) are summarised below :

Notes to Consolidated Financial Statements

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

Note 13B - Stock option plan (Contd..)

Particulars	Exercise Price	Year ended March 31, 2026		Year ended March 31, 2025	
		Number	WAEP (INR)	Number	WAEP (INR)
Options outstanding at beginning of period	-	-	-	-	-
Add:					
Options transferred from the previous plans*	10 - 75	1,04,75,580	26.38	-	-
Options granted during the period	75	32,15,000	74.64	-	-
Less:					
Options exercised during the period	10 - 40	(19,92,313)	22.15	-	-
Options forfeited during the period	10 - 40	(12,51,374)	33.67	-	-
Options outstanding at the end of period	10 - 75	1,04,46,893	41.10	-	-
Option exercisable at the end of period	10 - 40	23,21,952	25.89	-	-
The weighted average remaining contractual life (years)		11.89			

The weighted average remaining contractual life (years) 11.89

Weighted average share price as on the date of exercise is ₹ 22.15 (Previous year : ₹ 30.60/-)

*The Company has amended and consolidated existing employee stock option plans to Aequus Employee Stock Option Plan 2025 (ESOP 2025) in compliance with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 with effect of April 01, 2025.

As at March 31, 2025

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

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

	March 31, 2026	March 31, 2025
Fair value at grant date	47.64-52.20	13.76- 15.38
Share price at grant date	105	30.60
Exercise price	74.64	30.60
Expected volatility (weighted-average)	12.41%-18.97%	16.38- 17.22%
Expected life (weighted-average) (years)	2.50-6.50	8.50-9.50
Expected dividends	0	0%
Risk-free interest rate (based on government securities)	5.82%-6.23%	6.63 - 7.03%

ESOP Scheme 2013

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

Notes to Consolidated Financial Statements

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

Note 13B - Stock option plan (Contd..)

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

Particulars	Exercise Price	Year ended March 31, 2025	
		Number	Weighted average exercise price
Options outstanding at beginning of year	10 - 32	36,71,063	18.83
Add:			
Options granted during the year	10 - 32	5,00,000	30.60
Less:			
Options exercised during the year	10 - 32	(6,77,672)	13.24
Options forfeited during the year	10 - 32	(3,03,000)	17.26
Options outstanding at the end of year	10 - 32	31,90,391	22.01
Option exercisable at the end of year		17,20,391	

ESOP Scheme 2016

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

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

Particulars	Exercise Price	Year ended March 31, 2025	
		Number	Weighted average exercise price
Options outstanding at beginning of year	24 - 40	19,30,414	30.29
Add:			
Options granted during the year	24 - 40	4,25,000	36.60
Less:			
Options exercised during the year	24 - 40	(2,22,047)	26.97
Options forfeited during the year	24 - 40	-	-
Options outstanding at the end of year	24 - 40	21,33,367	29.52
Option exercisable at the end of year		11,48,368	

ESOP Scheme 2020

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

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

Particulars	Exercise Price	Year ended March 31, 2025	
		Number	Weighted average exercise price
Options outstanding at beginning of year	26 - 31	17,50,000	26.10
Add:			
Options granted during the year	26 - 31	12,15,000	30.60
Less:			
Options exercised during the year	26 - 31	(1,50,000)	26.10
Options forfeited during the year	26 - 31	(1,50,000)	30.60
Options outstanding at the end of year	26 - 31	26,65,000	27.90
Option exercisable at the end of year		1,50,000	

Notes to Consolidated Financial Statements

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

Note 13B - Stock option plan (Contd..)

ESOP Scheme 2022

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

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

Particulars	Exercise Price	Year ended March 31, 2025	
		Number	Weighted average exercise price
Options outstanding at beginning of year	26 - 31	18,95,000	26.42
Add:			
Options granted during the year	26 - 31	9,03,821	30.60
Less:			
Options exercised during the year	26 - 31	(1,24,000)	26.10
Options forfeited during the year	26 - 31	(1,88,000)	27.27
Options outstanding at the end of year	26 - 31	24,86,821	27.89
Option exercisable at the end of year		4,25,000	

Note 14 - Other equity

	As at March 31, 2026	As at March 31, 2025
Retained earnings	(9,406.87)	(8,301.87)
Securities premium reserve	18,366.49	9,794.22
Share options outstanding account	91.63	68.91
Statutory reserve	11.16	11.16
Common control capital reserve	93.94	93.94
Treasury shares	(645.80)	(241.99)
Other reserves	332.95	263.33
Foreign currency translation reserve	(685.31)	(336.80)
	8,158.19	1,350.90
Non-controlling interest	(9.39)	(9.41)
	8,148.80	1,341.49

Nature and Purpose of reserves

a. Securities premium reserve

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

b. Share options outstanding account

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

c. Statutory reserve

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

d. Common control capital reserve

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

Notes to Consolidated Financial Statements

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

Note 14 - Other equity (Contd..)

e. Treasury shares

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

f. Other reserve

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

g. Foreign currency translation reserve

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

Note 15 (i) - Borrowings

	As at March 31, 2026	As at March 31, 2025
Non current:		
Term loans from banks (secured)	1,567.11	
Rupee loan	1,506.41	1,803.89
Foreign currency loan (USD)	7.93	15.10
Foreign currency loan (Euro)	52.77	67.18
Total	1,567.11	1,886.17
Less: Current maturities of long-term borrowings	560.27	453.18
Less: Interest accrued but not due on borrowings	5.11	8.60
	1,001.73	1,424.39
Current:		
Working capital facilities from banks (secured)	1,464.38	1,978.71
Working capital - others (secured)	268.27	200.36
Loans from related parties (unsecured)	302.45	272.71
Non convertible -debentures (unsecured)	371.57	-
Current maturities of long-term borrowings	560.27	453.18
Interest accrued but not due on long term borrowings	67.11	41.27
	3,034.05	2,946.23

(A) Details of security and terms of repayment for borrowings:

(i) Aequs Limited (Formerly known as Aequs Private Limited)

	As at March 31, 2026	As at March 31, 2025
(a) Working capital facilities: HDFC Bank	125.73	223.59
Working capital facilities taken by the Company includes Export Packing Credit (EPC) and Pre-shipment Credit in Foreign Currency (PCFC) and Cash Credit (CC)		
- Hypothecation of stock meant for export and book debts; further collaterally secured by charge on existing unincumbered plant and machinery and parcel of land owned by Aequs SEZ Private Limited,		
- Corporate guarantee provided by Aequs SEZ Private Limited.		
Rate of Interest:		
CC and EPC: 3 month repo + 2.50% p.a.		
PCFC: SOFR + 200bps p.a.		

Notes to Consolidated Financial Statements

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

Note 15 (Contd..)

(ii) Aerostructures Manufacturing India Private Limited (ASMIPL)

	As at March 31, 2026	As at March 31, 2025
(a) Term loans from banks: HDFC Bank - Loan 1	19.00	26.86
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.		
(b) Term loans from banks: HDFC Bank - Loan 2	-	3.33
Security:		
- Hypothecation of plant & machinery		
- Collateral security over parcel of land & building owned by M/s. MFRE Private Trust		
- 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.		
(c) Term loans from banks: HDFC Bank - Loan 3	-	41.50
Security:		
- Extension of second charge over primary and secondary securities including mortgage created in favor of bank.		
- ECLGS 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.		
(d) Term loans from banks: Axis Bank - Loan 1	-	144.78
Security:		
- Hypothecation on entire plant and machinery purchased out of term loan, both present and future.		
Rate of interest: REPO+3.40% p.a.		
Repayment terms: 60 equal monthly instalments.		
(e) Term loans from banks: Axis Bank - Loan 2	-	21.12
Security:		
- Hypothecation of plant & machinery, collateral security over parcel of land owned by Aequs SEZ Pvt Ltd (restricted to the value of the land), ECLGS Loan is 100% guaranteed by NCGTC (Ministry of Finance, Government of India)		
Rate of interest: REPO+4.85% p.a. (capped at 9.25% p.a.)		
Repayment terms: 48 equal monthly instalments.		

Notes to Consolidated Financial Statements

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

Note 15 (Contd..)

	As at March 31, 2026	As at March 31, 2025
(f) Term loans from banks: Axis Bank - Loan 3	6.63	46.40
Security:		
- Hypothecation on entire current assets of the borrower both present and future, ECLGS Loan is 100% guaranteed by NCGTC (Ministry of Finance, Government of India)		
Rate of interest: REPO+4.85% p.a. (capped at 9.25% p.a.)		
Repayment terms: 48 equal monthly instalments.		
(g) Term loan from Oxyzo Financial Services Limited	201.95	-
Security:		
- Hypothecation on entire plant and machinery of Aequs Toys Private Limited, both present and future, Security cheque/s, NACH Mandate, Lien for an amount of INR 50.00 in favor of OXYZO Financial Services Limited		
Rate of interest: Floating @12.4 % (14.8% (OBLR) -2.4%(Discount)) p.a.		
Repayment terms: 5 Quarterly instalments		
(h) Term loan from Vivriti Capital Limited	487.33	-
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 favor of the lender and placed with the lender.		
Rate of interest: 11.80% p.a.		
Repayment terms: 45 monthly instalments		
(i) Working capital loan from HDFC Bank	482.00	742.13
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.		

Notes to Consolidated Financial Statements

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

Note 15 (Contd..)

	As at March 31, 2026	As at March 31, 2025
(j) Working capital loan from 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 Aequus 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 Aequus Limited (formerly known as Aequus Private limited), Aequus SEZ Private Limited and MFRE Private Trust.		
Rate of Interest:		
CC:3 month repo+2.70% p.a.		
PCFC:SOFR+200bps p.a.		

(iii) Aerostructures Assemblies India Private Limited (AAI)

	As at March 31, 2026	As at March 31, 2025
Working capital facilities taken by the Company includes Export Packing Credit (EPC) and Pre-shipment Credit in Foreign Currency (PCFC) and Cash Credit (CC)	119.42	71.62
Security:		
- Hypothecation of stock and book debts; further collaterally secured by charge on existing plant and machinery and movable assets - Corporate guarantee: Aequus Limited (Formerly known as Aequus Private Limited)		
Rate of Interest:		
CC:3 month repo+2.50% p.a.		
PCFC:SOFR+200bps		

Notes to Consolidated Financial Statements

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

Note 15 (Contd..)

(iv) Aequs Engineered Plastics Private Limited

	As at March 31, 2026	As at March 31, 2025
(a) Term loans from banks: Axis Bank - Loan 1	10.56	22.00
Security:		
- Hypothecation of entire primary security available for existing Securities, Collateral : Extension of Second Charge on existing security situated at Aequs SEZ, 437/A, Hattargi Village, Hukkeri Taluk, Belgaum in the name of Aequs SEZ Private Limited. The loan has 100 % guarantee from National Credit guarantee trustee Company (NCGTC).		
Rate of interest: REPO+4%.(Capped @9.25%) p.a.		
Repayment terms: 36 equal monthly instalments.		
(b) Working capital loan Axis Bank	131.64	130.07
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:		
- Present and future hypothecation of entire stocks of raw material, stock in process, finished goods, spares and receivables and other current assets. Collateral security includes registered mortgage on SEZ Land situated at Aequs SEZ, 437/A, Hattargi Village, Hukkeri Taluk, Belgaum in the name of Aequs SEZ Private Limited.		
- Corporate guarantee by Aequs SEZ Private Limited		
Rate of Interest:		
CC:3 month repo+3.90% p.a.		
PCFC:6 Month SOFR+200bps		

(v) Aequs Force Consumer Products Private Limited

	As at March 31, 2026	As at March 31, 2025
(a) Term loan from Vivriti Capital Limited	19.22	-
Security:		
- A second ranking pari passu and continuing charge by way of hypothecation over all current assets of Borrower 1 (whether present or future) and as more particularly stated in the Deed of Hypothecation;		
- A first ranking exclusive and continuing charge by way of hypothecation over entire plant and machinery of Borrower 2 and Borrower 3 (whether present or future) and as more particularly defined in the Deed of Hypothecation;		
- A first ranking exclusive charge on cash collateral of 20% (Twenty Percent) 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 favor of the Lender and placed with the Lender.		
- Security Breach Cash Collateral, if furnished in accordance with Clause 33 (Security Covenant Breach and Security Breach Cash Collateral) of this Sanction Letter;		
Rate of interest:11.80% p.a.		
Repayment terms: 45 Monthly Instalments		

Notes to Consolidated Financial Statements

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

Note 15 (Contd..)

(vi) Aequs Consumer Products Private Limited

	As at March 31, 2026	As at March 31, 2025
(a) Term loans from banks: HDFC Bank - Loan 1	-	1,012.67
Security:		
- Secured by hypothecation of plant & machinery, collateral security over parcel of land & building owned by M/S Aequs SEZ Private Limited (to the extent of value of Land provided as Collateral),		
- Personal guarantee of Mr. Aravind Melligeri, Executive Chairman and Chief Executive Officer of the Parent Company		
- Corporate guarantee given by M/S Aequs SEZ Private Limited (to the extent of value of Land provided as Collateral) and the Parent Company		
Rate of interest: 3 Month T-bill+8.95% p.a.		
Repayment terms: 21 quarterly repayments.		
(b) Term loans from banks: Karnataka Bank	-	484.99
Security:		
- Hypothecation of plant & machinery, collateral security over parcel of land & building owned by Aequs SEZ Private Limited (to the extent of value of Land provided as Collateral),		
- Personal guarantee of Mr. Aravind S Melligeri, Executive Chairman and Chief Executive Officer of the Parent Company		
- Corporate guarantee given by M/S Aequs SEZ Private Limited (to the extent of value of Land provided as Collateral) and the Parent Company		
Rate of interest: 6 Month T-bill+2.77% p.a.		
Repayment terms: 21 quarterly repayments		
(c) Term loans from banks: HDFC Bank - Loan 3	742.50	-
Security:		
- Plant and Machinery - Exclusive charge on the present & future Plant & Machinery of the company.		
Stocks and Book Debts - Second Pari-Passu charge on the present & future Current Assets of the Company with Karnataka Bank / Federal Bank.		
Industrial Property - First Pari-Passu charge on land & building ""Quest Towers"" with 4 storied building, Bearing No. 55, Khata No. 511, land measuring 12,884 sq. ft. with built up area of 44,568 sq. ft. situated in Whitefield Main Road, Mahadevapura village, KR Pura Hobli, Bangalore - 560048 owned by MFRE Private Trust.		
- Corporate Guarantee - Corporate guarantee from Aequs Limited (Formerly known as Aequs Private Limited) for entire TL limit of ₹ 1,500,000 and MFRE Private Trust (to the extent of property value of approx. ₹ 300,000).		
Fixed Deposits - DSRA FD of 1 quarter of ₹ 100,000 for the entire TL limit of ₹ 1,500,000. DSRA to be taken on TL drawdown proportionate basis.		
Rate of interest: 1 Month Repo+3% p.a.		
Repayment terms: 20 quarterly repayments.		

Notes to Consolidated Financial Statements

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

Note 15 (Contd..)

	As at March 31, 2026	As at March 31, 2025
(d) Working Capital With HDFC Bank	261.72	-
Security:		
- Stocks and Book Debts – First Pari-Passu charge on the present & future Current Assets of the Company with Karnataka Bank.		
Industrial Property – First Pari-Passu charge on land (Survey No. 427 measuring 5 Acres and Survey No. 439 measuring 20 Acres 1 Guntas) situated at Aequs SEZ, 437/A, Hattargi, Village, Belgaum, Karnataka - 591243 valued at ₹ 300,000 with Karnataka Bank. The land is owned by Aequs SEZ Private Limited.		
- Corporate Guarantee – CG from Aequs Limited (Formerly known as Aequs Private Limited) for entire Working Capital limits of ₹ 600,000 and Aequs SEZ Pvt Ltd (to the extent of land value ₹ 300,000).		
- Personal Guarantee of of Mr. Aravind S Melligeri, Executive Chairman and Chief Executive Officer of the Parent Company		
Rate of Interest:		
CC:3 month Repo+2.75% p.a.		
PCFC:SOFR+200bps p.a.		
(e) Non convertible debentures issued to Twin and Bull Opportunities Fund-1	371.57	-
Security-Not Applicable		
Corporate Guarantee:		
Rate of Interest: 13% p.a. payable on half year basis		
Repayment terms: 24 Months		

(vii) Aequs Aero Machines

	As at March 31, 2026	As at March 31, 2025
(a) Term loans from ENG's Commercial Finance, U.S. Bank Equipment Finance and Newlane Finance.	7.93	15.30
Security:		
Respective machinery for which the loans were sanctioned.		
Rate of Interest: Ranging between 4.73% to 6.18% p.a.		
Repayment terms: 60 to 84 monthly installments.		

(vii) Aequs Aerospace France SAS (AAF Corp)

	As at March 31, 2026	As at March 31, 2025
(a) Term loans from BPI Finance, HSBC and credit Cooperatif and Codefi and Region	52.77	69.04
Security:		
- Guaranteed for 80% by the National Guarantee Fund of the High Balance Enhancement Loans and loans from Codefi and Region are loans without Guarantee.		
Rate of Interest: Ranging between 2.03% to 2.25% p.a.		
Repayment terms: 5 to 7 years.		

Notes to Consolidated Financial Statements

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

Note 15 (Contd..)

	As at March 31, 2026	As at March 31, 2025
(b) Working capital facility comprises of factoring arrangements taken on a recourse basis.	268.27	200.36
(c) Working capital facility from HSBC	79.30	
Security:		
- Guarantee Commitment (SBLC) from HSBC India up to EUR 1,000,000 on behalf of Aequus Limited (Formerly known as Aequus Private Limited)		
Rate of interest: 5.584% p.a. (3-months EURIBOR + 3.5% p.a.)		

(viii) Aequus Aerospace LLC, USA

	As at March 31, 2026	As at March 31, 2025
(a) Loan from Melligeri Investment LLC (MILLC)	18.11	16.33
Rate of interest: 13% p.a.		
Repayment terms: repayable on demand		

(ix) Aequus Aerospace BV

	As at March 31, 2026	As at March 31, 2025
(a) Loan from Aequus Manufacturing Investments Private Limited (AMIPL)	284.34	256.38
Rate of interest: 13% p.a.		
Repayment terms: repayable on demand		

(x) Koppal Toys Molding Private Limited

	As at March 31, 2026	As at March 31, 2025
(a) Term loan from Vivriti Capital Limited	19.22	-
Security:		
- A second ranking pari passu and continuing charge by way of hypothecation over all current assets of Borrower 1 (AeroStructures Manufacturing India Private Limited) (whether present or future) and as more particularly stated in the Deed of Hypothecation;		
- A first ranking exclusive and continuing charge by way of hypothecation over entire plant and machinery of the Company and Borrower 3 (Aequus Force Consumer Products Private Limited) (whether present or future) and as more particularly defined in the Deed of Hypothecation;		
- A first ranking exclusive charge on cash collateral of 20% (Twenty Percent) 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 favor of the Lender and placed with the Lender.		
- Security Breach Cash Collateral, if furnished in accordance with Clause 33 (Security Covenant Breach and Security Breach Cash Collateral) of this Sanction Letter;		
Rate of interest: 11.80% p.a.		
Repayment terms: 45 Monthly Instalments		

Notes to Consolidated Financial Statements

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

Note 15 (Contd..)

(B) Quarterly stock statements of current assets filed by the company with the bank and reconciliation with books of account

For year ended March 31, 2026

HDFC Bank

Quarter	Particulars of Securities Provided	Amount as per books of account (net of provision)	Amount as reported in the quarterly return/statements	Amount of difference	Reason for discrepancies
Jun-25	Inventories	2,508.00	2,544.00	(36.00)	Refer Note a
	Trade receivables	1,412.00	1,420.00	(8.00)	Refer Note a
	Trade payables	1,338.00	1,348.00	(10.00)	Refer Note a
Sep-25	Trade receivables	1,623.51	1,624.52	(1.01)	Refer Note a & b
	Trade payables	1,570.00	1,539.00	31.00	Refer Note a
Mar-26	Inventories	3,089.51	2,926.00	163.51	Refer Note a
	Trade receivables	2,277.57	2,277.59	(0.02)	Refer Note a
	Trade payables	1,658.49	1,499.00	159.49	Refer Note a

Axis Bank

Quarter	Particulars of Securities Provided	Amount as per books of account (net of provision)	Amount as reported in the quarterly return/statements	Amount of difference	Reason for discrepancies
Jun-25	Inventories	2,816.36	2,852.36	(36.00)	Refer Note a & b
	Trade receivables	1,375.60	1,076.07	299.53	Refer Note a & b
	Trade payables	1,511.86	1,374.78	137.08	Refer Note a & b
Sep-25	Inventories	2,619.00	2,618.00	1.00	Refer Note a
	Trade receivables	1,556.09	1,194.04	362.05	Refer Note a & b
	Trade payables	1,794.27	1,573.00	221.27	Refer Note a & b
Dec-25	Inventories	2,838.00	2,837.00	1.00	Refer Note a
	Trade receivables	1,786.14	1,239.00	547.14	Refer Note a & b
	Trade payables	2,167.32	1,824.60	342.72	Refer Note a & b
Mar-26	Inventories	3,089.51	2,926.00	163.51	Refer Note a
	Trade receivables	2,140.72	1,550.67	590.05	Refer Note b
	Trade payables	1,854.04	1,531.00	323.04	Refer Note b

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

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

(C) Net debt reconciliation

Particulars	As at March 31, 2026	As at March 31, 2025
Cash and cash equivalents	3,014.89	609.43
Bank balances other than above	551.63	188.48
Lease liabilities	(2,973.53)	(3,479.85)
Non convertible debentures	(371.57)	-
Non-current borrowings	(1,567.11)	(1,886.17)
Current borrowings	(2,097.11)	(2,484.45)
Net debt	(3,442.80)	(7,052.56)

Notes to Consolidated Financial Statements

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

Note 15 (Contd..)

Particulars	Cash and cash equivalents and other bank balances	Liabilities from financing activities				Total
		Lease obligations	Non convertible debentures	Non-current borrowings	Current borrowings	
Net debt as at March 31, 2024	2,520.11	(4,070.50)	-	(1,073.91)	(1,845.08)	(4,469.38)
Proceeds from long-term leases and borrowings	-	(199.77)	-	(1,107.91)	-	(1,307.69)
Interest expense	-	(275.63)	-	(31.86)	(164.40)	(471.89)
Interest paid	-	346.18	-	123.43	142.52	612.13
Repayments of long-term leases and borrowings	-	561.63	-	345.06	(0.00)	906.70
Cashflows (net)	(1,761.32)	-	-	-	(641.82)	(2,403.14)
Foreign exchange adjustments	39.12	(37.46)	-	(45.55)	6.60	(37.29)
Other non-cash adjustments	-	195.70	-	(95.43)	17.73	118.00
As at March 31, 2025	797.91	(3,479.85)	-	(1,886.17)	(2,484.45)	(7,052.56)
Net debt as at March 31, 2025	797.91	(3,479.85)	-	(1,886.17)	(2,484.45)	(7,052.56)
Proceeds from long-term leases and borrowings	-	(160.74)	(350.00)	(2,761.01)	-	(3,271.75)
Interest expense*	-	(270.99)	(18.09)	(135.22)	(249.31)	(673.61)
Interest paid	-	291.23	-	204.71	231.16	727.10
Repayments of long-term leases and borrowings	-	800.66	-	3,031.65	-	3,832.31
Cashflows (net)	2,708.41	-	-	-	498.23	3,206.64
Foreign exchange adjustments	60.20	(133.62)	-	40.96	(110.40)	(142.86)
Other non-cash adjustments	-	(20.22)	(3.48)	(62.03)	17.66	(68.07)
As at March 31, 2026	3,566.52	(2,973.53)	(371.57)	(1,567.11)	(2,097.11)	(3,442.80)

(D) Assets pledged as security

The carrying amount of assets pledged as security for current and non-current borrowings as below. The amounts are as disclosed without adjusting for inter-company elimination.

	As at March 31, 2026	As at March 31, 2025
Current		
A. Financial assets:		
- Trade receivables	2,277.30	1,608.96
- Other assets	25.80	57.00
B. Non financial assets:		
- Inventories	4,863.37	3,349.91
- Contract assets	17.71	-
- Other assets	158.79	123.54
Total current assets pledged as security	7,342.97	5,139.41
Non current		
A. Non financial assets:		
Property, plant and equipment and capital work in progress		
- Plant and machinery	7,125.66	1,028.90
- Capital work-in-progress	825.33	3,950.30
Total non-current assets pledged as security	7,950.99	4,979.20
Total assets pledged as security	15,293.96	10,118.61

Notes to Consolidated Financial Statements

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

Note 15 (Contd..)

(ii) Other financial liabilities

	As at March 31, 2026	As at March 31, 2025
Non current:		
Guarantee liability	57.43	64.75
	57.43	64.75
Current:		
Capital creditors	299.57	195.74
Guarantee liability	2.10	4.93
Dues to related parties	3.39	2.06
Employees related liability	250.78	157.43
Other financial liabilities	92.10	40.09
	647.94	400.25

(iii) Trade payables

	As at March 31, 2026	As at March 31, 2025
Dues to micro enterprise and small enterprises	28.76	65.70
	28.76	65.70
Dues to other than micro enterprise and small enterprises		
- Dues to related parties (refer note 34)	242.48	300.71
- Other trade payables	2,952.10	1,942.46
	3,194.58	2,243.17
Total	3,223.34	2,308.87

Ageing of trade payables as on March 31, 2026

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
(i) Undisputed dues - micro and small enterprises	24.16	4.60	-	-	-	28.76
(ii) Undisputed dues -Others	139.90	2,183.06	22.91	19.86	32.49	2,398.22
Unbilled	796.36	-	-	-	-	796.36
Total	960.42	2,187.66	22.91	19.86	32.49	3,223.34

Aging of trade payables as at March 31, 2025

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

Notes to Consolidated Financial Statements

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

Note 15 (Contd..)

Dues to micro, small and medium 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 Group.

Particulars	March 31, 2026	March 31, 2025
(i) Principal amount due to the suppliers registered under MSMED Act and remaining unpaid at the end of each accounting year	28.76	73.56
(ii) Interest due to suppliers registered under MSMED Act and remaining unpaid as at the end of each accounting year	0.01	1.38
(iii) Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	221.87	131.09
(iv) Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
(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	3.41	2.12
(vi) Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	0.72
(vii) Further interest remaining due and payable for earlier years	0.00	0.00

16 Other liabilities

	As at March 31, 2026	As at March 31, 2025
Non current		
Deferred government grant	34.49	45.00
	34.49	45.00
Current		
Statutory dues payable	195.82	142.14
Deferred government grant	10.69	10.69
	206.51	152.83

17 Provision for employee benefits

	As at March 31, 2026	As at March 31, 2025
Non-Current		
Provision for gratuity	157.86	117.63
Provision for other retirement benefits	50.61	44.16
	208.47	161.79
Current		
Provision for gratuity	-	4.23
Provision for leave benefits	71.29	61.34
	71.29	65.57

(i) Leave obligation

The amount of the provision is presented as current. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

	As at March 31, 2026	As at March 31, 2025
Leave obligation not expected to settled within next 12 months	64.43	46.77

Notes to Consolidated Financial Statements

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

Note 17 - Provision for employee benefits (Contd..)

(ii) Defined contribution plans

India

The Group in India has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of wages as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Group is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is ₹185.60 (March 31, 2025: ₹169.34).

United States of America

The Group maintains a defined contribution employee retirement plan through its PEO Insperity, pursuant to Section 401(a) of the Internal Revenue Code, which includes a 401(k) feature which enables the employee to make a pre-tax or post-tax(ROTH) salary reduction contribution to the plan. The Company has a match of employee contributions of 25% of employee contribution up to 1% of eligible compensation. Substantially all employees who have completed six months of service are eligible to participate in the plan. The Company did not make a discretionary contribution for the years ended March 31, 2026 and March 31, 2025.

(ii) Defined benefit obligations

Gratuity

India

The Group 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 computed proportionately for 15 days multiplied for the no.of years of service.

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

France

The French pension system is operated on a "pay as you go" basis. Each employee is entitled to receive a basic pension from the Social Security plus a complementary pension from defined contribution schemes ARRCO and AGIRC. Moreover, retiring allowances (lump sums) must, by law be paid by the employer when employees retire. The allowances to be paid to Group's employees are defined by the Collective Bargaining Agreement of the Metallurgical Industry. This retiring allowances scheme is not externally funded through an insurance contract.

All permanent employees are being covered on this scheme. Normal Retirement Age in France is 62 but 41.50 years of employment is required. Benefit rights are not vested before Normal Retirement Age. The pensionable salary is equal to the average over the last 12 months of the gross paid salaries. Should an employee wants to retire at his/her own initiative; the allowance is subject to social charges.

	Year ended March 31, 2026	Year ended March 31, 2025
(a) Total amount recognised in statement of profit or loss		
Current service cost	31.12	24.00
Past service cost	37.93	-
Interest on defined obligation	9.30	7.54
Net actuarial (gain) / loss recognized during the year	(20.18)	(4.55)
Total amount recognised in statement of profit or loss (A)	58.17	26.99
(b) Total amount recognised in other comprehensive income		
Actuarial (gains)/losses arising from changes in		
- financial assumptions	(7.75)	3.29

Notes to Consolidated Financial Statements

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

Note 17 - Provision for employee benefits (Contd..)

	Year ended March 31, 2026	Year ended March 31, 2025
- demographic assumptions	(0.44)	3.38
- experience adjustments	(12.33)	(11.22)
- return on plan assets	0.34	-
Total amount recognised in other comprehensive income (B)	(20.18)	(4.55)
Total amount recognised in statement of profit and loss and other comprehensive income (A+B)	37.99	22.44
(c) Changes in the defined benefit obligation during the year		
Obligations as at the beginning of the year	121.86	100.03
Current service cost	31.42	24.00
Past service cost	37.93	-
Interest cost	9.76	7.54
Benefits paid	(5.94)	(5.99)
Liabilities (transferred) / assumed	(1.48)	0.83
Remeasurement (gains)/ losses		
- arising from changes in financial assumptions.	(7.75)	3.29
- arising from changes in demographic assumptions.	(0.44)	3.38
- arising from changes in experience adjustments.	(12.33)	(11.22)
Defined benefit obligation at the end of the year	173.03	121.86
(d) Change in fair value of plan assets		
Fair value of plan assets at the beginning of the year	0.31	0.31
Interest on plan assets	0.46	-
Contributions	20.69	5.90
Benefit payments from plan assets	(5.94)	(5.90)
Actual return on plan assets	(0.35)	-
Fair value of plan assets at the end of the year	15.17	0.31

	As at March 31, 2026	As at March 31, 2025
(e) Net (asset) / liability		
Present value of funded defined benefit obligation	173.03	121.55
Fair value of plan assets	15.17	0.31
Net defined benefit liability/(asset) recognized in balance sheet	157.86	121.86
(f) Classification		
Current	-	4.23
Non current	157.86	117.63
	157.86	121.86
(g) Investment details of plan assets		
Pooled asset with an insurance company	15.17	0.31
Total	15.17	0.31
(h) Actual return on plan assets	(0.35)	0.05

Actuarial assumptions

	As at March 31, 2026	As at March 31, 2025
Significant actuarial assumptions		
Discount rate per annum	6.85%-7.5%	6.85%-7.05%
Salary escalation rate per annum	10.00%	10.00%

Notes to Consolidated Financial Statements

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

Note 17 - Provision for employee benefits(Contd..)

	As at March 31, 2026	As at March 31, 2025
Other actuarial assumptions		
Attrition rate	9% to 18% at 21 to 30 years age and reducing to 0% to 8% at older ages according to graduated scale.	9% to 18% at 21 to 30 years age and reducing to 0% to 8% at older ages according to graduated scale.
Retirement age	58	58

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

Sensitivity analysis

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

Changes in assumption	As at March 31, 2026	As at March 31, 2025
Discount rate		
Defined benefit obligation (DBO) on increase in 50 bps	163.70	115.49
Discount rate +50 basis points impact (%)	3.70%	-5.23%
Defined benefit obligation (DBO) on decrease in 50 bps	185.88	132.11
Discount rate -50 basis points impact (%)	7.88%	7.88%
Salary increase rate		
Defined benefit obligation (DBO) on increase in 50 bps	183.91	131.24
Impact of increase in 50 bps on DBO	7.16%	7.16%
Defined benefit obligation (DBO) on decrease in 50 bps	165.13	116.13
Impact of decrease in 50 bps on DBO	5%	-5%

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

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

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

Maturity profile of the defined benefit obligations.

Expected future cashflows (in million) [Undiscounted]	As at March 31, 2026	As at March 31, 2025
Less than one year	10.87	5.00
Between one and five year	33.48	24.23
After five year	494.32	347.39
Total	538.67	376.62
Weighted average duration of the defined benefit obligation in years	11.25	11.25

Notes to Consolidated Financial Statements

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

Note 17 - Provision for employee benefits (Contd..)

Risk exposure

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

(i) Market risk (discount rate)

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

(ii) Longevity risk

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

(iii) Annual risk

Salary increase assumption

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

Attrition/withdrawal assumption

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

Note 18 - Revenue from operations

	Year ended March 31, 2026	Year ended March 31, 2025
Revenue from contracts with customers		
Manufactured goods	11,950.92	8,949.54
Rendering of services	29.77	30.09
	11,980.69	8,979.63
Other operating income		
Scrap sales	323.67	266.43
	323.67	266.43
	12,304.36	9,246.06

Note:

- (i) Aggregate amount of transaction price allocated towards performance obligations unfulfilled as at reporting date. 87.54 58.14
- (ii) Trade receivables are non-interest bearing and generally carry credit period of 0 to 90 days.

Note 19 - Other income

	Year ended March 31, 2026	Year ended March 31, 2025
Government grant	10.69	94.96
Liabilities no longer required written back	25.08	21.07
Gain on derecognition of lease	-	18.59
Interest income	120.71	89.12
Unwinding of discount on security deposit	20.30	19.72
Financial guarantee income	11.05	9.46

Notes to Consolidated Financial Statements

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

Note 19 - Other income (Contd..)

	Year ended March 31, 2026	Year ended March 31, 2025
Gain on mutual funds	-	23.74
Net gain on disposal of property, plant and equipment	-	0.42
Exchange difference (other than on borrowings)	426.28	52.27
Miscellaneous income	39.68	16.72
	653.79	346.07

Note:

Government grant income includes income which has been recognized on account of capital subsidy of ₹ 10.69 (March 31, 2025: ₹32.06) towards investment made in property, plant and equipment in previous financials years. There is corresponding Government grant receivable recognized in other financial asset ₹ 59.68 (March 31, 2025: ₹91.80) and deferred grant income of ₹ 45.18 (March 31, 2025: ₹55.69)

Note 20 - Cost of materials consumed

	Year ended March 31, 2026	Year ended March 31, 2025
Opening stock	2,051.54	1,684.37
Less: Provision for slow moving inventory	(164.42)	(169.55)
Add: Purchases during the year	6,149.14	4,454.90
Less: Closing stock	2,986.80	2,051.54
Less: Provision for slow moving inventory	(173.62)	(164.42)
	5,223.08	4,082.60

Note 21 - Change in inventories of work-in-progress and finished goods

	Year ended March 31, 2026	Year ended March 31, 2025
Inventory at the end of the year (a)		
Work-in-progress	1,499.21	1,211.12
Finished goods	1,160.82	1,095.98
	2,660.03	2,307.10
Add: Inventories pertaining to entities acquired (b)	-	(15.13)
Inventory at the beginning of the year (c)		
Work-in-progress	1,211.12	1,140.00
Finished goods	1,095.98	856.66
	2,307.10	1,996.66
Less: Movement in provision for slow moving inventory (d)	(71.85)	(136.22)
	(424.77)	(189.35)
Exchange difference (e)	149.56	28.75
Change in inventories of work -in-progress and finished goods(c-a+b-d+e)	(275.21)	(160.60)

Note 22 - Employee benefit expenses

	Year ended March 31, 2026	Year ended March 31, 2025
Salaries, wages and bonus	1,713.32	1,295.49
Contribution to provident and other funds	216.75	169.34
Employee stock option expense (refer notes 13B and 34)	43.30	8.77
Leave compensation	13.70	8.84
Gratuity (refer note 17)	44.33	31.52
Staff welfare expenses	90.37	73.45
	2,121.77	1,587.41

Notes to Consolidated Financial Statements

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

Note 23 - Other expenses

	Year ended March 31, 2026	Year ended March 31, 2025
Consumption of spares and components	949.52	475.02
Subcontracting expenses	1,690.83	1,183.82
Insurance	78.60	60.18
Power and fuel	309.01	241.13
Repairs and maintenance		
Machinery	196.84	115.74
Building	73.23	73.73
Others	177.75	147.37
Legal and professional fees	265.44	180.52
Payment to auditors	10.51	9.24
Rental charges	60.61	39.47
Printing and stationery	6.38	5.80
Freight & forwarding	178.47	148.40
Rates and taxes	75.20	50.76
Travelling and conveyance	93.78	76.94
Communication	15.16	20.02
Advertising and sales promotion	42.22	40.04
Bank charges	20.04	54.33
Loss on sale/disposal of property, plant and equipment	1.32	3.12
Share issue expenses of subsidiaries	5.63	3.68
Provision for doubtful advances & advances written off	18.81	8.07
Corporate Social Responsibility (CSR) expenses (refer note i)	7.55	4.22
Miscellaneous expenses	78.19	57.27
Total	4,355.09	2,998.87

*Eligible expenses relating to IPO have been debited to securities premium.

(i). Details of corporate social responsibility expenses

	Year ended March 31, 2026	Year ended March 31, 2025
(i) Amount required to be spent by the Company during the period	7.37	4.22
(ii) Amount approved by the board to be spent during the period	7.55	4.22
(iii) Amount spent during the period		
(a) On purposes other than (a) above	7.55	4.22
(v) Nature of activities	Promoting education	Promoting education

Note 24 - Finance costs

	Year ended March 31, 2026	Year ended March 31, 2025
Interest expense on working capital borrowings	153.60	130.50
Interest expense on term loans	135.22	66.24
Interest expense on lease liabilities	271.00	276.94
Interest expense - others	113.92	43.37
Exchange differences (on borrowings)	196.61	57.38
Financial guarantee expense	53.19	14.58
	923.54	589.01

Notes to Consolidated Financial Statements

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

Note 25 - Depreciation and amortisation expenses

	Year ended March 31, 2026	Year ended March 31, 2025
Depreciation of property, plant and equipment (refer note 4)	744.72	368.98
Amortisation of intangible assets (refer note 6)	30.79	40.22
Depreciation on Right-of-use assets (refer note 5)	601.40	624.86
	1,376.91	1,034.06

Note 26 - Exceptional items

	Year ended March 31, 2026	Year ended March 31, 2025
Statutory impact of new Labour Codes [Refer note (i)]	37.93	-
Share capital issuance expense [Refer note (ii)]	39.02	-
Impairment loss on Goodwill [Refer note(iii)]	-	482.65
Total	76.95	482.65

Note:

- (i) 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 labor laws. The Ministry of Labour and Employment published Central Rules and FAQs to enable assessment of the financial impact due to the changes in regulations. The Group 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 Group has presented such incremental impact under 'Exceptional items' in the Consolidated Statement of Profit and Loss. The incremental impact on gratuity of ₹ 37.93 Mn primarily arising due to change in wage definition.
- (ii) During the year ended March 31, 2026, the Parent Company has incurred ₹ 476.22 Mn towards Initial Public Offer ('IPO') expenses including Pre-IPO. Of this, ₹ 39.02 Mn has been expensed off to the Consolidated Statement of Profit and Loss as an exceptional loss and the balance ₹ 437.20 Mn has been reduced from Securities Premium as cost of fresh issue.
- (iii) During the year ended March 31, 2025, the Group has recognized an impairment on goodwill of ₹ 482.65, allocated towards AFCPPL.

Note 27 - Fair value measurement

Financial instruments by category

	Fair value hierarchy	Classification	As at March 31, 2026	As at March 31, 2025
Financial assets				
Investments	-	Amortised cost	0.99	0.85
Trade receivables	-	Amortised cost	2,646.07	1,566.04
Cash and cash equivalents	-	Amortised cost	3,014.89	609.43
Other bank balances	-	Amortised cost	551.63	188.48
Other financial assets	-	Amortised cost	855.51	834.96
Total financial assets			7,069.09	3,199.76
Financial liabilities				
Borrowings		Amortised cost	4,035.78	4,370.62
Lease liabilities		Amortised cost	2,973.53	3,479.85
Trade payables		Amortised cost	3,223.34	2,308.87
Other financial liabilities		Amortised cost	705.37	465.00
Total financial liabilities			10,938.02	10,624.34

Notes to Consolidated Financial Statements

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

Note 27 - Fair value measurement (Contd..)

(i) Fair value hierarchy

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

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

To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard.

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: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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.

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

Note 28 - Financial risk management

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

A. Credit risk

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

(i) Credit risk management

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

(ii) Provision for expected credit loss

The Group's financial assets primarily comprise trade receivables, and other financial assets including deposits. The assessment of ECL is done as follows

Notes to Consolidated Financial Statements

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

Note 28 - Financial risk management (Contd..)

1) Deposits :

Deposits comprises of mainly refundable security deposits made on buildings (leased premises). Deposits have negligible or nil risk based on past history of defaults and reasonable forward looking information. Hence, no provision for expected credit losses are made in the financial statements.

2) Deposits with bank :

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

3) Trade receivables and other dues from related parties

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

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

Reconciliation of loss allowance provision - Trade receivables

Particulars	Amount
As at April 01, 2024	26.28
Charged to profit and loss	4.16
Utilisation/ reversal in loss allowance	-
As at March 31, 2025	30.44
Charged to profit and loss	-
Utilisation/ reversal in loss allowance	(11.08)
As at March 31, 2026	19.36

B. Liquidity risk

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

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

(i) Financing arrangements

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

	As at March 31, 2026	As at March 31, 2025
A. Expiring within one year	1,687.41	1,724.51
B. vExpiring beyond one year (bank loans)	750.00	-
	2,437.41	1,724.51

Notes to Consolidated Financial Statements

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

Note 28 - Financial risk management (Contd..)

(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	3,033.27	1,002.52	-	4,035.79
Trade payables	3,223.34	-	-	3,223.34
Lease liabilities	774.92	2,326.52	725.19	3,826.63
Other financial liability	647.94	34.92	22.51	705.37
Total non derivative liabilities	7,679.47	3,363.96	747.70	11,791.13

Contractual maturities of financial liabilities as at March 31, 2025

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

C. Market risk

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

(i) Foreign currency risk

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

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

(a) Foreign currency risk exposure

The Group's exposure to foreign currency risk at the end of the reporting period expressed in INR as against respective foreign currency are as follows as at March 31, 2026

	GBP	USD	EUR	HKD	JPY	CHF
Financial asset						
Trade receivable	-	2,719.29	37.00	-	-	-
Cash and cash equivalents	-	20.73	-	-	-	-
Other financial assets	-	-	0.18	-	-	-
Net exposure to foreign currency risk (assets)	-	2,740.02	37.18	-	-	-

Notes to Consolidated Financial Statements

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

Note 28 - Financial risk management (Contd..)

	GBP	USD	EUR	HKD	JPY	CHF
Financial liability						
Trade payables	11.07	1,141.71	50.85	0.87	-	1.09
Borrowings	-	284.34	-	-	-	-
Lease liabilities	-	-	487.75	-	-	-
Other financial liabilities	-	82.34	-	-	-	-
Net exposure to foreign currency risk (liabilities)	11.07	1,508.39	538.60	0.87	-	1.09

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

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

(b) Sensitivity

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

	Impact on profit after tax and equity	
	As at March 31, 2026	As at March 31, 2025
USD Sensitivity		
INR/USD - Increase by 5%	43.65	23.31
INR/USD - decrease by 5%	(43.65)	(23.31)
GBP Sensitivity		
INR/GBP - Increase by 5%	(0.39)	(0.74)
INR/GBP - decrease by 5%	0.39	0.74
EUR Sensitivity		
INR/EUR - Increase by 5%	(17.77)	(29.67)
INR/EUR - decrease by 5%	17.77	29.67
HKD Sensitivity		
INR/HKD - Increase by 5%	(0.03)	(0.00)
INR/HKD - decrease by 5%	0.03	0.00
JPY Sensitivity		
INR/JPY - Increase by 5%	-	(2.68)
INR/JPY - decrease by 5%	-	2.68
CHF Sensitivity		
INR/CHF - Increase by 5%	(0.04)	(0.26)
INR/CHF - decrease by 5%	0.04	0.26

Notes to Consolidated Financial Statements

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

Note 28 - Financial risk management (Contd..)

(ii) Interest rate risk

	As at March 31, 2026	As at March 31, 2025
(a) The exposure of Group's borrowings to interest rate changes at the end of the reporting period		
Variable rate borrowings	3,299.77	3,985.92
Fixed rate borrowings	3,275.98	3,864.55
Total borrowings	6,575.75	7,850.47
(b) Profit & loss is sensitive to higher/lower interest expense from borrowings as a result of change in		
Interest rates - increase by 50 basis points	(11.69)	(14.39)
Interest rates - decrease by 50 basis points	11.69	14.39

Note 29 - Capital management

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

The Group's objectives when managing capital are to:

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

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

(i) Net debt to equity ratio

	As at March 31, 2026	As at March 31, 2025
Net debt (Refer note 15)	2,500.49	7,052.56
Total Equity	14,855.46	7,159.78
Net debt to equity ratio	0.17	0.99

Note 30 - Contingent liabilities

	As at March 31, 2026	As at March 31, 2025
Labour related matters (Refer note (i))	69.00	68.33
Tax matters (Refer note (ii))	80.58	861.22

- (i) A few cases have been filed against the Group in District Labour court, Belagavi. If the Labour Court passes an award against the Group, the probable compensation would amount to March 31, 2026: INR 69.00 (March 31, 2025: INR 68.33). The Group is however confident of winning this case based on the counsel advice and hence the same has not been provided by the Group in the consolidated financial statements.
- (ii) The Parent Company has received demand order u/s 156 of the Income Tax Act, 1961 amounting to INR 25.23 for the FY 2016-17 (AY 2017-18) and has appealed the said order before Commissioner Appeals and the Parent Company believes it has strong merits in its case.
- (iii) The Parent Company has received an order during the year ended March 31, 2022 under Section 143(3) of the Income Tax Act, 1961 relating to financial year 2017-18 (assessment period / year 2018-19) with a demand of INR 779.56. The Company had filed a writ petition with the Hon'ble High Court of Karnataka against the Order and the Company has received High court order whereby the assessment order raising demand has been set aside and the matter has been remanded back to AO for fresh assessment.

Notes to Consolidated Financial Statements

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

Note 30 - Contingent liabilities (Contd..)

- (iv) Income tax refund claimed by the Parent Company (pertaining from FY 18-19 to 24-25 amounting to INR 39.82) has been adjusted by Tax department against the outstanding demand. The said adjustment is not accepted by the Parent Company and is treated as payments made under protest.
- (v) In Aerostructure Manufacturing India Private Limited, income tax matters under dispute amounting to INR 39.00, mainly include disputed claims arising out of various adjustments carried out pursuant to assessment proceedings and additions on account of transfer pricing adjustments made by the Tax Authorities under Section 92CA of the Income Tax Act, 1961. The Company is of the view that it has a good defense in respect of the disallowances and adjustments made.
- (vi) In Aerostructures Assemblies India Private Limited, income tax matters under dispute amounting to INR 16.36, mainly include disputed claims arising out of adjustments against the benchmarking analysis of manufacturing segment carried out pursuant to assessment proceedings and additions on account of transfer pricing adjustments made by the Tax Authorities under Section 143(3) of the Income Tax Act, 1961. The Company is of the view that it has a good defense in respect of the disallowances and adjustments made.
- (vii) The Group has evaluated the impact of the Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-1/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the management which is supported by legal advice, the Company expects that the aforesaid matter is not likely to have a significant impact and accordingly, no provision has been made in the financial statements. Further, the Company has complied with the above judgement and has revised the wages of its employees with effect from April 01, 2019.
- (viii) It is not practicable for the Group to estimate the timing of cash outflows, if any, in respect of the above matters pending resolution of the above matters.
- (ix) The Group does not expect any reimbursement in respect of the above contingent liabilities.
- (x) Refer note 34 for Corporate guarantees given to third parties by the Group for loans taken by related parties of the group.

Note 31 - Commitments

Capital commitments

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

Particulars	As at March 31, 2026	As at March 31, 2025
(i) Property, plant and equipment	210.11	311.26
	210.11	311.26

Note 32 - Earnings per share

	Year ended March 31, 2026	Year ended March 31, 2025
Earning per share		
(a) Earnings per share (basic and diluted)		
- From continuing operations	-1.87	-1.80
- From discontinued operations	0.00	0.00
Total basic and diluted earnings per share attributable to the equity holders of the company	-1.87	-1.80
(b) Loss attributable to the equity share holders used in calculating basic and diluted earnings per share		
- From continuing operations	(1,132.91)	(1,024.15)
- From discontinued operations	0.42	0.69
Loss attributable to equity share holders of the Company	(1,132.49)	(1,023.46)
(c) Weighted Average number of equity shares in calculating basic and diluted EPS	60,61,98,382	56,74,85,326

Notes to Consolidated Financial Statements

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

Note 32 - Earnings per share (Contd..)

Diluted earning per share

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

Note 33 - Business combination and other acquisitions and disposals-transfer of business undertaking

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

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

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

Note 34 - Related Party Disclosures

Names of related parties and related party relationship

Relationship	Name of the related party
Related parties where control exists	
Ultimate holding company	Aequus Inc, Cayman Islands (100% beneficially owned and controlled by the Melligeri Foundation) (up to December 10, 2025)
Holding company	Aequus Manufacturing Investments Private Limited, Mauritius ('AM IPL') (up to December 10, 2025)
Related parties with whom transactions have taken place during the year	
Associates	Aequus Foundation, India (w.e.f. March 27, 2026).
Joint ventures	Aerospace Processing India Private Limited ('API') SQuAD Forging India Private Limited ('SQuAD') Aequus Cookware Private Limited ('ACPL') (w.e.f. September 30, 2024) Ajna Aerospace and Defence Private Limited ('Ajna') (w.e.f. March 6, 2026)
Subsidiaries	AeroStructures Manufacturing India Private Limited ('ASMIPL') Aequus Aerospace BV ('AABV') Aerospace Manufacturing Holdings Private Limited ('AMHPL')

Notes to Consolidated Financial Statements

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

Note 34 - Related Party Disclosures (Contd..)

Relationship	Name of the related party
	Aequs Oil and Gas LLC ('AOGLLC')
	Aequs Engineered Plastics Private Limited ('AEPPL')
	Aequs Force Consumer Products Private Limited ('AFCPPL')
	Aequs Consumer Products Private Limited ('ACPPL')
	Aequs Toys Private Limited ('ATPL')
	Aerostructures Assemblies India Private Limited ('AAI')
	Aequs Material Management Private Limited ('AMMPL') (Struck off w.e.f. June 29, 2024)
	Subsidiary of ASMIPL
	Aequs Aerospace LLC ('AALLC')
	Subsidiary of Aequs Aerospace LLC ('AALLC')
	Aequs Aero Machine Inc ('AAM')
	Subsidiary of AABV
	Aequs Holdings France SAS ('AHF')
	Subsidiary of AHF
	Aequs Aerospace France SAS ('AAF Corp')
	Subsidiaries of Aequs Engineered Plastics Private Limited ('AEPPL')
	Aequs Toys Hong Kong Private Limited, Hong Kong ('ATHPL')
	Subsidiaries of Aequs Force Consumer Products Private Limited ('AFCPPL')
	Aequs Force Technology Company Limited ('AFTCL'), deregistered w.e.f. (August 8, 2024)
	Subsidiaries of Aequs Consumer Products Private Limited ('ACPPL')
	Aequs Home Appliances Private Limited ('AHAPL'), (struck off w.e.f. June 27, 2025)
	Subsidiaries of Aequs Toys Private Limited
	Koppal Toys Molding COE private Limited ('KTMCPPL')
	Koppal Toys Tooling COE Private Limited ('KTTCPPL'), (struck off w.e.f. November 30, 2024)
	Aequs Rajas Extrusion Private Limited ('AREPL')
Directors/ Key management personnel	Mr. Rajeev Kaul, Co-Founder and Managing Director
	Mr. Aravind S Melligeri, Executive Chairman and Chief Executive Officer
	Dr. Ajay Aravind Prabhu, Director
	Dr. Eberhard Klaus Richter, Independent Director
	Dr. Shubhada Rao, Director (ceased to be director w.e.f. December 31, 2024)
	Ms. Vidya Sarathy, Independent Director (Appointed as an additional director w.e.f. January 31, 2025 and Independent director w.e.f. April 25, 2025)
	Mr. Dinesh Iyer, Chief Financial Officer
	Dr. Anup Wadhawan, Independent Director (w.e.f. April 25, 2025)
	Mr. Ravi Mallikarjun Hugar, Company Secretary and Compliance officer
Enterprises in which individuals owning interest in the Group, or their relatives have control, joint control or significant influence	Aequs SEZ Private Limited ('ASEZ')
	Automotive End Solution Private Limited ('AESPL')
	Melligeri Investments LLC ('MILLC')
	Industrial Knowledge Centre Private Limited ('IKC')
	MFRE Texas Holding LLC, USA
	MFRE Taris, LLC
	MFRE Private Trust
	MFRE Estate Private Limited ('MFREEPL')
	Altum Trust ('Altum')
	QuEST Global Engineering Services Private Limited ('QGESPL')
	Aequs Stock Option Plan Trust ('ESOP Trust')
	MFO IP Holdings Private Limited [formerly known as Aequs Limited, Malta ('ALM')] ('MFO IP')
	Hubballi Durable Goods Cluster Private Limited ('HDGCPL')

Notes to Consolidated Financial Statements

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

Note 34 - Related party disclosures- Transactions

	Year ended March 31, 2026	Year ended March 31, 2025
Holding Company - AMIPL		
Interest expense -others	34.41	32.77
ESOPT		
Share options exercised during the year	-	23.10
Associates		
Aequs Foundation		
Expenses incurred on behalf of related entity	-	0.32
Investments in equity shares	0.01	-
Joint Ventures - Transactions		
SQuAD		
Expenses incurred on behalf on related entity	0.02	0.28
Fair value of financial guarantee issued	0.90	0.90
Financial guarantee income	1.20	2.40
Sale of goods	0.05	55.61
Sale of asset	-	0.01
Expenses incurred by related party	-	0.05
Services provided	98.84	10.80
Purchase of goods and consumables	162.90	42.53
Services received	0.06	0.39
API		
Expenses incurred on behalf on related party	0.04	0.03
Expenses incurred by related party	0.03	0.01
Sale of goods	-	0.07
Services received	441.31	323.55
Services provided	21.12	19.20
Financial guarantee income	0.90	0.90
Purchase of goods and consumables	0.70	0.13
ACPL		
Expenses incurred on behalf of related party	0.04	0.43
Services provided	-	-
Expenses incurred by related party	1.94	2.27
Interest on deferred consideration recoverable	34.26	18.03
Deferred consideration recoverable	-	300.53
Financial guarantee Income	6.43	3.20
Fair value of financial guarantee issued	-	64.29
Sale of asset	0.39	-
Sale of goods	0.03	-
Investments in equity shares	-	41.50
AJNA		
Services provided	0.30	-
Investments in equity shares	1.00	-
Investments in Compulsorily Convertible Preference Shares (CCPS)	99.10	-
Enterprises in which individuals owning interest in the Group, or their relatives have control, joint control or significant influence - Transactions		
IKC		
Expenses incurred on behalf of related party	-	0.37
Services received	-	1.48
ASEZ		
Deposit given	12.78	14.43
Expenses incurred on behalf on related entity	1.28	8.72
Expense incurred by related party	2.67	1.23
Financial guarantee expense	58.49	10.21
Interest expense on lease liability	211.90	246.38
Repayment of lease liability	307.22	256.99

Notes to Consolidated Financial Statements

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

Note 34 - Related party disclosures- Transactions (Contd..)

	Year ended March 31, 2026	Year ended March 31, 2025
Surrender of lease liability	-	63.05
Services received	328.37	444.89
Fair value of financial guarantee received	14.79	8.22
MILLC		
Interest on loan taken	2.19	2.10
QGEPL		
Services received	27.62	10.03
MFRE Private Trust		
Fair value of the guarantee received	26.73	-
Financial guarantee expense	0.29	-
Services received	2.57	
AESPL		
Expenses incurred on behalf on related entity	0.86	-
MFO IP		
Branding expenses	10.00	10.00
HDGCPL		
Deposit given	10.31	-
Services received	176.69	239.81
Repayment of lease liability	18.94	18.82
Transfer due to slump sale	-	183.24
Interest expenses on lease liability	42.02	53.04
Expenses incurred by related party	0.03	0.03
MFRE Taris, LLC		
Services received	15.37	-

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

	Year ended March 31, 2026	Year ended March 31, 2025
Key managerial personnel and their relatives		
Managerial remuneration		
Mr. Aravind S. Melligeri	92.74	43.89
Mr. Rajeev Kaul	17.97	18.36
Mr. Ravi Mallikarjun Hugar	7.80	7.23
Mr. Dinesh Iyer	17.34	17.02
Ms. Vidya Sarathy	2.50	0.42
Mr. Ajay Aravind Prabhu	-	1.45
Dr. Anup Wadhawan	4.50	-
Mr. Eberhard Klaus Richter	3.90	-
Short term employee benefits	145.94	83.90
Post employee benefits	0.81	0.75
Share-based payment	0.91	3.71

Note 34 - Related party disclosures- Balances as at year-end

	As at March 31, 2026	As at March 31, 2025
Holding Company - AMIPL		
Loans from related parties (unsecured)	284.34	256.37
Interest accrued but not due on borrowings	58.43	19.36
Associates		
AF		
Investment in equity shares	0.01	-

Notes to Consolidated Financial Statements

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

Note 34 - Related party disclosures- Balances as at year-end (Contd..)

	As at March 31, 2026	As at March 31, 2025
Trade receivables from related parties	0.01	-
Joint ventures		
SQuAD		
Investment in share capital	746.23	746.23
Impairment of investments	234.39	234.39
Fair value of financial guarantee	41.23	40.33
Trade receivables	18.13	7.61
Dues from related parties	0.00	0.06
Trade payables	18.51	1.06
API		
Investment in share capital	89.52	89.52
Fair value of financial guarantee	6.32	6.32
Trade receivables	-	0.07
Dues from related parties	-	0.01
Trade payables	151.90	108.52
Dues to related parties	-	-0.01
AJNA		
Trade receivables	0.30	-
Investment in equity shares	100.10	-
ACPL		
Trade receivables from related parties	-	-
Investment in Equity shares	41.50	41.50
Fair value of financial guarantee	64.29	64.29
Business purchase receivable	352.82	318.56
Dues to related parties	0.07	0.02
Enterprises in which individuals owning interest in the Group, or their relatives have control - Balances		
IKC		
Dues from related parties	-	0.03
Trade payables	-	0.11
MILLC		
Dues from related parties	0.06	-
Unsecured borrowings	18.11	16.33
Interest payable	0.58	8.92
ESOPT		
Unsecured loan	147.62	241.99
ASEZ		
Fair value of financial guarantee received	25.69	22.31
Unamortized fair value of the guarantee	3.61	46.19
Security deposit	425.23	397.01
Dues from related parties	1.28	3.46
Dues to related parties	2.10	0.02
Trade payables	37.41	33.44
AESPL		
Trade payables	0.17	0.15
Dues to related parties	1.19	0.33
Dues from related parties	17.25	17.25
Impairment on dues from related parties	17.24	-
QGEPL		
Trade payables	7.68	3.45
Altum		
Dues from related parties	0.00	0.00
MFREEPL		
Dues from related parties	0.01	0.01

Notes to Consolidated Financial Statements

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

Note 34 - Related party disclosures- Balances as at year-end (Contd..)

	As at March 31, 2026	As at March 31, 2025
Fair value of financial guarantee received	-	-
MFRE Private Trust		
Dues from related parties	1.97	-
MFO IP		
Trade payables	10.00	66.19
HDGCPL		
Dues from related parties	0.01	0.01
Dues to related parties	0.03	-
Security deposit	38.43	64.59
Trade Payables	16.80	5.89
Key managerial personnel and their relatives		
Short-term employee benefits	72.22	9.92
Post employee benefits	0.81	0.75
Disclosure as required under Section 186(4) of Companies Act, 2013.		
i. Loans outstanding		
Aequs Rajas	7.40	-
ii. Investments in associates and joint ventures (Refer Note 7)	1,054.74	768.12

Note 35 - Income tax expense

	Year ended March 31, 2026	Year ended March 31, 2025
Current tax		
Current tax on profits of the year	400.27	148.88
Total current tax expense (A)	400.27	148.88
Deferred tax		
Deferred tax expense/(benefit) for the year	17.28	(65.48)
Total deferred tax expense/(benefit) (B)	17.28	(65.48)
Income tax expense (A+B)	417.55	83.40

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

	Year ended March 31, 2026	Year ended March 31, 2025
Tax expenses under general provision of income tax		
Loss from continuing operations before income tax expense	(715.36)	(940.79)
Tax rate	27.82%	27.82%
Tax at the above rate	(199.01)	(261.73)
Tax impact of permanent differences	65.82	45.66
Tax impact of income not chargeable to tax	(85.34)	(34.25)
Tax impact of entities in tax holidays	(20.80)	(74.45)
Tax impact of business loss and other items on which no deferred tax has been recognized*	443.88	278.76
Tax impact due to differential tax rates applicable to subsidiaries	215.62	121.15
Others	(2.62)	8.26
Total tax expense	417.55	83.40

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

Notes to Consolidated Financial Statements

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

Note 35 - Income tax expense (Contd..)

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

	Year ended March 31, 2026	Expiry date	Year ended March 31, 2025	Expiry date
Expire	1,585.70	2034-35	3,041.20	2033-34
Never expire	5,426.46	-	2,545.41	-

Deferred tax assets (net)

Particulars	As at March 31, 2026	As at March 31, 2025
Deferred tax liabilities		
Property, plant and equipment and intangible assets	-	(40.32)
Right-of-use assets	(127.65)	(142.10)
	(127.65)	(182.42)
Deferred tax assets		
Property, plant and equipment and intangible assets	16.40	-
Tax losses carried forward	24.30	72.68
MAT credit entitlement	38.76	37.26
Lease liabilities	176.93	207.32
Inventories	60.33	52.75
Others	128.34	144.11
	445.06	514.12
Deferred tax assets (net)	317.41	331.70

Deferred tax asset/ (liabilities)

(a) Movement in deferred tax balances for the year ended March 31, 2026

Deferred tax asset/ (liabilities)	Balance as at April 1, 2025	Recognized in profit or loss	MAT credit utilisation	As at March 31, 2026		
				Deferred tax asset	Deferred tax liability	Net
Deferred tax asset/ (liabilities)						
Property, plant and equipment and intangible assets	(40.32)	56.72	-	16.40	-	16.40
Right-of-use assets	(142.10)	14.45	-	-	(127.65)	(127.65)
Tax losses carried forward	72.68	(48.38)	-	24.30	-	24.30
MAT credit entitlement	37.26	-	1.50	38.76	-	38.76
Lease liabilities	207.32	(30.39)	-	176.93	-	176.93
Inventories	52.75	7.58	-	60.33	-	60.33
Others	144.11	(15.77)	-	128.34	-	128.34
Net deferred tax asset/ (liabilities)	331.70	(15.79)	1.50	445.06	(127.65)	317.41

(b) Movement in deferred tax balances for the year ended March 31, 2025

Deferred tax asset/ (liabilities)	Balance as at April 1, 2024	Recognized in profit or loss	MAT credit utilisation	As at March 31, 2025		
				Deferred tax asset	Deferred tax liability	Net
Deferred tax asset/ (liabilities)						
Property, plant and equipment and intangible assets	(42.49)	2.17	-	-	(40.32)	(40.32)
Right-of-use assets	(215.17)	73.07	-	-	(142.10)	(142.10)
Tax losses carried forward	122.32	(49.64)	-	72.68	-	72.68

Notes to Consolidated Financial Statements

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

Note 35 - Income tax expense (Contd..)

Deferred tax asset/ (liabilities)	Balance as at April 1, 2024	Recognized in profit or loss	MAT credit utilisation	As at March 31, 2025		
				Deferred tax asset	Deferred tax liability	Net
MAT credit entitlement	95.83	-	(58.57)	37.26		37.26
Lease liabilities	221.52	(14.20)		207.32		207.32
Inventories	42.44	10.31		52.75		52.75
Others	100.02	44.09		144.11		144.11
Net deferred tax asset/ (liabilities)	324.47	65.80	(58.57)	514.12	(182.42)	331.70

The tax impact for the above purpose has been arrived at by applying tax rate of 27.82% (2025: 27.82%) being the substantively enacted prevailing tax rate for Indian Companies under the Income Tax Act.

(a) Transfer pricing:

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

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

Notes to Consolidated Financial Statements

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

Note 36 - Segment information

Description of segments and principal activities

The Group's Chief Operating Decision Maker (CODM) is identified to be the Chairman and Chief Executive Officer of the Parent Company, who plans the allocation of resources and assess the performance of the segments.

Particulars	For the year ended March 31, 2026				For the year ended March 31, 2025			
	Aerospace	Consumer	Total Segment	Eliminations	Total	Aero	Consumer	Total Segment
Revenue								
Gross revenue	11,620.05	1,993.56	13,613.61	-	13,613.61	9,092.54	1,075.08	10,167.62
Intra segment revenue	(1,156.30)	(152.95)	(1,309.25)	-	(1,309.25)	(846.13)	(75.43)	(921.56)
Net external revenue	10,463.75	1,840.61	12,304.36	-	12,304.36	8,246.41	999.65	9,246.06
Result								
Segment result	2,812.69	(782.73)	2,029.96	(243.06)	1,786.90	1,597.75	(286.71)	1,311.04
Add / (Less)								
Finance costs	(582.45)	(550.59)	(1,133.04)	209.50	(923.54)	(387.75)	(238.70)	(626.45)
Depreciation and amortisation expense	(637.44)	(739.47)	(1,376.91)	-	(1,376.91)	(611.40)	(422.66)	(1,034.06)
Segment Result before share of net profit/(loss) of associate and joint ventures, exceptional items allocated to segment, unallocated corporate expense net of unallocated income and income taxes	1,592.80	(2,072.79)	(479.99)	(33.56)	(513.55)	598.60	(948.07)	(349.47)
Share of net profit / (loss) of joint ventures accounted for using the equity method, net of tax	217.08	(99.54)	117.54		117.54	113.06	(27.82)	85.24
Exceptional item allocated to segment.	(70.05)	(6.90)	(76.95)		(76.95)	-	(482.65)	(482.65)
Unallocated corporate expense net of unallocated income	-	-	-	-	(242.40)	-	-	(129.76)
Profit / (loss) before tax	1,739.83	(2,179.23)	(439.40)	(33.56)	(715.36)	711.66	(1,458.54)	(746.88)
Income taxes	-	-	-	-	(417.55)	-	-	(83.40)
Profit / (loss) after tax	1,739.83	(2,179.23)	(439.40)	(33.56)	(1,132.91)	711.66	(1,458.54)	(1,024.19)

Note 36 - Segment information (Contd..)

Other information

Particulars	For the year ended March 31, 2026					For the year ended March 31, 2025				
	Aerospace	Consumer	Total Segment	Eliminations	Total	Aero	Consumer	Total Segment	Eliminations	Total
Segment assets	13,783.42	12,868.60	26,652.02	(71.73)	26,580.29	10,148.71	8,701.64	18,850.35	(602.69)	18,247.66
Unallocated corporate assets										
Deferred tax assets	-	-	-	-	317.41	331.70	-	331.70	-	331.70
Current tax assets	-	-	-	-	7.00	19.04	-	19.04	-	19.04
Total assets	13,783.42	12,868.60	26,652.02	(71.73)	26,904.70	10,499.45	8,701.64	19,201.09	(602.69)	18,598.40
Segment liabilities	4,741.99	7,202.93	11,944.92	(74.29)	11,870.63	6,893.90	5,147.00	12,040.90	(602.28)	11,438.62
Unallocated corporate liabilities	-	-	-	-	178.61	-	-	-	-	-
Total liabilities	4,741.99	7,202.93	11,944.92	(74.29)	12,049.24	6,893.90	5,147.00	12,040.90	(602.28)	11,438.62

Geographical information

Revenue

Geography	As at March 31, 2026		As at March 31, 2025	
	Amount	%	Amount	%
India	1,459.97	11.87%	985.96	10.74%
The United States of America	2,866.41	23.30%	2,130.92	23.02%
France	2,547.15	20.70%	2,044.82	22.11%
Hong Kong	1,070.45	8.70%	622.14	6.72%
Sweden	723.87	5.88%	904.57	9.77%
United Kingdom	1,242.97	10.10%	817.64	8.83%
Germany	1,469.39	11.94%	1,135.12	12.28%
Others	924.15	7.51%	604.89	6.53%
	12,304.36	100.00%	9,246.06	100.00%

Non-current assets

Geography	As at March 31, 2026	As at March 31, 2025
India	12,182.91	9,551.55
France	511.51	380.13
USA	187.45	194.62
Total	12,881.87	10,126.30

Notes to Consolidated Financial Statements

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

Note 36 - Segment information (Contd..)

Information about major customers

Particulars	As at March 31, 2026			As at March 31, 2025		
	Segment	Revenue	% of total revenue	Segment	Revenue	% of total revenue
Customer 1	Aerospace	2,814.38	22.87%	Aerospace	2,198.00	23.74%
Customer 2	Aerospace	2,347.05	19.07%	Aerospace	1,834.99	19.82%
Customer 3	Aerospace	723.88	5.88%	Aerospace	904.53	9.78%
Customer 4	Aerospace	1,248.99	10.15%	Aerospace	883.09	9.55%

Note 37 - Interest in other entities

(a) Subsidiaries

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

Name of the entity	Principle place of business and place of incorporation	Ownership interest held by the Group		Ownership interest held by non-controlling interests		Principal activities as at March 31, 2026
		As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025	
Indian Subsidiaries						
AeroStructures Manufacturing India Private Limited (ASMIPL)	India	100.00%	100.00%	0.00%	0.00%	Contract manufacturing
Aerospace Manufacturing Holdings Private Limited (AMHPL)	India	100.00%	100.00%	0.00%	0.00%	Investment holding
Aequs Force Consumer Products Pvt. Ltd. (AFCPPL)	India	100.00%	100.00%	0.00%	0.00%	Contract manufacturing
Aequs Engineered Plastics Private Limited (AEPPL)	India	100.00%	100.00%	0.00%	0.00%	Contract manufacturing
Aequs Consumer Products Private Limited (ACPPL)	India	100.00%	100.00%	0.00%	0.00%	Contract manufacturing
Aequs Home Appliances Private Limited (AHAPL)	India	100.00%	100.00%	0.00%	0.00%	Liquidated w.e.f. June 27, 2025
Aequs Toys Private Limited (ATPL)	India	100.00%	100.00%	0.00%	0.00%	Contract manufacturing
Koppal Toys Moulding COE Private Limited (KTMCPPL)	India	100.00%	100.00%	0.00%	0.00%	Contract manufacturing
Koppal Toys Tooling COE Private Limited (KTTCPPL)	India	100.00%	100.00%	0.00%	0.00%	Liquidated w.e.f. November 30, 2024
Aerostructures Assemblies India Private Limited (AAIPL)	India	100.00%	100.00%	0.00%	0.00%	Contract manufacturing
Aequs Rajas Extrusion Private Limited (AREPL)	India	100.00%	100.00%	0.00%	0.00%	Inactive company
Aequs Material Management Private Limited (AMMPL)	India	100.00%	100.00%	0.00%	0.00%	Liquidated w.e.f. June 29, 2024
Foreign Subsidiaries						
Aequs Aerospace France SAS (AAF SAS)	France	100.00%	100.00%	0.00%	0.00%	Contract manufacturing
Aequs Aerospace BV (AABV)	Netherlands	100.00%	100.00%	0.00%	0.00%	Investment holding
Aequs Aerospace LLC (AALLC)	USA	100.00%	100.00%	0.00%	0.00%	Investment holding
Aequs Holdings France, SAS (AHF)	France	100.00%	100.00%	0.00%	0.00%	Investment holding

Notes to Consolidated Financial Statements

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

Note 37 - Interest in other entities (Contd..)

Name of the entity	Principle place of business and place of incorporation	Ownership interest held by the Group		Ownership interest held by non-controlling interests		Principal activities as at March 31, 2026
		As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025	
Aequs Aero Machine Inc. (AAM)	USA	100.00%	100.00%	0.00%	0.00%	Contract manufacturing
Aequs Oil and Gas LLC (AOGLLC)	USA	95.00%	95.00%	5.00%	5.00%	Discontinued operations
Aequs Force Technology Company limited (AFTCL)	Hong Kong	100.00%	100.00%	0.00%	0.00%	Liquidated w.e.f. August 8, 2024
Aequs Toys Hong Kong Private Ltd.(ATHPL)	Hong Kong	100.00%	100.00%	0.00%	0.00%	Discontinued operations

(b) Non-controlling interest (NCI)

The non controlling interest pertaining to Aequs Oil and Gas LLC of ₹ (1.34) (March 31,2025 ₹ (1.34)) is not disclosed as the same is pertaining to discontinued operations.

(c) Interests in joint ventures

Set out below are the joint ventures of the Group as at March 31, 2026 which, in opinion of the directors, are material to the Group. The entities listed below have share capital consisting solely to equity shares, which are held directly by the Group. The country of incorporation or registration is also their financial place of business, and the proportion of ownership interests is the same as the proportion of voting rights held.

Name of the entity	Place of business	% of ownership interest	Relationship	Accounting method	Carrying amount	
					March 31, 2026	March 31, 2025
SQuAD Forging India Private Limited (SQuAD)	India	50%	Joint Venture	Equity Method	643.39	497.15
Aerospace Processing India Private Limited (API)	India	50%	Joint Venture	Equity Method	314.55	238.96
Aequs Cookware Private Limited (ACPL)	India	50%	Joint Venture	Equity Method	-	32.01
Ajna Aerospace and Defence Private Limited (AJNA)	India	33%	Joint Venture	Equity Method	96.79	-
Total					1,054.73	768.12

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

(b) Refer note 7 for amount recognised as financial liability in excess of Group's share of losses over its investments.

Notes to Consolidated Financial Statements

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

Note 37 - Interest in other entities (Contd..)

ii) Commitments in respect of joint ventures

Particulars	API		SQuAD		ACPL		Ajna	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Commitments of JVs and Associates.	1.35	4.92	19.06	37.66	81.07	130.15	-	NA

iii) Summarized financial information of joint ventures

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

Summarised balance sheet	API		SQuAD		ACPL		Ajna	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Current assets								
Cash and cash equivalents	159.04	31.34	60.99	14.18	0.00	41.36	10.21	
Trade receivables	228.18	185.15	228.79	115.94	30.39	43.91	-	
Other financial assets	-	-	91.29	25.48	3.50	21.29	285.28	
Other assets(including inventories)	74.41	62.42	495.23	440.30	192.52	169.05	0.03	
Total current assets	461.63	278.91	876.30	595.90	226.41	275.61	295.52	
Total non-current assets	653.03	721.28	907.37	792.59	547.05	481.00	0.01	
Current liabilities								NA
Trade payables	67.45	47.29	183.71	139.97	76.60	59.35	5.82	
Financial liabilities (excluding trade payables)	87.56	98.44	60.12	130.78	350.98	81.31	0.92	
Other liabilities	22.44	11.08	148.35	9.67	27.79	64.44	0.37	
Total current liabilities	177.45	156.81	392.18	280.42	455.37	205.10	7.11	
Total non-current liabilities	349.46	406.60	10.98	21.53	463.13	502.24	-	
Financial liabilities (excluding trade payables)	320.18	375.89	10.98	13.67	459.79	499.26	-	
Other liabilities	29.28	30.71	-	7.86	3.34	2.98	-	
Total non current liabilities	349.46	406.60	10.98	21.53	463.13	502.24	-	
Net assets	587.75	436.78	1,380.51	1,086.54	(145.04)	49.27	288.42	

Notes to Consolidated Financial Statements

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

Note 37 - Interest in other entities (Contd..)

Summarised statement of profit and loss	API		SQuAD		ACPL		Ajna	
	For the year ended		For the year ended		For the year ended		For the year ended	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Revenue	808.22	653.65	1,118.73	850.33	396.89	160.05	-	-
Interest income / Other income	24.50	8.18	41.35	12.49	6.39	33.69	-	-
Operating expenses	(486.78)	(422.02)	(867.05)	(693.03)	(464.16)	(187.73)	(10.18)	(10.18)
Depreciation and amortisation	(94.79)	(55.83)	(42.84)	(45.00)	(55.79)	(27.66)	(0.00)	(0.00)
Finance cost/(Income)	(39.25)	(12.10)	(13.61)	(20.88)	(82.51)	(33.20)	0.25	NA
Exceptional items loss	(2.48)	-	(2.60)	-	(0.91)	-	-	-
Income tax expense	(61.00)	(50.43)	54.93	-	-	-	-	-
Profit/(loss) for the year	148.42	121.45	288.91	103.91	(200.09)	(54.85)	(9.93)	(9.93)
Other comprehensive income/(loss)	2.32	(0.16)	1.12	0.34	1.01	(0.22)	-	-
Total comprehensive income/(loss)	150.74	121.29	290.03	104.25	(199.08)	(55.07)	(9.93)	(9.93)
Contingent liabilities of JVs								
Income tax matters	0.00	0.00	5.73	5.73	-	-	-	-
Labour law matters	0.00	0.00	-	-	-	-	-	-

Note 38 - Additional information pursuant to paragraph 12.3 of Schedule III to the Companies Act, 2013- 'General Instructions for the preparation of consolidated financial statements' of Division II of Schedule III

Consolidated	As at March 31, 2026		As at March 31, 2025		For the year ended March 31, 2026		For the year ended March 31, 2025		For the year ended March 31, 2026		For the year ended March 31, 2025	
	Net Assets		Net Assets		Share in TCI/ (TCL) As %		Share in TCI/ (TCL) As %		Share in OCI / (OCL) - Amount		Share in OCI / (OCL) - Amount	
	As %	Amount	As %	Amount	As %	Amount	As %	Amount	As %	Amount	As %	Amount
Parent Company												
Aequs Limited (Formerly known as Aequs Private Limited)	100%	14,873.60	100%	7,118.72	100%	(1,435.77)	100%	(1,141.91)	100%	(321.02)	100%	(1,114.75)
	124.00%	18,442.60	139.47%	9,928.75	-18.44%	264.78	-8.55%	97.61	-0.36%	1.15	-23.65%	263.63
												92.59
Indian Subsidiaries												
AeroStructures Manufacturing India Private Limited (ASMIPL)	36.53%	5,433.82	34.58%	2,461.58	-43.10%	618.81	-28.99%	331.05	-3.33%	10.68	-54.55%	608.14
Aerospace Manufacturing Holdings Private Limited(AMHPL)	-0.07%	(10.33)	-0.03%	(1.86)	-0.29%	4.11	-0.20%	2.27	0.00%	-	-0.37%	4.11
Aequs Force Consumer Products Pvt. Ltd. (AFCPPL)	0.20%	30.25	3.72%	264.80	16.34%	(234.62)	18.66%	(213.08)	0.06%	(0.19)	21.03%	(234.43)
												(213.75)

Notes to Consolidated Financial Statements

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

Note 38 - Additional information pursuant to paragraph 12.3 of Schedule III to the Companies Act, 2013- 'General Instructions for the preparation of consolidated financial statements' of Division II of Schedule III (Contd..)

	As at March 31, 2026		As at March 31, 2025		For the year ended March 31, 2026		For the year ended March 31, 2025		For the year ended March 31, 2026		For the year ended March 31, 2025		For the year ended March 31, 2026		For the year ended March 31, 2025	
	Net Assets As %	Net Assets Amount	Net Assets As %	Net Assets Amount	Share in TCI/ (TCL) As %	Share in TCI/ (TCL) Amount	Share in TCI/ (TCL) As %	Share in TCI/ (TCL) Amount	Share in OCI / (OCL) As %	Share in OCI / (OCL) Amount	Share in OCI / (OCL) As %	Share in OCI / (OCL) Amount	Share in profit / (loss) As %	Share in profit / (loss) Amount	Share in profit / (loss) As %	Share in profit / (loss) Amount
Aequs Engineered Plastics Private Limited (AEPPL)	1.32%	196.43	0.15%	10.69	11.96%	(171.66)	24.88%	(284.07)	-0.91%	2.92	-0.99%	1.18	15.66%	(174.58)	27.89%	(285.25)
Aequs Consumer Products Private Limited (ACPPPL)	33.63%	5,001.77	42.44%	3,021.34	101.14%	(1,452.15)	11.02%	(125.79)	-1.67%	5.35	0.36%	(0.43)	130.75%	(1,457.50)	12.26%	(125.36)
Aequs Toys private limited (ATPL)	3.68%	548.00	8.01%	569.91	16.93%	(243.12)	27.03%	(308.61)	0.01%	(0.02)	-0.61%	0.73	21.81%	(243.10)	30.24%	(309.34)
Koppal Toys Moulding COE Private Limited (KTMCPPL)	1.27%	188.62	4.03%	287.08	6.56%	(94.15)	8.04%	(91.78)	0.00%	(0.00)	-0.34%	0.41	8.45%	(94.14)	8.97%	(91.78)
Aerostructures Assemblies India Private Limited (AAIPL)	2.30%	341.73	4.01%	285.45	-3.71%	53.32	-4.63%	52.90	-0.09%	0.28	-0.24%	0.29	-4.76%	53.03	-5.14%	52.61
Aequs Rajas Extrusion Private Limited (AREPL)	-0.05%	(7.98)	-0.09%	(6.11)	0.13%	(1.82)	0.15%	(1.73)	0.00%	-	0.00%	-	0.16%	(1.82)	0.17%	(1.73)
Foreign Subsidiaries																
Aequs Aerospace France SAS, France (AAF Corp)	-0.92%	(136.17)	-1.08%	(76.85)	9.64%	(138.38)	-1.17%	13.38	27.59%	(88.59)	15.40%	(18.34)	4.47%	(49.80)	-3.10%	31.72
Aequs Aerospace BV (AABV)	-0.01%	(1.49)	-25.77%	(1,834.40)	2.86%	(41.04)	155.70%	(1,777.90)	202.30%	(649.42)	68.36%	(81.41)	-54.58%	608.38	165.86%	(1,696.49)
Aequs Aerospace LLC (AALLC)	3.06%	455.09	12.64%	899.65	39.84%	(571.94)	1.42%	(16.16)	19.88%	(63.82)	3.63%	(4.32)	45.58%	(508.13)	1.16%	(11.84)
Aequs Holdings France, SAS (AHF)	-0.05%	(8.06)	-0.09%	(6.20)	-6.77%	97.18	-126.05%	1,439.43	-30.50%	97.91	12.52%	(14.91)	0.07%	(0.73)	-142.19%	1,454.34
Aequs Aero Machine Inc. (AAM)	1.19%	177.48	4.96%	353.02	15.65%	(224.66)	0.88%	(10.10)	7.89%	(25.34)	-5.63%	6.71	17.88%	(199.33)	1.64%	(16.81)
Aequs Oil and Gas LLC (AOGLLC)	-0.92%	(136.57)	-1.62%	(115.33)	9.10%	(130.61)	2.35%	(26.82)	38.69%	(124.21)	23.19%	(27.62)	0.57%	(6.40)	-0.08%	0.80
Aequs Force Technology Company limited (Hk) (AFTCL)	0.00%	-	0.01%	-	0.00%	-	-0.06%	0.70	0.00%	-	-0.59%	0.70	0.00%	-	0.30%	-
Aequs Toys Hongkong Private Limited (ATHPL)	0.00%	-	0.00%	(0.25)	0.00%	-	0.21%	-	0.00%	-	0.15%	-	0.00%	-	0.23%	-
Minority Interests																
Aequs Oil and Gas LLC (AOGLLC)	-0.05%	(6.83)	-0.08%	(5.77)	0.45%	(6.53)	0.12%	(1.34)	1.93%	(6.21)	1.16%	(1.38)	0.03%	(0.32)	0.00%	0.04
Joint Ventures (Investment as per the equity method)																
Indian																
SQUAD Forging India Private Limited (SQUAD)	4.33%	643.39	6.98%	497.15	-10.10%	145.01	-4.56%	52.12	-0.17%	0.56	-0.14%	0.17	-12.96%	144.45	-5.08%	51.95
Aerospace Processing India Private Limited (API)	2.11%	314.55	3.36%	238.96	-5.25%	75.37	-5.31%	60.65	-0.36%	1.16	0.07%	(0.08)	-6.66%	74.21	-5.94%	60.73
Aequs Cookware Private Limited (ACPL)	-0.45%	(66.93)	0.45%	32.01	6.93%	(99.54)	2.41%	(27.53)	-0.16%	0.50	0.09%	(0.11)	8.97%	(100.05)	2.68%	(27.42)

Notes to Consolidated Financial Statements

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

Note 38 - Additional information pursuant to paragraph 12.3 of Schedule III to the Companies Act, 2013- 'General Instructions for the preparation of consolidated financial statements' of Division II of Schedule III (Contd..)

	As at March 31, 2026		For the year ended March 31, 2026		For the year ended March 31, 2025		For the year ended March 31, 2026		For the year ended March 31, 2025		For the year ended March 31, 2026		For the year ended March 31, 2025	
	Net Assets As %	Net Assets Amount	Share in TCI/ (TCL) As %	Share in TCI/ (TCL) Amount	Share in TCI/ (TCL) As %	Share in TCI/ (TCL) Amount	Share in OCI / (OCL) As %	Share in OCI / (OCL) Amount	Share in OCI / (OCL) As %	Share in OCI / (OCL) Amount	Share in profit / (loss) As %	Share in profit / (loss) Amount	Share in profit / (loss) As %	Share in profit / (loss) Amount
Ajna Aerospace and Defence Private Limited (Ajna)	0.00%	-	0.23%	(3.31)	0.00%	-	0.00%	-	0%	-	0.30%	(3.31)	0%	-
Associates (Investments as per the equity method)														
Aequs Foundation (AF)	0.00%	0.01	0.00%	-	0.00%	-	0%	-	0%	-	0%	-	0%	-
Add/ (Less): Effect of intercompany and consolidation adjustments/ eliminations		(16,543.93)		701.46		(198.11)		516.26		82.83		185.20		(281.35)
Consolidated	100%	14,855.46	100%	(1,453.49)	100%	(1,076.69)	100%	(321.01)	100%	(53.23)	100%	(1,132.48)	100%	(1,023.46)

TCI/(TCL): Total comprehensive income/ (total comprehensive loss)

OCI/(OCL): Other comprehensive income/ (other comprehensive loss)

Notes to Consolidated Financial Statements

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

Note 39 - Discontinued operations

(a) Description

The Group is in the process of liquidating its step-down subsidiaries Aequus Toys Hongkong Private Limited (ATHPL) and Aequus Oil and Gas LLC (AOGLLC), USA. The associated loss on business are therefore shown separately as discontinuing operations in statement of profit and loss and assets and liabilities are presented as held for sale in consolidated financial statements for the year ended March 31, 2026 and March 31, 2025.

Aequus Force Technology Company Limited (AFTCL), Hongkong got deregistered w.e.f December 27, 2024, and Aequus Home Appliances Private Limited (AHAPL) was struck off w.e.f. June 27, 2025 - hence, incremental disclosures in respect of these have not been made.

(b) Financial performance and cash flow information

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

	For the year ended March 31, 2026			For the year ended March 31, 2025		
	AOGLLC	ATHPL	Total	AOGLLC	ATHPL	Total
Revenue	-	-	-	-	-	-
Other income	0.43	-	0.43	0.73	-	0.73
Expenses	-	-	-	-	-	-
Profit/(Loss) before Income tax during the year	0.43	-	0.43	0.73	-	0.73
Income tax expense	-	-	-	-	-	-
Profit/(Loss) after Income tax during the year	0.43	-	0.43	0.73	-	0.73
Cash flows						
Net Cash Inflow/(Outflow) from Operating Activities	(0.43)	-	(0.43)	0.73	-	0.73
Net Cash Inflow/(Outflow) from Investing Activities	-	-	-	-	-	-
Net Cash Inflow/(Outflow) from Financing Activities	-	-	-	-	-	-
Net increase/(decrease) in cash generated from discontinued operation	(0.43)	-	(0.43)	0.73	-	0.73

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

	For the year ended March 31, 2026			For the year ended March 31, 2025		
	AOGLLC	ATHPL	Total	AOGLLC	ATHPL	Total
Assets classified as Held for Sale:						
Property, Plant and Equipment	-	-	-	-	-	-
Trade receivables	-	-	-	-	-	-
Inventories	-	-	-	-	-	-
Other current assets	0.08	-	0.08	0.09	0.05	0.14
Total assets of disposal group held for sale	0.08	-	0.08	0.09	0.05	0.14
Liabilities directly associated with Assets classified as held for sale:						
Borrowings	-	-	-	-	-	-
Trade Payables	-	-	-	-	(0.29)	(0.29)
Other current liabilities	(0.00)	-	(0.00)	-	-	-
Total liabilities of disposal group held for sale	(0.00)	-	(0.00)	-	(0.29)	(0.29)
Net Assets	0.08	-	0.08	0.09	(0.24)	(0.15)

Notes to Consolidated Financial Statements

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

Note 40 - Additional regulatory information required by Schedule III

- (i) Details of benami property held: No proceedings have been initiated on or are pending against the Group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- (ii) Wilful defaulter: The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (iii) Relationship with struck off companies:

The Group has entered into below transactions with struck off companies under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 during the year ended March 31, 2026:

Name of the struck off company	Nature of transaction with struck off company	Balance outstanding as at March 31, 2026	Relationship with the struck off company, if any, to be disclosed.	Balance outstanding as at March 31, 2025	Relationship with the struck off company, if any, to be disclosed.
Matrix Plus Private Limited	Trade Payable	-	Third party	-	Third party
Shakun and Company Services Private Limited	Advance to suppliers	0.05	Third party	-	Third party
Vani Private Limited	Trade Payable	4.20	Third party	-	Third party

- (iv) Compliance with number of layers of companies: The Group has complied with the number of layers prescribed under the Companies Act, 2013.
- (v) Compliance with approved scheme(s) of arrangements: The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- (vi) (a) During the year ended March 31, 2026 and March 31, 2025, the Group has not advanced or loaned or invested the funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (ii) provide any guarantee or security or the like on behalf of the Ultimate Beneficiaries.
- (vi) (b) During the year ended March 31, 2026 and March 31, 2025, the Group has not receive any funds from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) of the company shall:
 - (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (ii) provide any guarantee or security or the like on behalf of the Ultimate Beneficiaries.
- (vii) There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- (viii) The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.
- (ix) The Group has not revalued its Property, plant and equipment or intangible assets during the current or previous year.
- (x) The Group does not own any immovable properties.
- (xi) There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.
- (xii) The borrowings obtained by the Group from bank have been applied for the purposes for which such loans were taken.

Notes to Consolidated Financial Statements

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

Note 40 - Additional regulatory information required by Schedule III (Contd..)

- (xiii) The Group 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 Group did not have any derivative contracts as at March 31, 2026.
- (xiv) The Group does not have any Core Investment Group (CIC) as defined in the regulation made by the Reserve Bank of India.
- (xv) The Group has borrowings from banks and financial institutions on the basis of security of current assets. Refer note 15(i) for details of quarterly statements of current assets filed by the company with the bank and reconciliation with the books of accounts.

Note 41 - Subsequent events

1. a) The Parent Company, vide its board resolution dated April 23, 2026, has approved the Scheme of Amalgamation of certain wholly owned subsidiaries i.e., AeroStructures Manufacturing India Private Limited, Aequs Engineered Plastics Private Limited and Aequs Force Consumer Products Private Limited with itself. As of the date of adoption of these financial statements, the Scheme and the related applications 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 Parent Company will account for the transaction in accordance with the applicable accounting principles prescribed under Appendix C of the Indian Accounting Standard (Ind AS) 103, 'Business Combinations' notified under Section 133 of the Act and/ or any other applicable Ind AS, as amended from time to time as this will be a transaction between entities under common control. Following the merger, these wholly owned subsidiaries will be subsumed into the Parent Company and will cease to exist as separate legal entities.

This merger will not have an impact on the consolidated financial statements of the Group.

As per our report of even date attached.

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

Chartered Accountants

ICAI Firm's Registration No. 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

Aequs Limited (Formerly known as Aequs Private Limited)

CIN : L80302KA2000PLC026760

Rajeev Kaul

Co-Founder and

Managing Director

DIN-01468590

Place: Belagavi

Date: May 26, 2026

Dinesh Iyer

Chief Financial Officer

Place: Belagavi

Date: May 26, 2026

Aravind S Melligeri

Executive Chairman and

Chief Executive Officer

DIN-00787735

Place:

Date: May 26, 2026

Ravi Mallikarjun Hugar

Company Secretary and

Compliance Officer

M. No. - A20823

Place: Belagavi

Date: May 26, 2026

AEQUS

ecosystems of efficiency

Aequs Limited

Registered Office :

Aequs Tower, No. 55, Whitefield Main
Road, Mahadevapura Post, Bengaluru -
560048, Karnataka, India
T: + 91 080 61348000

Corporate Office :

Aequs Special Economic Zone
No 437/A, Hattargi Village, Hukkeri Taluk,
Belagavi – 591 243, Karnataka, India

Tel: +91 831 2499000 / 831 4222500

Fax: +91 831 249 9001/ 831 4222501

<https://www.aequs.com>

AEQUS LIMITED

NOTICE OF THE TWENTY SIXTH ANNUAL GENERAL MEETING

[Corporate Identification Number – L80302KA2000PLC026760]

Registered Office: Aequs Tower, No. 55, Whitefield Main Road, Mahadevapura Post,
Bengaluru – 560048, Karnataka, India.

Tel.: + 91 080 61348000 **Website:** www.aequs.com;

Email: investor.relations@aequs.com

NOTICE is hereby given that the Twenty Sixth Annual General Meeting of the shareholders of **AEQUS LIMITED** (the "Company"/ "Aequs") will be held on Friday, September 4, 2026, at 04:00 P.M. (IST) through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") to transact the following business(es):

ORDINARY BUSINESS:

1. ADOPTION OF THE AUDITED STANDALONE AND CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED MARCH 31, 2026, AND THE REPORTS OF THE BOARD OF DIRECTORS AND AUDITORS THEREON

*To consider and if thought fit, to pass, the following resolution with or without modification, as an **Ordinary Resolution**:*

"RESOLVED THAT the audited Standalone and Consolidated financial statements of the Company for the Financial Year ended 31st March 2026 and the reports of the Board of Directors and Auditors thereon, as circulated to the Members, be and are hereby considered and adopted."

2. APPOINTMENT OF MR. RAJEEV KAUL (DIN: 01468590) AS A MANAGING DIRECTOR LIABLE TO RETIRE BY ROTATION

*To consider and if thought fit, to pass, the following resolution with or without modification, as an **Ordinary Resolution**:*

"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, and Rules made thereunder (including any statutory modification(s), amendment(s), clarification(s), substitution(s) or re-enactment(s) thereof for the time being in force), Mr. Rajeev Kaul (DIN: 01468590), who retires by rotation at this meeting, be and is hereby appointed as a Managing Director of the Company."

SPECIAL BUSINESS:

3. APPOINTMENT OF M/S. BMP & CO. LLP, PRACTICISING COMPANY SECRETARIES, AS SECRETARIAL AUDITORS OF THE COMPANY

*To consider and if thought fit, to pass, the following resolution with or without modification, as an **Ordinary Resolution**:*

"RESOLVED THAT pursuant to the provisions of Section 204, and any other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) or re-enactment thereof) and in terms of Regulation 24A of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, as amended from time to time, M/s. BMP & Co. LLP (Firm registration No. L2017KR003200), be and are hereby appointed as Secretarial Auditors of the Company for a term of five (5) consecutive years, commencing from Financial Year 2026-27 till

Financial Year 2030-31, on such remuneration and on such terms and conditions as may be decided by the Board of Directors in consultation with the Secretarial Auditors of the Company and to avail any other services, certificates, or reports as may be permissible under the applicable laws.

RESOLVED FURTHER THAT Board of Directors be and are hereby authorised to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise in relation to the above and to settle all matters arising out of and incidental thereto and to execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things and to give from time to time such directions as may be necessary, proper, expedient or incidental for the purpose of giving effect to these resolutions, be and is hereby ratified and a certified copy of this resolution be issued to all concerned parties."

4. APPROVAL FOR ADOPTION OF 'AEQUS RESTRICTED STOCK UNIT PLAN 2026' AND ITS IMPLEMENTATION THROUGH TRUST

*To consider and if thought fit, to pass, the following resolution with or without modification, as a **Special Resolution**:*

"RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013, read with the rules made thereunder, the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations 2021, as amended from time to time, read with all circulars and notifications issued thereunder ("**SBEB Regulations**"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Foreign Exchange Management Act, 1999, the rule(s) and regulation(s) framed thereunder, any rule(s), circular(s), notification(s), guideline(s) and regulation(s) issued by the Reserve Bank of India and the relevant provisions of Memorandum and Articles of Association of the Company and subject to further such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions, sanctions, the consent of the shareholders of the Company be and is hereby accorded to the introduction of 'Aequus Restricted Stock Unit Plan 2026' ("**RSU 2026**" or "**Scheme**" or "**Plan**") and implementation through the existing irrevocable employee welfare trust of the Company namely 'Aequus Stock Option Plan Trust' ("**Trust**"), the salient features of which are furnished in the Explanatory Statement annexed to this notice, and authorizing the Board of Directors of the Company (hereinafter referred to as the "**Board**" which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee which the Board has constituted) to create, offer, issue, grant and allot from time to time, in one or more tranches, not exceeding **15,00,000 (Fifteen Lakhs) Restricted Stock Units ("RSU")**, to the eligible employees of the Company, exclusively working in India or outside, as determined in terms of the Scheme, exercisable into not more than **15,00,000 (Fifteen Lakhs)** equity shares of face value of INR 10/- (Indian Rupees Ten only) each fully paid-up ("**Shares**"), sourced from existing Shares acquired by the Trust through primary issuance, from time to time and held in its name, where one RSU would convert into one equity share upon exercise, on such terms and in such manner, in accordance with the provisions of the applicable laws and the provisions of the Scheme."

RESOLVED FURTHER THAT the Shares as specified hereinabove shall be transferred by the Trust to the grantees upon exercise of RSUs in accordance with the terms of the grant and provisions of the Scheme and such Shares shall rank *pari passu* in all respects with the then existing Shares of the Company.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, if any additional RSUs to be granted by the Company, for the purpose of making a fair and reasonable adjustment to the RSUs granted earlier, the ceiling of total number of RSUs and equity shares specified above shall be deemed to be increased to the extent of such additional RSUs granted.

RESOLVED FURTHER THAT in case the Shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the eligible employees under the Scheme shall automatically stand reduced or augmented, as the case may be, in the same proportion as the face value per Share shall bear to the revised face value of the Shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said eligible employees.

RESOLVED FURTHER THAT the Company and the Trust shall ensure compliance of the provisions of the SBEB Regulations, Companies Act, 2013 and rules made thereunder and all other applicable laws at all times in connection with holding and dealing in the Shares of the Company including but not limited to accounting policies, maintenance of proper books of account, records and documents with appropriate disclosures as prescribed.

RESOLVED FURTHER THAT the Board, be and is hereby authorized at any time to modify, change, vary, alter, amend, suspend or terminate the Scheme subject to the compliance with the applicable laws and regulations and further subject to consent of the shareholders by way of special resolution to the extent required under SBEB Regulations, and to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard and further to execute all such documents, writings and to give such directions and or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the Scheme and do all other things incidental and ancillary thereof in conformity with the provisions of the Companies Act, 2013, SBEB Regulations, the relevant provisions of the Memorandum and Articles of Association of the Company and any other applicable laws in force to give effect to this resolution.

RESOLVED FURTHER THAT Board of Directors be and are hereby authorised to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise in relation to the above and to settle all matters arising out of and incidental thereto and to execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things and to give from time to time such directions as may be necessary, proper, expedient or incidental for the purpose of giving effect to these resolutions, be and is hereby ratified and a certified copy of this resolution be issued to all concerned parties."

5. APPROVAL FOR GRANT OF RESTRICTED STOCK UNITS TO THE EMPLOYEES OF THE SUBSIDIARY COMPANY(IES) OF THE COMPANY UNDER 'AEQUS RESTRICTED STOCK UNIT PLAN 2026'

*To consider and if thought fit, to pass the following resolution with or without modification, as a **Special Resolution**:*

"RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013, read with the rules made thereunder, the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations 2021, as amended from time to time, read with all circulars and notifications issued thereunder ("**SBEB Regulations**"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Foreign Exchange Management Act, 1999, the rule(s) and regulation(s) framed thereunder, any rule(s), circular(s), notification(s), guideline(s) and

regulation(s) issued by the Reserve Bank of India and the relevant provisions of Memorandum and Articles of Association of the Company and subject to further such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions, sanctions, the consent of the shareholders of the Company be and is hereby accorded to authorize the Board of Directors of the Company (hereinafter referred to as the **"Board"** which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee which the Board has constituted) to offer, issue, grant and allot from time to time, in one or more tranches, Restricted Stock Units ("**RSU**") under 'Aequs Restricted Stock Unit Plan 2026' ("**RSU 2026**" or "**Scheme**" or "**Plan**") to the eligible employees of subsidiary company(ies) of the Company, exclusively working in India or outside India, as determined in terms of the Scheme, within the ceiling of total number of RSUs and equity shares, as specified in the Scheme along with such other terms and in such manner, in accordance with the provisions of the applicable laws and the provisions of the Scheme.

RESOLVED FURTHER THAT Board of Directors be and are hereby authorised to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise in relation to the above and to settle all matters arising out of and incidental thereto and to execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things and to give from time to time such directions as may be necessary, proper, expedient or incidental for the purpose of giving effect to these resolutions, be and is hereby ratified and a certified copy of this resolution be issued to all concerned parties."

6. APPROVAL FOR GRANT OF RESTRICTED STOCK UNITS TO THE EMPLOYEES OF THE ASSOCIATE COMPANY(IES) OF THE COMPANY UNDER 'AEQUS RESTRICTED STOCK UNIT PLAN 2026'

*To consider and if thought fit, to pass the following resolution with or without modification, as a **Special Resolution**:*

"RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013, read with the rules made thereunder, the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations 2021, as amended from time to time, read with all circulars and notifications issued thereunder ("**SBEB Regulations**"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Foreign Exchange Management Act, 1999, the rule(s) and regulation(s) framed thereunder, any rule(s), circular(s), notification(s), guideline(s) and regulation(s) issued by the Reserve Bank of India and the relevant provisions of Memorandum and Articles of Association of the Company and subject to further such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions, sanctions, the consent of the shareholders of the Company be and is hereby accorded to authorize the Board of Directors of the Company (hereinafter referred to as the **"Board"** which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee which the Board has constituted) to offer, issue, grant and allot from time to time, in one or more tranches, Restricted Stock Units ("**RSU**") under 'Aequs Restricted Stock Unit Plan 2026' ("**RSU 2026**" or "**Scheme**" or "**Plan**") to the eligible employees of associate company(ies) of the Company, exclusively working in India or outside India, as determined in terms of the Scheme, within the ceiling of total number of RSUs and equity shares, as specified in Scheme along with such other terms and in such manner, in accordance with the provisions of the applicable laws and the provisions of the Scheme."

RESOLVED FURTHER THAT Board of Directors be and are hereby authorised to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise in relation to the above and to settle all matters arising out of and incidental thereto and to execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things and to give from time to time such directions as may be necessary, proper, expedient or incidental for the purpose of giving effect to these resolutions, be and is hereby ratified and a certified copy of this resolution be issued to all concerned parties."

7. APPROVAL FOR UTILIZING THE SHARES ALREADY ACQUIRED AND HELD BY THE AEQUS STOCK OPTION PLAN TRUST FOR THE PURPOSE OF IMPLEMENTATION OF THE 'AEQUS RESTRICTED STOCK UNIT PLAN 2026'

*To consider and if thought fit, to pass the following resolution with or without modification, as a **Special Resolution**:*

"RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 read with the rules made thereunder, the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended from time to time ("**SBEB Regulations**"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the relevant provisions of Memorandum and Articles of Association of the Company and subject to further such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions, sanctions, and based on the recommendation of the Board of the Directors and Nomination and Remuneration Committee, the consent of the shareholders of the Company be and is hereby accorded to authorize the Board of Directors of the Company (hereinafter referred to as the "**Board**" which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee which the Board has constituted) to utilize not exceeding **15,00,000 (Fifteen Lakhs)** equity shares of face value of INR 10/- (Indian Rupees Ten only) each, fully paid-up, of the Company ("**Shares**"), already acquired, through primary issuance and held by the irrevocable employee welfare trust of the Company, namely 'Aequs Stock Option Plan Trust' ("**Trust**"), for the purpose of implementation of the 'Aequs Restricted Stock Unit Plan 2026' ("**RSU 2026**" or "**Scheme**" or "**Plan**"), in due compliance with the provisions of the SBEB Regulations and other applicable laws."

RESOLVED FURTHER THAT the Trust shall not deal in derivatives and shall undertake only delivery-based transactions for the purposes of secondary acquisition as permitted under the SBEB Regulations.

RESOLVED FURTHER THAT the Trustees of the Trust shall not vote in respect of the shares acquired and held by such Trust.

RESOLVED FURTHER THAT Board of Directors be and are hereby authorised to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise in relation to the above and to settle all matters arising out of and incidental thereto and to execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things and to give from time to time such directions as may be necessary, proper, expedient or incidental for the purpose of giving effect to these resolutions, be and is hereby ratified and a certified copy of this resolution be issued to all concerned parties."

8. APPROVAL FOR PROVISION OF MONEY BY THE COMPANY TO AEQUS STOCK OPTION PLAN TRUST FOR THE PURPOSE OF IMPLEMENTATION OF 'AEQUS RESTRICTED STOCK UNIT PLAN 2026'

*To consider and if thought fit, to pass the following resolution with or without modification, as a **Special Resolution**:*

"RESOLVED THAT pursuant to the provisions of the Section 67 of the Companies Act, 2013 read with Rule 16 of the Companies (Share Capital and Debentures) Rules, 2014 and Regulation 3(8) of the Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021 and any circulars/notifications/ guidance/frequently asked questions issued thereunder, as amended from time to time ("**SBEB Regulations**"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the relevant provisions of Memorandum and Articles of Association of the Company, and subject to further such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions, sanctions, consent of the shareholders be and is hereby accorded by authorizing the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee, which the Board has constituted) to grant a loan, provide guarantee or security in connection with a loan granted or to be granted, in one or more tranches, to the existing irrevocable employee welfare trust of the Company namely 'Aequs Stock Option Plan Trust' ("**Trust**"), by such sum of money not exceeding 5% (Five Percent) of the aggregate of the paid-up capital and free reserves of the Company, for the purpose of administration of the Trust and to meet the expenses of the Trust for implementation of 'Aequs Restricted Stock Unit Plan 2026' ("**RSU 2026**" or "**Scheme**" or "**Plan**") as and when necessary, along with the existing employee benefit schemes of the Company, as may be approved by the shareholders from time to time.

RESOLVED FURTHER THAT the Trust shall use the loan amount disbursed from time to time only for the purposes of the Scheme strictly in accordance with the provisions of SBEB Regulations.

RESOLVED FURTHER THAT the loan provided by the Company shall be interest-free with tenure of such loan based on the term of the Scheme and shall be repayable to the Company from the realization of proceeds of exercise/ permitted sale/ transfer of Shares and any other eventual income of the Trust.

"RESOLVED FURTHER THAT subject to the broad terms above, the Board be and is hereby authorized to do all such acts, deeds, matters and things, as may at its absolute discretion, as deemed fit, to settle any issues, questions, difficulties or doubts that may arise in this regard and further to execute all such documents, writings and to give such directions and/ or instructions as may be necessary or expedient to give effect to this resolution.

RESOLVED FURTHER THAT Board of Directors be and are hereby authorised to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise in relation to the above and to settle all matters arising out of and incidental thereto and to execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things and to give from time to time such directions as may be necessary, proper, expedient or incidental for the purpose of giving effect to these resolutions, be and is hereby ratified and a certified copy of this resolution be issued to all concerned parties."

9. APPROVAL FOR AMENDMENT OF "AEQUS EMPLOYEE STOCK OPTION PLAN 2025" ("ESOP 2025")

*To consider and if thought fit, to pass, the following resolution with or without modification, as a **Special Resolution**:*

"RESOLVED THAT in partial modification of the special resolution(s) passed by the members of the Company on March 27, 2026 through postal ballot approving the ratification of "Aequs Employee Stock Option Plan 2025" ("**ESOP 2025**"), and subject to all other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder (including any statutory modification(s) or re-enactment thereof), Regulation 7 and other applicable provisions, if any, of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("**SEBI ESOP Regulations**"), applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Foreign Exchange Management Act, 1999, the rule(s) and regulation(s) framed thereunder, any rule(s), circular(s), notification(s), guideline(s) and regulation(s) issued by the Reserve Bank of India and any other provisions of all applicable laws and the relevant provisions of the Articles of Association of the Company, based on the recommendation of Nomination and Remuneration Committee and Board of Directors at their meetings held on August 07, 2026 respectively, approval of the members of the Company be and is hereby accorded for amendment of the ESOP 2025 and adopting an amended and restated ESOP 2025 to bring forth the following key changes that are detailed in the explanatory statement annexed hereto:

1. To introduce new clauses 2.1 (v) and 2.1 (xix) for extension of benefits of ESOP 2025 to the eligible employees of the associate companies of the Company
2. To amend and modify clauses 1.3, 2.1 (vii), 2.1 (x), 7.1, 7.2, 7.6, 19.1 and 33 to allow the extension of benefits of ESOP 2025 to the eligible employees of the associate companies of the Company
3. To amend the clause 8.1 to reduce the ESOP Pool size by 15,00,000 options i.e. from 2,04,00,000 (Two Crore Four Lakhs) to 1,89,00,000 (One Crore Eighty-Nine Lakhs)
4. To amend clause 12.1 for providing criteria for determining the exercise price for any stock option Grant.

RESOLVED FURTHER THAT the above-mentioned amendment in the ESOP 2025 will not affect any options granted earlier under the ESOP 2025 as amended from time to time.

RESOLVED FURTHER THAT all other terms and conditions of the ESOP 2025, as amended, and all subsisting consents, authorizations and approvals granted from time to time, including resolutions passed by the members and/or the Board of the Company with regard to implementation and administration of the ESOP 2025, remain unchanged and continue to be in force.

RESOLVED FURTHER THAT, for the purpose of effectuating the above resolution, the Board be and is hereby authorised on behalf of the Company, to implement, formulate, evolve, decide upon and bring in to effect the ESOP 2025 and modifications, changes, variations, alterations, or revisions in the said scheme from time to time or to suspend, withdraw or revive the scheme from time to time as may be specified by any statutory authority and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose as per the terms and conditions of the listing agreement with the concerned Stock Exchanges, as and when required and with power on behalf of the Company to settle any questions, difficulties, or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issue, bonus issue, split or consolidation of equity shares, merger/ amalgamation, or sale of division/ undertaking or other reorganization etc., requisite adjustments (which may include adjustments to the number of options in ESOP 2025) shall be appropriately made, in a fair and reasonable manner in accordance with ESOP 2025.

RESOLVED FURTHER THAT Board of Directors be and are hereby authorised to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise in relation to the above and to settle all matters arising out of and incidental thereto and to execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things and to give from time to time such directions as may be necessary, proper, expedient or incidental for the purpose of giving effect to these resolutions, be and is hereby ratified and a certified copy of this resolution be issued to all concerned parties."

10. APPROVAL FOR EXTENSION OF BENEFITS OF "AEQUS EMPLOYEE STOCK OPTION PLAN 2025" ("ESOP 2025") TO THE EMPLOYEES OF ASSOCIATE COMPANIES OF THE COMPANY

*To consider and if thought fit, to pass, the following resolution with or without modification as a **Special Resolution**:*

"RESOLVED THAT pursuant to applicable provisions of the Companies Act, 2013 ("**Act**") and other applicable provisions of the Act and Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("**SEBI (SBEB & SE) Regulations**") and such other laws, rules, regulations, notifications and circulars (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force) as may be applicable ("**Applicable Laws**"), the relevant provisions of the Memorandum of Association and Articles of Association of the Company and further subject to such other approvals, consents, permissions and sanctions as may be necessary from the appropriate authorities or bodies and subject to such conditions and modifications as may be prescribed or imposed by the relevant authorities, the "Aequs Employee Stock Option Plan 2025" ("**ESOP 2025**") of the Company as ratified by the Shareholders on March 27, 2026, after listing of equity shares of the Company on the Stock Exchanges, and based on the recommendation of Nomination and Remuneration Committee and Board of Directors of the Company, the consent of the Shareholders be and is hereby accorded to extend the benefits of ESOP 2025 to the eligible employees of associate companies (including joint venture company) of the Company, in India or abroad, whether present or future, as detailed in the explanatory statement annexed hereto, along with the consent accorded to the Board of Directors of the Company ("**Board**" which expression shall also include the Nomination and Remuneration Committee along with the Aequs Employee Stock Option Trust) to create, offer, issue, reissue, grant, transfer and allot at any time, to and for the benefit of employees and Directors of the Company (as may be permitted under applicable laws) on such terms and conditions as mentioned in the ESOP 2025 to the eligible employees, in one or more tranches, at any time to or for the benefit of the eligible employees of the associate companies of the Company, such number of employee stock options ("**ESOPs**") exercisable into equity shares of the Company under ESOP 2025.

RESOLVED FURTHER THAT the terms of ESOP 2025 shall mutatis mutandis apply to the eligible employees of the "Associate Company" as defined in ESOP 2025.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issue, bonus issue, split or consolidation of equity shares, merger/ amalgamation, or sale of division/ undertaking or other reorganization etc., requisite adjustments (which may include adjustments to the number of options in ESOP 2025) shall be appropriately made, in a fair and reasonable manner in accordance with ESOP 2025.

RESOLVED FURTHER THAT Board of Directors be and are hereby authorised to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise in relation to the above and to settle all matters arising out of and incidental thereto and to execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things and to give from time to time such directions as may be necessary, proper, expedient or incidental for the purpose of giving effect to these resolutions, be and is hereby ratified and a certified copy of this resolution be issued to all concerned parties.”

11. APPROVAL FOR CHANGE IN THE MAIN OBJECT CLAUSE OF MEMORANDUM OF ASSOCIATION OF THE COMPANY

*To consider and if thought fit, to pass, the following resolution with or without modification as a **Special Resolution**:*

“RESOLVED THAT pursuant to the provisions of Section 4 and 13 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Incorporation) Rules, 2014 and other applicable rules made thereunder (including any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force) and the rules framed thereunder and subject to the approval of the concerned Registrar of Companies, Ministry of Corporate Affairs and such other such approvals, consents, permissions and sanctions as may be necessary, consent of the shareholders be and is hereby accorded to alter the object clause of the Memorandum of Association of the Company, by inserting the below mentioned sub clauses 5 to 10 after the existing sub clause 4 of clause III (A) thereof:

“5.To carry on the business in India or elsewhere as manufacturers, buyers, sellers, dealers, importers, exporters, contractors, factors, agents and suppliers for polythene, polypropylene, ABS, nylon, polystyrene, P.V.C. polyester strips, plastic powder, thermoplastic and thermosetting polymers and such other articles required to manufacture profile plastic, moulded industrial articles, industrial components and articles and auxiliary plastic products, extrusion, injection moulding, blow moulding, compressor moulding, rotational moulding, thermoforming, vacuum forming, plastics pellets, plastic luggage articles, light and heavy automobile parts, components and accessories for vehicles including aircrafts.

6. To carry on the business in India or elsewhere as manufacturers, buyers, sellers, dealers, importers, exporters, contractors, factors, assemblers, agents and suppliers for consumer products including but not limited to all sorts of cookware, kitchenware and appliances for domestic, commercial or industrial purposes and all types of electric, electronic and non-electronic products for domestic, commercial and / or industrial use whether made out of metal, non-metal, ferrous and non-ferrous, polypropylene, ABS, nylon, polystyrene, P.V.C. polyester strips, plastic powder, thermoplastic and thermosetting polymers or made out of any other substance including aluminum and such other articles including light and heavy parts, components and accessories for such consumer & electronic products and such other articles required to manufacture profile plastic, moulded industrial articles, industrial components and articles and auxiliary plastic products, extrusion, injection moulding, blow moulding, compressor moulding, rotational moulding, thermoforming, vacuum forming, plastics pellets, plastic luggage articles, components and accessories for consumer & electronic products.

7. To manufacture and otherwise carry on the business of developing, designing, manufacturing, import, export, buying, selling or otherwise dealing in highly precision equipment, engineering products including but not limited to components and other systems and their accessories, precision turned, machined products, components or parts either metal, plastic, silicon or any other substance, involving precision manufacturing or molding or products made using molds as a process and parts, components and items that can be produced, manufactured or conceptualized using precision manufacturing methods including but not limited to smart devices and its components, products, accessories, peripherals and parts involving general engineering, hydraulic and pneumatic uses, applications and industries.

8. *To carry on in India or abroad the business to manufacture, produce, prepare, assemble, alter, build, brand, mould, convert, commercialize, dismantle, design, develop, dress discover, fit, establish, fabricate, finish, print, repair, recondition, remodel, stretch, stitch,, import, export, buy , sell, resale, distribute, display, demonstrate, and to act as agent, broker, franchiser, representative, advisor, consultant, or otherwise to deal in all shapes, sizes, verities, modalities, uses and descriptions of manual, semi-automatic, automatic, electronic, battery operated, eclectically operated, sound operated remote control, mechanical or other sorts of consumer products including toys, monuments, games, articles or things, their components, parts fittings & accessories whether made of plastic, wood, paper, rubber, cloth, clay, ceramic, soil, plaster of Paris, metal, glass acrylic, fiber, or other natural or synthetic material or with any combination thereof and to do all incidental acts and things necessary for the attainment of above objects.*
9. *To carry on in India or abroad the business to manufacture, import, export, buy, sell, resale, distribute and to act as agent, broker, franchiser, representative, advisor, collaborator, consultants or otherwise to deal in all types of automatic, semi-automatic, mechanical, digital, electronic instruments, equipment, apparatus, machineries, tools, parts, fittings, components and accessories used in health care, treatment, diagnosis, research test cure, operation and for saving life or human being, disposable medical and Surgical instruments & consumables and all other allied medical appliances.*
10. *To carry on the business in India or elsewhere as manufacturers, buyers, sellers, dealers, importers, exporters, contractors, factors, assemblers, agents and suppliers for consumer products including but not limited to all sorts of cookware, kitchenware and appliances for domestic, commercial or industrial purposes and all types of electric, electronic and non-electronic products for domestic, commercial and / or industrial use whether made out of metal, non-metal, ferrous and non-ferrous, polypropylene, ABS, nylon, polystyrene, P.V.C. polyester strips, plastic powder, thermoplastic and thermosetting polymers or made out of any other substance including aluminum and such other article including light and heavy parts, components and accessories for such consumer & electronic products and such other articles required to manufacture profile plastic, moulded industrial articles, industrial components and articles and auxiliary plastic products, extrusion, injection moulding, blow moulding, compressor moulding, rotational moulding, thermoforming, vacuum forming, plastics pellets, plastic luggage articles, components and accessories for consumer & electronic products."*

RESOLVED FURTHER THAT Board of Directors be and are hereby authorised to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise in relation to the above and to settle all matters arising out of and incidental thereto and to execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things and to give from time to time such directions as may be necessary, proper, expedient or incidental for the purpose of giving effect to these resolutions, be and is hereby ratified and , to accede to such modifications and alterations to the aforesaid resolution as may be suggested by the Registrar of Companies or such other Authority arising from or incidental to the said amendment without requiring the Board to secure any further consent or approval of the members of the Company and a certified copy of this resolution be issued to all concerned parties."

12. APPROVAL OF MATERIAL RELATED PARTY TRANSACTIONS WITH AEQUS SEZ PRIVATE LIMITED

*To consider and if thought fit, to pass, the following resolution with or without modification as an **Ordinary Resolution**:*

"RESOLVED THAT pursuant to Regulation 2(1) (zc), 23(4) of the Securities and Exchange Board of India ("**SEBI**") (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("**Listing Regulations**") as amended from time to time and applicable provisions of the Companies Act, 2013 ("**the Act**") and Rules framed thereunder (including any statutory modification(s), amendment(s),

clarification(s), substitution(s) or re-enactment(s) thereof for the time being in force), and the Company's Policy on Related Party Transactions, and based on the recommendation of the Audit Committee and the Board of Directors of the Company, approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as **the Board** which term shall be deemed to include, unless the context otherwise required, any committee which the Board may have constituted or hereinafter constitute or any officer(s) authorised by the Board to exercise the powers conferred on the Board by this Resolution), to enter into/ carry out and/or continue the material transaction(s)/ contract(s)/ arrangement(s)/ agreement(s) (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise), as mentioned in the explanatory statement, for a period commencing from 26th (Twenty Sixth) Annual General Meeting upto the date of 27th (Twenty Seventh) Annual General Meeting of the Company to be held in the year 2027, between the Company and / or its subsidiaries with Aequus SEZ Private Limited, a related party of the Company for an aggregate value up to INR 2,000,000,000/- (Indian Rupees Two Billion only) on such terms and conditions as the Board may deem fit, subject to such contract(s)/ arrangement(s)/transaction(s) being carried out at arm's length and in the ordinary course of business of the Company.

RESOLVED FURTHER THAT the Board, be and is hereby authorised, to do and perform all such acts, deeds, matters and things, as may be necessary, including finalising the terms and conditions, methods and modes in respect thereof and finalising and executing necessary documents, including contract(s), agreement(s) and such other documents, file applications and make representations in respect thereof and seek approval from relevant authorities, including Governmental/regulatory authorities, as applicable, in this regard and deal with any matters, take necessary steps as the Board may, in its absolute discretion deem necessary, desirable or expedient, to give effect to this resolution and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT Board of Directors be and are hereby authorised to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise in relation to the above and to settle all matters arising out of and incidental thereto and to execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things and to give from time to time such directions as may be necessary, proper, expedient or incidental for the purpose of giving effect to these resolutions, be and is hereby ratified and a certified copy of this resolution be issued to all concerned parties."

Registered Office:

Aequus Tower, No. 55, Whitefield Main Road,
Mahadevapura Post, Bengaluru – 560048,
Karnataka, India

**By Order of the Board
For Aequus Limited**

**Date: August 07, 2026
Place: Belagavi**

**Ravi Mallikarjun Hugar
Company Secretary
Membership No. A20823**

Notes:

1. The explanatory statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") read with Secretarial Standard-2 on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India ("ICSI") and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") is annexed hereto and forms part of this Notice.
2. Pursuant to the Ministry of Corporate Affairs ("MCA") General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, and 20/2020 dated May 5, 2020, read with other related circulars including the latest being General Circular No. 03/2025 dated September 22, 2025 (collectively "MCA Circulars"), and relevant SEBI circulars, companies are permitted to hold their AGMs through Video Conferencing facility/Other Audio Visual Means ("VC"/ "OAVM"). Accordingly, in compliance with the Act, SEBI Listing Regulations, and the said MCA Circulars, the 26th AGM of the Company is being conducted through VC/OAVM, dispensing with the requirement of physical presence of the Members at a common venue.
3. The deemed venue for the AGM shall be the Registered Office of the Company. Since the AGM is being held through VC/OAVM facility, the Route Map is not annexed in this Notice.
4. For the purpose of convening AGM, the Company has appointed KFin Technologies Limited ("**KFin Tech**"), the Registrar and Share Transfer Agent of the Company, to provide the VC/OAVM facility for conducting the AGM and for voting through remote e-Voting or e-Voting at the AGM. The procedure for participating in the meeting through VC/OAVM is explained in the Note No. 21.
5. Since, the AGM is being conducted through VC/OAVM, there is no provision for appointment of proxies. Accordingly, appointment of proxies by members will not be available. Members attending the AGM through VC/ OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. In compliance with the aforesaid MCA Circular and SEBI Listing Regulations, Notice of the AGM along with Annual Report for the financial year 2025-26 is being sent only through electronic mode to those members whose email addresses are registered with the Company/RTA or the Depositories.
7. Members are requested to intimate changes, if any, about their name, postal address, e-mail address, telephone/ mobile numbers, PAN, power of attorney registration, bank mandate details, etc. to their respective DPs in case the shares are held in demat form. Further, members may note that SEBI has mandated the submission of PAN by every participant in the securities market.
8. The Notice of AGM and Annual Report will be sent to those Members/beneficial owners whose name appears in the register of Members/list of beneficiaries received from the Depositories as on Friday, August 07, 2026.
9. The Annual Report of financial year ended March 31, 2026, of the Company along with the Notice convening this AGM, will be made available on the Company's website at <https://www.aequs.com/investor/> as well as on the Stock Exchange websites (www.bseindia.com and www.nseindia.com) and on the website of RTA at <https://evoting.kfintech.com>. Physical copy of the Annual Report shall be sent to those Members who request the same. Additionally, a letter providing the web link to access the Notice of the AGM and Annual Report is being sent to those shareholders whose e-mail Ids are not registered with the Company/RTA or the Depositories.

10. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination, Remuneration and Compensation Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
11. The register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the register of contracts or arrangements in which Directors are interested under Section 189 of the Act, the certificate from the Secretarial Auditors of the Company under Regulation 13 of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 or any other documents referred to in the accompanying Notice, shall be made available for inspection electronically by the Members, during business hour, in accordance with the applicable statutory requirements based on the requests received by the Company at Investor.relations@aequs.com. The said documents shall also be available during the AGM.
12. SEBI vide circular no. SEBI/HO/OIAE/OIAE_IAD-1/P/ CIR/2023/131 dated July 31, 2023 (updated as on August 04, 2023) and SEBI Master Circular No. SEBI/ HO/OIAE/OIAE_IAD-3/P/CIR/2023/195 dated December 28, 2023, had issued guidelines towards an additional mechanism for investors to resolve their grievances by way of Online Dispute Resolution ("ODR") through a common ODR portal. Pursuant to above-mentioned circulars, post exhausting the option to resolve their grievance with the Company/RTA directly and through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal (<https://smartodr.in/login>) and the same can also be accessed through our website at <https://www.aequs.com/investor/>. Members can access the SEBI Circulars on the website of SEBI at <https://www.sebi.gov.in/> and the same are also available on the website of the Company at <https://www.aequs.com/investor/>.
13. Additional information, pursuant to Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standards issued by ICSI in respect of director re-appointment at the AGM is appended as **Annexure A** and forms part of this Notice.
14. Shareholders who have already voted prior to the meeting date would be entitled to attend and not be entitled to vote at the Meeting.
15. CS Pramod SM or in his absence CS Biswajit Ghosh, Partners of M/s. BMP & Co. LLP, a Practicing Company Secretaries firm, Bengaluru have been appointed as the Scrutinizer to scrutinize the remote e-Voting process and voting during AGM in a fair and transparent manner.
16. The Scrutinizer shall, immediately after the conclusion of e-Voting at the AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-Voting and shall make a consolidated scrutinizer's report of the total votes cast in favour or against, invalid votes, if any, and whether the resolutions have been carried or not, and such report shall then be sent to the Chairperson or a person authorized by the Chairperson, within 2 (two) working days from the conclusion of the AGM, who shall then countersign and declare the result of the voting forthwith.

17. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company i.e. <https://www.aequs.com/investor/> and on the website of RTA i.e. <https://evoting.kfintech.com> immediately after the declaration of result by the Chairperson or a person authorized by the Chairperson in writing. The results shall also be immediately forwarded to the Stock Exchanges i.e. National Stock Exchange of India Limited and BSE Limited.
18. The resolutions, if passed by requisite majority, shall be deemed to have been passed on the date of the AGM i.e. September 04, 2026.
19. The voting rights of Shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the Cut-Off date i.e. Friday, August 28, 2026.
20. The remote voting period begins on Tuesday, September 01, 2026, at 09:00 A.M. and ends on Thursday, September 03, 2026, at 5:00 P.M. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cutoff date, may cast their vote electronically. The e-Voting module shall be disabled by RTA for voting thereafter.
21. Remote e-Voting instructions for shareholders

The instructions for Members for remote e-voting are as under:

In accordance with the provisions of the circulars, this Notice is being sent through email only to Members whose email IDs are registered with KFin Technologies Limited ("KFin"), Registrar and Share Transfer Agent ("RTA") of the Company, National Securities Depository Limited ("NSDL") and / or Central Depository Services (India) Limited ("CDSL") (collectively referred to as Depositories or NSDL / CDSL) as at close of business hours on Friday, August 07, 2026, ("Cut-Off Date"). As per the Circulars, physical copies of the Notice and pre-paid business reply envelopes are not being sent to Members. Members are requested to provide their assent or dissent through remote e-voting only. In respect of those members who have not registered their e-mail IDs, the Company has mentioned the documents to be provided to KFin hereunder.

Members may note that the Notice will be available on the Company's website <https://www.aequs.com/investor/>, website of the Stock Exchanges i.e. the National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") at www.nseindia.com and www.bseindia.com respectively and on the website of KFin at <https://evoting.kfintech.com>.

1. Registration of e-mail ID

Members who have not registered their email IDs are requested to do so at the earliest. Members holding shares in **electronic mode** can register their email ID by contacting their respective Depository Participant(s) ("DP").

2. Members whose names appears in the Register of Members / List of Beneficial Owners as on the Cut-Off Date only i.e., Friday, August 28, 2026, shall be entitled to vote on the resolution set out in this Notice. A person who is not a Member as on the cut-off date should treat this Notice for information purpose only.

3. Instructions for remote e-voting

- i. In compliance with the provisions of Sections 108 and 110 of the Act read with the Rules as amended and Regulation 44 of the SEBI (Listing Regulations), as amended from time to time, the Company is providing facility to the Members to exercise voting through electronic voting system ("remote e-voting") on the e-voting platform provided by KFin. The Members may cast their votes remotely, using remote e-voting only on the dates mentioned hereunder. The instructions for remote e-voting forms part of this Notice.

- ii. Facility to exercise vote through remote e-voting will be available during the following period:

Commencement of Remote e-voting	End of Remote e-voting
Tuesday, September 01, 2026 from 09:00 A.M. (IST)	Thursday, September 03, 2026 till 05:00 P.M. (IST)

- iii. The remote e-voting module shall be disabled by KFin for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently or cast the vote again.

- iv. During the above period, Members of the Company holding shares in dematerialised form, as on Cut-Off Date, may cast their vote by remote e-voting.

- v. CS Pramod SM or in his absence CS Biswajit Ghosh, Partners of M/s. BMP & Co. LLP, a Practicing Company Secretaries firm, Bengaluru have been appointed as the Scrutinizer to scrutinize the E-voting process in a fair and transparent manner and submit a consolidated report. The Scrutinizer's decision on the validity of remote e-voting will be final.

- vi. The process and manner for remote e-voting is as under:

- a. In compliance with the provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the Listing Regulations read with SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020 relating to 'e-voting Facility Provided by Listed Entities' ("SEBI e-voting Circular") the Members are provided with the facility to cast their vote electronically, through the remote e-voting services provided by KFin, on the resolutions set forth in this Notice. The instructions for remote e-voting are given herein below.
- b. E-voting process has been enabled for all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process.
- c. Individual demat account holders would be able to cast their vote without having to register again with the E-voting Service Provider ("ESP") thereby not only facilitating seamless authentication but also ease and convenience of participating in e-voting process. Members are advised to update their mobile number and e-mail ID with their DPs to access e-voting facility.

- d. The process and manner of remote e-voting is explained below:
- Access to Depositories e-voting system in case of individual Members holding shares in demat mode.
 - Access to KFin e-voting system in case of Members holding shares in physical and non-individual Members in demat mode.
- i. **Access to Depositories e-voting system in case of individual Members holding shares in demat mode.**

Type of shareholders	Login method
Individual shareholders holding securities in demat mode with NSDL	A. Users registered for NSDL IDeAS facility: - Open web browser and type the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "IDeAS" section. - A new screen will open. Enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on "Access to e-voting" under e-voting services and you will be able to see e-voting page. - Click on options available against Company name or e-voting service provider- KFintech and you will be re-directed to e-voting service provider website for casting your vote during the e-voting period. B. Users not registered for IDeAS e-Services: Option to register is available at https://eservices.nsdl.com Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp and proceed with completing the required fields. After successful registration, please follow the steps given above to cast your vote. C. By visiting the e-voting website of NSDL: - Visit the e-voting website of NSDL. Open web browser and type the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-voting system is launched, click on the "Login" icon, available under the 'Shareholder/Member' section. - A new screen will open. Enter your User ID (i.e., your 16-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. - Click on options available against Company name or e-voting service provider- KFintech and you will be

	re-directed to e-voting service provider website for casting your vote during the e-voting period. D. NSDL Speede Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on  App Store  Google Play  
Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	A. Existing users who have opted for Easi/Easiest: 1. Open web browser and type: www.cdslindia.com and click on login icon and select New System Myeasi 2. Shareholders can login through their existing user ID and password. Option will be made available to reach e-voting page without any further authentication. 3. After successful login on Easi/Easiest, the user will also be able to see the e-voting Menu. The menu will have links of ESPs. Click on KFintech to cast your vote. B. Users who have not opted for Easi/Easiest: Option to register for Easi/Easiest is available at www.cdslindia.com. Proceed with completing the required fields. After successful registration, please follow the steps given above to cast your vote. C. By visiting the e-voting website of CDSL: 1. The user can directly access e-voting page by providing Demat Account Number and PAN No. from a link in www.cdslindia.com. The system will authenticate the user by sending OTP on registered Mobile & e-mail ID as recorded in the demat Account. 2. After successful authentication, user will be able to see the e-voting option where the e-voting is in progress and will also be able to directly access the system of e-Voting Service Provider, i.e., KFintech.

Individual Shareholders (holding securities in demat mode) logging through their depository participant(s)	1. Shareholders can also login using the login credentials of their demat account through their Depository Participant registered with NSDL/CDSL for e-voting facility. Once logged-in, you will be able to see e-voting option. 2. Once you click on e-voting option, you will be redirected to NSDL/CDSL website after successful authentication, wherein you can see e-voting feature. 3. Click on option available against Company name or e-voting service provider- KFintech and you will be redirected to e-voting service provider website for casting your vote

Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

Helpdesk for Individual Shareholders holding securities in demat mode who need assistance for any technical issues related to login through Depository i.e., NSDL and CDSL:

Login type	Helpdesk details
Securities held with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call on toll free no.: 022 - 4886 7000 and 022 - 2499
Securities held with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact on 1800 22 55 33

ii. **Access to KFin e-voting system in case of members holding shares in physical and non-individual members in demat mode.**

1. Initial password is provided in the body of the e-mail.
2. Launch internet browser and type the URL: <https://evoting.kfintech.com> in the address bar.
3. Enter the login credentials i.e., User ID and password mentioned in your e-mail. Your Folio No./DP ID Client ID will be your User ID. However, if you are already registered with KFin for e-voting, you can use your existing User ID and password for casting your votes.
4. After entering the details, click on LOGIN.
5. You will reach the password change menu wherein, you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case(a-z), one numeric value (0-9) and a special character (@,#,\$,etc.). It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
6. You need to login again with the new credentials.
7. On successful login, the system will prompt you to select the EVENT, i.e., **10013**

8. On the voting page, the number of shares (which represents the number of votes) held by you as on the cut-off date will appear. If you desire to cast all the votes assenting/dissenting to the resolution, enter all shares and click 'FOR'/ 'AGAINST' as the case may be or partially in 'FOR' and partially in 'AGAINST', but the total number in 'FOR' and/or 'AGAINST' taken together should not exceed your total shareholding as on the cut- off date. You may also choose the option 'ABSTAIN', in which case, the shares held will not be counted under either head.
9. Members holding multiple folios/demat accounts may choose to vote separately for each folio/demat account.
10. Cast your votes by selecting an appropriate option and click on 'SUBMIT'. A confirmation box will be displayed. Click 'OK' to confirm, else 'CANCEL' to modify. Once you confirm, you will not be allowed to modify your vote subsequently. During the voting period, you can login multiple times till you have confirmed that you have voted on all the resolutions.
11. Corporate/institutional Members (i.e., other than individuals, HUF, NRI, etc.) are required to send scanned image (PDF/JPG format) of certified true copy of relevant board resolution/authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who is/are authorized to vote, to the Scrutinizer through email at einward.ris@kfintech.com and may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format 'BFL_EVENT No.'

In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting User Manual available at the 'download' section of <https://evoting.kfintech.com> or call KFin on 1-800-309-4001 (toll free).

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 3:

Pursuant to the provisions of Section 204 and other applicable provisions of the Companies Act, 2013, if any, read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, every listed company shall annex a Secretarial Audit Report given by a Company Secretary in Practice, with its Board's Report.

Further, pursuant to Regulation 24A of the Listing Regulations, as amended from time to time, every listed entity shall undertake Secretarial Audit by a Secretarial Auditor who shall be a Peer Reviewed Company Secretary and the appointment of such Secretarial Auditor shall be approved by the Members of the Company at the Annual General Meeting.

In view of that above, after evaluating and considering various factors such as industry experience, competence of the audit team, efficiency in conduct of audit, independence, etc., the Board of Directors, upon recommendation of the Audit Committee at its meeting held on August 06, 2026 approved the appointment of M/s. BMP & Co. LLP, Practicing Company Secretaries (Firm Registration No. L2017KR003200) ("**BMP**"), as the Secretarial Auditors of the Company for a period of 5 (Five) consecutive years commencing from the financial year 2026-27 till the financial year 2030-31, subject to the approval of the shareholders of the Company at the Annual General Meeting at such remuneration as mutually agreed between the Board of Directors of the Company and the Secretarial Auditors.

Brief Profile of the Secretarial Auditor:

BMP is a well-established firm of Practicing Company Secretaries with offices in Bengaluru, Mumbai, Delhi (NCR), Gurgaon. Founded in 2017, the firm specialises in Company Secretarial services. Having undergone peer review, BMP delivers comprehensive consulting and advisory services in corporate law. Their expertise encompasses a wide spectrum, including Corporate Secretarial Services, Secretarial Audit, SEBI compliances, Initial Public Offerings, Foreign Direct Investment and Overseas Direct Investment under FEMA, Mergers & Amalgamations, Business Setup, and Fund Raise compliance. BMP provides services across diverse sectors, including listed corporates, multinational companies, startups, venture capital firms, and esteemed law firms.

BMP has consented to its appointment as Secretarial Auditors and has confirmed that their appointment will be in accordance with Section 204 of Companies Act, 2013 read with Listing Regulations.

The proposed remuneration to be paid to BMP for secretarial audit services is INR 450,000/- (Indian Rupees Four Hundred Fifty Thousand only) per financial year plus applicable taxes and out of-pocket expenses. The Board of Directors shall approve revisions to the remuneration of BMP for the remaining part of the tenure in such manner and to such extent as may be mutually agreed with BMP.

Besides the secretarial audit services, the Company may also obtain certifications from BMP under various statutory regulations and certifications required by statutory authorities, banks, audit related services and other permissible non-secretarial audit services as required from time to time, for which they will be paid separately on mutually agreed terms, as approved by the Board of Directors.

In view of the above, the consent of the Members is requested to pass an Ordinary Resolution as set out at Item No. 3 of the Notice.

None of the Directors or KMPs of the Company or their respective relatives are concerned or interested either directly or indirectly, in the Resolution mentioned at Item No. 3 of the Notice.

The Board recommends the Resolution set forth in Item No. 3 for the approval of the Members of the Company by way of an Ordinary Resolution.

ITEM NOS. 4 TO 7:

The Board of Aequs Limited recognizes performance-linked, equity-based compensation as an effective tool for attracting, motivating, rewarding, and retaining talent across the Company and its subsidiary company(ies) and associate company(ies). Such employee ownership programs align employee interests with long-term shareholder value creation and foster a culture of ownership and accountability. As the Company pursues its growth and expansion objectives, the need to attract and retain key talent, particularly in critical and leadership roles, has become increasingly important. Accordingly, the Company believes that, in addition to annual incentive programs, a long-term incentive framework is essential to enhance employee engagement, promote a performance-driven culture, and support the achievement of the Company's long-term strategic objectives and sustainable growth.

The Aequs Employee Stock Option Plan 2025 ("**ESOP 2025**" / "**Plan**") was adopted by the Board of Directors at its meeting held on May 10, 2025 and members by passing the special resolution at its Extraordinary General Meeting held on May 13, 2025 by consolidating all the existing Employee Stock Option Plans namely Aequs Employee Stock Option Plan, 2013, Aequs Employee Stock Option Plan, 2016, Aequs Employee Stock Option Plan, 2020 and Aequs Employee Stock Option Plan, 2022 ("**Prior ESOP Plans**") into "Aequs Employee Stock Option Plan 2025" in line with the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended from time to time, prior to listing of shares of the Company on National Stock Exchange of India Limited and BSE Limited on December 10, 2025. The Plan was further ratified by the Board of Directors at its meeting held on January 10, 2026, and members by passing a special resolution through postal ballot on March 27, 2026, pursuant to which an aggregate pool of **2,04,00,000 (Two Crores Four Lakhs Only)** equity shares was created for implementation through the Aequs Stock Option Plan Trust ("**Trust**"). Out of this pool, the Trust acquired **1,44,00,000 (One Crore Forty-Four Lakhs Only)** equity shares pertaining to the Company's earlier employee stock option plans/ schemes and **60,00,000 (Sixty Lakhs Only)** equity shares under ESOP 2025. As on July 31, 2026, the Trust holds 1,53,38,286 (One Crore Fifty-Three Lakh Thirty-Eight Thousand Two Hundred and Eighty-Six) equity shares available for utilization under ESOP 2025.

In view of evolving business requirements and talent retention objectives, the Nomination Remuneration Committee ("**Committee**") and Board of Directors ("**Board**") at their meetings held on August 07, 2026, respectively and subject to your approval, proposed to introduce the 'Aequs Restricted Stock Unit Plan 2026' ("**RSU 2026**" or "**Scheme**" or "**Plan**"), comprising a pool of **15,00,000 (Fifteen Lakhs)** Restricted Stock Units ("**RSUs**").

The proposed RSU pool is intended to be carved out from the existing pool under **ESOP 2025**, resulting in a corresponding reduction of the ESOP 2025 pool to that extent.

The equity shares required for implementation of the proposed Scheme will be sourced from the equity shares already acquired, through primary issuance and held by the existing Trust. Accordingly, **15,00,000 (Fifteen Lakhs)** equity shares of face value INR 10/- (**Indian Rupees Ten only**) each, out of the **1,53,38,286 (One Crore Fifty-Three Lakh Thirty-Eight Thousand Two Hundred and Eighty-Six)** equity shares currently held by the Trust, be earmarked and utilized for implementation of RSU 2026.

The proposed Scheme would be in the interest of the existing shareholders, as its implementation would not result in any additional dilution of equity share capital, given that the Scheme would be administered through the utilization of existing shares already acquired and held by the Trust.

This Scheme shall be administered through the existing Trust namely Aequs Stock Option Plan Trust and supervised by the Nomination and Remuneration Committee.

Performance Evaluation at Grant Stage

In a shift from conventional stock option grant practices, which traditionally after granting RSUs link the vesting to achievement of certain performance, the Company is now embracing a more progressive, performance-based approach. Under this model, eligibility for participation in the RSU 2026 will be determined at the grant stage basis either corporate or individual performance metrics or both. The corporate performance parameters, which will serve as the basis for evaluating the overall success of the organization, shall include but are not limited to:

- i. **Revenue:** The revenue generated by the organization either segment wise, consolidated or otherwise, with or without its Subsidiary Company(ies) and/or Associate Company(ies) of the Company, during the immediately preceding financial year.
- ii. **Profit After Tax (PAT):** The segment or consolidated net profit after tax realized by the organization with or without its Subsidiary Company(ies) and/or Associate Company(ies) of the Company, during the immediately preceding financial year.
- iii. **Additional Commercial Parameters:** Any other commercial parameters as determined by the Committee either segment wise, department wise or cross functional projects/ assignments, at its discretion, based on the prevailing business requirements and objectives from time to time.

To meet the corporate performance criteria, the organization must have achieved or exceeded the predetermined thresholds for each of the aforementioned corporate performance parameters as may be decided by the committee.

Apart from corporate performance, individual performance shall also be assessed and each individual must achieve a minimum 3 (Three) or meets expectation rating of their designated performance targets, as determined through the Company's established performance appraisal framework.

This performance-based approach ensures a comprehensive and fair evaluation, reflecting overall organizational performance and the individual contributions made by employees, thereby supporting a transparent, objective, and legally compliant selection and appraisal process.

At the Grant stage, the Committee shall, in its discretion, determine the appropriate quantum of RSUs to be granted to the Employees. In making this determination, the Committee may take into account both individual and corporate performance, assigning appropriate weight to each, depending on the employee's role within the organization. For senior management, a significant weight shall be placed on corporate or departmental performance, given their critical role in driving the overall performance. For middle and junior management, the emphasis shall be more on individual performance, with a progressively lower emphasis on corporate performance. This approach is designed to foster the growth and success of the organization while simultaneously rewarding employees for their direct contributions to creating such value. However, Committee can exceptionally grant RSUs to key hires with scarce or differentiated skills as part of their joining process at the sole discretion of the Committee, considering the criticality of the role and skills identified and recommended by management/Committee.

Save as otherwise provided, by prioritizing corporate performance in the grant process, the Committee ensures alignment with shareholder interests, the sustainable growth of the organization, and the equitable recognition of employee performance in driving such outcomes.

While granting the RSUs to any eligible employee(s) of any of its subsidiary company(ies) and/or associate company(ies), shall at its discretion, consider the factors, including but not limited to the role(s) of such employee(s) for safeguarding the interest of the Company, or such employee's contribution to the Company and/or its subsidiary company(ies) and/or associate company(ies) which in turn contributes to the Company overall.

Further, where the RSUs are granted to an Employee of Subsidiary Company or Associate Company of the Company, the Company shall be entitled, subject to Applicable Law, accounting standards and tax requirements, to recover, recharge or cross-charge to such Subsidiary Company or Associate Company, all or such portion of the costs, expenses, accounting charge, fair value charge, tax cost, administrative cost or any other cost incurred or recognized by the Company or the Trust in connection with the Grant, Vesting, Exercise, transfer or settlement of such RSUs, as may be determined by the Committee from time to time.

The particulars as required under Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021 ("SBEB Regulations") and Section 62 (1)(b) of the Companies Act, 2013 are provided herein below:

a. Description of the Scheme:

Keeping the view of the aforesaid objectives, the eligible employees are expected to receive benefits based on their contribution to creating value for shareholders. Such evaluation is made at the time of grant. The RSU 2026 contemplates grant of RSUs to the eligible employees of the Company and/ or subsidiary company(ies) and/or associate company(ies) of the Company, exclusively working in India or outside India, as determined in terms of the RSU 2026 and in due compliance of SBEB Regulations. After vesting of RSUs, the eligible employees earn a right (but not obligation) to exercise the vested RSUs within the exercise period and obtain equity shares of the Company subject to payment of exercise price and satisfaction of any tax obligation arising thereon.

The Scheme is intended to achieve the following:

- (a) to reward and drive performance, and align employees' individual objectives with the Company's overall growth;
- (b) to align with industry practice, including competitive positioning of overall compensation;
- (c) to provide employees with a wealth creation opportunity.

The Committee shall act as the compensation committee and shall supervise the Scheme. All questions of interpretation of the Scheme shall be determined by the Committee, and such determination shall be final and binding upon all persons having an interest in the Scheme. Whereas the Trust shall administer the Scheme.

b. Total number of RSUs to be granted:

The total number of RSUs to be granted under the Scheme shall not exceed 15,00,000 (Fifteen Lakhs) RSUs. Each RSU when exercised would be converted into one equity share of face value of INR 10/- (Indian Rupees Ten only) each fully paid-up.

The equity shares so issued and allotted as mentioned hereinbefore shall rank pari passu with the then existing equity shares of the Company for all purposes and in all respects

Further, SBEB Regulations require that in case of any corporate action(s) such as rights issue, bonus issue, merger, sale of division etc., a fair and reasonable adjustment needs to be made to the RSUs granted. In this regard, the Committee shall adjust the number and price of the RSUs granted in such a manner that the total value of the RSUs granted under the Scheme remain the same after any such corporate action. Accordingly, if any additional RSUs are granted by the Company, for making such fair and reasonable adjustment, the ceiling of aforesaid shall be deemed to be increased to the extent of such additional RSUs granted.

c. Identification of classes of employees entitled to participate in the Scheme:

Subject to determination or selection by the Committee, following classes of employees are eligible being:

- i. an employee as designated by the company, who is exclusively working in India or outside India; or
- ii. a Director of the Company, whether a whole-time director or not; including a non-executive director who is not a Promoter or member of the Promoter Group; or
- iii. an employee as defined in sub-clauses (i) or (ii), of a subsidiary company(ies) and/or its associate company(ies) of the Company, in India or outside India;

but does not include-

- i) an employee who is a Promoter or belongs to the Promoter Group;
- ii) a Director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the Company;
- iii) an Independent Director.

The Committee, while granting the RSUs to any eligible employee(s) of any subsidiary company(ies) and/or associate company(ies) of the Company, shall at its discretion, consider the factors including but not limited to the role(s) of such employee(s) for safeguarding the interest of the Company, or such employee's contribution to the Company.

Further, where the RSUs are granted to an Employee of Subsidiary Company or Associate Company of the Company, the Company shall be entitled, subject to Applicable Law, accounting standards and tax requirements, to recover, recharge or cross-charge to such Subsidiary Company or Associate Company, all or such portion of the costs, expenses, accounting charge, fair value charge, tax cost, administrative cost or any other cost incurred or recognized by the Company or the Trust in connection with the Grant, Vesting, Exercise, transfer or settlement of such RSUs, as may be determined by the Committee from time to time.

d. Requirements of Vesting and period of Vesting:

All the RSUs granted on any date shall vest not earlier than the minimum vesting period of **1 (one) year** and not later than the maximum vesting period of **7 (Seven) years** from the date of grant.

The Committee subject to minimum and maximum ceiling of vesting period shall have the power to prescribe the vesting schedule for a particular grant.

The specific vesting period, vesting schedule and the vesting conditions, upon which vesting shall take place, will be detailed in the letter of grant issued to the eligible employee at the time of the grant and would be subject to compliance with terms and conditions set forth in the Scheme.

e. Maximum period within which the RSUs shall be vested:

All the RSUs granted on any date shall vest not later than the maximum vesting period of **7 (Seven) years** from the date of each grant.

f. Exercise price or pricing formula:

The exercise price per RSU shall be the face value of the Share of the Company as on grant date.

g. Exercise period and the process of exercise:

The Exercise Period for vested RSUs shall not exceed **3 (Three) years** commencing from the relevant date of vesting.

The vested RSUs shall be exercisable by the eligible employees by a written application in writing or through any other method as determined by the Committee, to the Company/Trust, requesting the issuance/ transfer of Shares of the Company for the Vested RSUs. Exercise of RSUs shall be entertained only after payment of the requisite exercise price and satisfaction of applicable taxes by the eligible employee. The RSUs shall lapse if not exercised within the specified exercise period.

Exercise period in case of various events:

Subject to maximum Exercise Period specified above, the treatment of Vested and Unvested RSUs shall be as follows:

S. No.	Events	Vested RSUs	Unvested RSUs
1	While in employment/ Service	All the Vested RSUs shall be exercisable by the RSU Grantee within the Exercise Period .	All the Unvested RSU shall continue to vest as per the terms and conditions of the Grant.
2	Resignation/ Termination (Other than due to Misconduct)	All the Vested RSUs as on the date of resignation or termination shall be exercisable by the RSU Grantee within 90 days from the date of resignation/termination or the Exercise Period, whichever is earlier .	All the Unvested RSUs as on the date of resignation/termination shall stand cancelled with effect from such date of resignation/termination.
3	Termination due to Misconduct	All the Vested RSUs at the time of such termination shall stand cancelled with effect from the date of such termination.	All the Unvested RSUs at the time of such termination shall stand cancelled with effect from the date of such termination.
4	Retirement / Superannuation	All the Vested RSUs as on date of Retirement shall be	All Unvested RSUs as on the date of Retirement would

S. No.	Events	Vested RSUs	Unvested RSUs
		exercisable within 6 (Six) months from the date of Retirement or Exercise Period, whichever is earlier.	continue to vest in accordance with the original vesting schedules even after the Retirement unless otherwise determined by the Committee in accordance with the Company's Policies, if any, and provisions of the then prevailing Applicable Law. Such aforesaid Vested RSUs, if any, can be exercised within a period of 6 (Six) months from the date of such Vesting.
5	Death	All the Vested RSUs as on date of death shall be exercisable by the legal heir/ nominee of such deceased RSU Grantee within 6 (Six) months from the date of Death of the RSU Grantee.	All the Unvested RSUs as on date of death shall vest immediately in the RSUs Grantee's nominee or legal heir and can be exercisable within a period of 6 (Six) months from the date of such Vesting.
6	Permanent Incapacity	All Vested RSUs may be exercised by the RSU Grantee within 6 (Six) months from the date of the Permanent Incapacity.	All the Unvested RSUs as on date of incurring such incapacity shall vest immediately with effect from such event to the RSU Grantee and can be exercisable within a period of 6 (Six) months from the date of such Vesting.
7	Transfer/deputation to/from any of its Subsidiary Company(ies) and/or Associate Company(ies)	Exercise Period to remain the same as per the terms of the Grant. In case of subsequent separation, treatment of RSUs shall be as per the applicable circumstance mentioned in this table.	Vesting schedule and Exercise Period to remain the same as per the terms of the Grant. In case of subsequent separation, treatment of RSUs shall be as per the applicable circumstance mentioned in this table.
8	Abandonment	All the Vested RSUs at the time of such Abandonment shall stand cancelled with effect from the date of such termination.	All the Unvested RSUs at the time of such Abandonment shall stand cancelled with effect from the date of such termination.
9	Any other reason	The Committee shall decide whether the Vested RSUs as on that date can be exercised by the RSU Grantee or not, and such decision shall be final.	All Unvested RSUs on the date of such termination shall stand cancelled unless otherwise required by Applicable Laws.

h. Appraisal process for determining the eligibility of employees under the Scheme:

The performance appraisal and selection process shall be governed by mandatory performance criteria, which shall consist of either corporate or individual performance metrics or both. The corporate performance parameters, which will serve as the basis for evaluating the overall success of the organization, shall include but are not limited to:

- i. **Revenue:** The revenue generated by the organization either segment wise, consolidated or otherwise, with or without its Subsidiary Company(ies) and/or Associate Company(ies) of the Company, during the immediately preceding financial year.
- ii. **Profit After Tax (PAT):** The segment or consolidated net profit after tax realized by the organization with or without its Subsidiary Company(ies) and/or Associate Company(ies) of the Company, during the immediately preceding financial year.
- iii. **Additional Commercial Parameters:** Any other commercial parameters as determined by the Committee either segment wise, department wise or cross functional projects/ assignments, at its discretion, based on the prevailing business requirements and objectives from time to time.

To meet the corporate performance criteria, the organization must have achieved or exceeded the predetermined thresholds for each of the aforementioned corporate performance parameters as may be decided by the committee.

Apart from corporate performance, individual performance shall also be assessed and each individual must achieve a minimum 3 (Three) meets expectation rating of their designated performance targets, as determined through the Company's established performance appraisal framework.

This performance-based approach ensures a comprehensive and fair evaluation, reflecting at overall organizational performance and the individual contributions made by employees, thereby supporting a transparent, objective, and legally compliant selection and appraisal process.

At the Grant stage, the Committee shall, in its discretion, determine the appropriate quantum of RSUs to be granted to the Employees. In making this determination, the Committee may take into account both individual and corporate performance, assigning appropriate weight to each, depending on the employee's role within the organization. For senior management, a significant weight shall be placed on corporate or departmental performance, given their critical role in driving the overall performance. For middle and junior management, the emphasis shall be more on individual performance, with a progressively lower emphasis on corporate performance. This approach is designed to foster the growth and success of the organization while simultaneously rewarding employees for their direct contributions to creating such value. However, Committee can exceptionally grant RSUs to key hires with scarce or differentiated skills as part of their joining process at the sole discretion of the Committee, considering the criticality of the role and skills identified and recommended by management/Committee.

Save as otherwise provided, by prioritizing corporate performance in the Grant process, the Committee ensures alignment with shareholder interests, the sustainable growth of the organization, and the equitable recognition of Employee performance in driving such outcomes.

While granting the RSUs to any eligible Employee(s) of its subsidiary company(ies) or associate company(ies) of the Company, shall at its discretion, consider the factors, including but not limited to the role(s) of such Employee(s) for safeguarding the interest of the Company, or such Employee's contribution to the Company or subsidiary company(ies) or associate company(ies) of the Company which in turn contribute to the Company overall.

i. Maximum number of RSUs to be issued per employee and in aggregate:

The maximum number of RSUs that may be granted to each employee per grant and in aggregate (taking into account all Grants) vary depending upon the designation and the appraisal/ assessment process, however, shall not exceed 1,00,000 (One Lakhs) RSUs.

j. Maximum quantum of benefits to be provided per employee under the Scheme:

The maximum quantum of benefits contemplated under the Scheme are in terms of the maximum number of RSUs that may be granted to an eligible Employee.

Apart from the grant of RSUs as stated above, no other benefits are contemplated under the Scheme.

k. Route of the Scheme implementation:

The Scheme shall be implemented and administered through the existing Trust of the Company.

l. Source of acquisition of shares under the Scheme:

Under the proposed Scheme, the Trust will not acquire any additional shares through secondary or primary acquisition and the said Scheme will be implemented by carving out 15,00,000 (Fifteen Lakh) equity shares out of 1,53,38,286 (One Crore Fifty-Three Lakh Thirty-Eight Thousand Two Hundred and Eighty-Six) equity shares currently held by the Trust in its name.

m. Amount of loan to be provided for implementation of the Scheme(s) by the Company to the trust, its tenure, utilization, repayment terms, etc.:

As the Scheme is being implemented by carving out 15,00,000 (Fifteen Lakh) equity shares out of the existing equity shares acquired through primary issuance and held by the Trust, it may not be necessary to provide the loan/financial assistance to the Trust for acquisition of the shares for implementation of the Scheme. However, for the purpose of administration of the Trust and in order to meet the expenses of the Trust for implementation of the Scheme, the Company may provide necessary financial assistance with the grant of a loan, provision of a guarantee or security in connection with a loan to the Trust, subject to 5% (Five Percent) of the aggregate of paid-up capital and free reserves, as permissible under the applicable laws along with existing employee benefit schemes of the Company, as may be approved by the shareholders of the Company, from time to time. The loan amount may be disbursed in one or more tranches.

The loan provided by the Company shall be interest-free with tenure of such loan based on the term of the Scheme and shall be repayable to the Company from realization of proceeds of exercise/ permitted sale/ transfer of Shares and any other eventual income of the Trust.

The Trust shall utilise the loan amount disbursed from time to time strictly for the purposes of the Scheme.

n. Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the trust for the purposes of the Scheme:

Not applicable, as all the equity Shares i.e. **15,00,000 (Fifteen Lakh)** Shares, reserved under the Scheme have already been acquired and held by the Trust in its name are well within the statutory limit as prescribed under the SBEB Regulations. Further, under the proposed Scheme, the Trust will not acquire any additional shares through secondary acquisition.

o. Accounting and Disclosure Policies:

The Company shall follow the relevant accounting standards as may be prescribed by the Central Government in terms of Section 133 of the Companies Act, 2013 and/ or any relevant accounting standards/ guidance note as may be prescribed by the Institute of Chartered Accountants of India or any other competent authority, from time to time, including the disclosure requirements prescribed therein, in compliance with Regulation 15 of SBEB Regulations.

p. Method of RSU valuation:

The Company shall adopt 'fair value method' for valuation of RSUs as prescribed under IND AS 102 on Share-based payments or any accounting standard/ guidance note, as applicable, notified by competent authorities from time to time.

q. The conditions under which RSU vested in employees may lapse:

Refer point "g" above.

r. The specified time period within which the employee shall exercise the vested RSU in the event of a proposed termination of employment or resignation of employee:

Refer point "g" above.

s. Variation of terms and rationale of variation of Plan: Not Applicable

t. Details of the employees who are beneficiaries of such variation: Not Applicable

u. Declaration:

In case, the Company opts for expensing of share-based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the RSUs and the impact of this difference on profits and on Earning Per Share (EPS) of the Company shall also be disclosed in the Boards' Report.

v. Period of lock-in:

The Shares issued/ transferred pursuant to the exercise of RSUs shall not be subject to any lock-in period restriction except such restrictions as may be prescribed under applicable laws, including that under the code of conduct framed by the Company under the Securities and Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015, as amended, shall apply.

w. Terms & conditions for buyback, if any, of specified securities/ RSUs covered, granted under the Scheme:

Subject to the provisions of the then prevailing applicable laws, the Board shall determine the procedure for buy-back of the specified securities/RSUs if to be undertaken at any time by the Company and the applicable terms and conditions thereof.

The disclosures required under Rule 16 of the Companies (Share Capital and Debentures) Rules, 2014 are provided under Item No. 8 of the Explanatory Statement.

A copy of the draft Scheme is available for inspection at the Company's registered office/corporate office during official hours on all working days till the last date of the e-voting and are also available on the website of the Company at <https://www.aequs.com/investor/>.

None of the Directors and Key Managerial Personnel of the Company, including their relatives, are interested or concerned in the resolutions, except to the extent they may be lawfully granted RSUs under RSU 2026.

In this background, the Company seeks your approval by way of a special resolution pursuant to:

- i. Section 62(1)(b) of the Companies Act, 2013, read with Regulation 3 and Regulation 6 of SBEB Regulations, for the implementation of the Scheme through Trust route;
- ii. Regulation 6(3)(c) of the SBEB Regulations, a separate resolution, for extending and granting the RSUs under the Scheme to the eligible employees of its subsidiary company(ies) working in India or outside India;
- iii. Regulation 6(3)(c) of the SBEB Regulations, a separate resolution, for extending and granting the RSUs under the Scheme to the eligible employees of its associate company(ies), working in India or outside India;

The Board recommends the Resolutions set forth in Item Nos. 4-7 for the approval of the Members of the Company by way of Special Resolutions.

ITEM NO 8:

The Company intends to implement 'Aequs Restricted Stock Unit Plan 2026' ("**RSU 2026**" or "**Scheme**" or "**Plan**"), for which approval is sought from the shareholders in separate resolutions at Item Nos. 4 to 7. This proposed Scheme shall be administered through the existing irrevocable employee welfare trust of the Company namely 'Aequs Stock Option Plan Trust' ("**Trust**").

For administration of the Trust and to meet the expenses of the Trust for implementation of the Scheme, the Company may provide financial assistance or loans, if required, to the Trust within the limits prescribed under Section 67 of the Companies Act, 2013, read with Rule 16 of the Companies (Share Capital and Debentures) Rules, 2014 and the applicable provisions of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("**SBEB Regulations**") or any other applicable laws. Any such loan shall be interest-free and repayable from the proceeds realized by the Trust in accordance with applicable laws.

Necessary details in this regard are provided as under:

i. The class of employees for whose benefit the Scheme is being implemented and money is being provided for acquisition of the Shares:

Following classes of employees and directors (collectively referred to as "Employees") are eligible being:

- i) an employee as designated by the company, who is exclusively working in India or outside India; or
- ii) a Director of the Company, whether a whole-time director or not; including a non-executive director who is not a Promoter or member of the Promoter Group; or
- iii) an employee as defined in sub-clauses (i) or (ii), of a subsidiary company(ies) and/or its associate company(ies) of the Company, in India or outside India;

but does not include-

- i) an employee who is a Promoter or belongs to the Promoter Group;
- ii) a Director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the Company;
- iii) an Independent Director.

ii. The particulars of the Trustee or employees in whose favour such Shares are to be registered:

The Company has an existing Trust, constituted and operating in compliance with the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SBEB Regulations"). The Trust has, duly acquired and currently holds equity shares of the Company in accordance with the applicable provisions of law. Such shares are registered in the name of the Trust and/or one or more trustees acting on behalf of the Trust, as permissible under applicable laws.

The shares proposed to be utilized under the Scheme form part of the shares presently held by the Trust. Upon vesting and exercise of the RSUs, the corresponding equity shares shall be transferred by the Trust to the eligible employees, and such shares shall thereafter be registered in the respective names of the employees in accordance with the provisions of the Scheme, the Companies Act, 2013 and the SBEB Regulations. Accordingly, implementation of the Scheme shall be facilitated through the transfer of existing shares held by the Trust and shall not require any fresh issue of shares by the Company.

iii. The particulars of trust and name, address, occupation and nationality of trustees and their relationship with the promoters, directors or key managerial personnel, if any:

The Trust is in the nature of an irrevocable employee welfare trust with the name 'Aequs Stock Option Plan Trust' ("**Trust**") having its principal office at Aequs Limited, No 437/A, Aequs Special Economic Zone, Hattargi Village, Belagavi – 591 243 India.

Details of the Trustee:

S No	Name	Address	Occupation	Nationality
1	Mr. Aroor Raghavendra	120, Mathrusree, 11 th Cross, Ramesh Nagar, Malleshwaram, Bangalore North, Bangalore, Karnataka - 560037	Service	Indian
2	Mr. Sudhindra K	No. 114, 6 th Main, 7 th Cross, Bengaluru- 560003	Service	Indian

None of the Trustee is a promoter, director or key managerial personnel of the Company or its subsidiary company or associate company, or a relative of any such promoter, director or key managerial personnel, or beneficially holds 10% or more of the paid-up share capital or the voting rights of the Company.

iv. Any interest of key managerial personnel, directors or promoters in such Scheme or trust and effect thereof:

Promoters are not eligible to be covered under the Scheme. However, key managerial personnel and directors (excluding independent directors) may be covered under the Scheme in due compliance with relevant applicable SBEB Regulations.

v. The detailed particulars of benefits which will accrue to the employees from the implementation of the Scheme:

The maximum quantum of benefits contemplated under the Scheme are in terms of the maximum number of RSUs that may be granted to an eligible employee as specified in the Scheme.

Apart from the grant of RSUs as stated above, no other benefits are contemplated under the Scheme.

vi. The details about who would exercise and how the voting rights in respect of the shares to be acquired under the Scheme would be exercised:

The trustee of the Trust shall not vote in respect of Shares held in the Trust as per extant SBEB Regulations. In this circumstance, the voting rights can be exercised by an eligible employee only when the Shares are transferred by the Trust to him/her upon exercise.

None of the directors and / or key managerial personnel of the Company including their relatives are interested or concerned in the Trust/ resolution, except to the extent of their entitlements, if any, under the Scheme.

In this background, the Company seeks your approval by way of a special resolution as set forth in the agenda item no. 8 of the Notice, in terms of Section 67 of the Companies Act, 2013 read with Rule 16 of the Companies (Share Capital and Debentures) Rules, 2014 and Regulation 3(8) of the SBEB Regulations, for approving provision of money by the Company for purchase of its own Shares by the Trust for the implementation of the Scheme.

The Board recommends the Resolution set forth in Item No. 8 for the approval of the Members of the Company by way of Special Resolution.

ITEM NOS. 9 & 10:

The Aequs Employee Stock Option Plan 2025 ("**ESOP 2025**" / "**Plan**") was adopted by the Board of Directors at its meeting held on May 10, 2025 and members by passing the special resolution at its Extraordinary General Meeting held on May 13, 2025 by consolidating all the existing Employee Stock Option Plans namely Aequs Employee Stock Option Plan, 2013, Aequs Employee Stock Option Plan, 2016, Aequs Employee Stock Option Plan, 2020 and Aequs Employee Stock Option Plan, 2022 ("**Prior ESOP Plans**") into "Aequs Employee Stock Option Plan 2025" in line with the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended from time to time, prior to listing of shares of the Company on National Stock Exchange of India Limited and BSE Limited on December 10, 2025. The Plan was further ratified by the Board of Directors at its meeting held on January 10, 2026, and members by passing a special resolution through postal ballot on March 27, 2026.

The Aequs Stock Option Plan Trust administers the ESOP 2025 in accordance with Companies Act, 2013, SEBI (SBEB & SE) Regulations and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and such other laws, rules and regulations (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force) as may be applicable ("**Applicable Laws**"). As of July 31, 2026, 1,53,38,286 (One Crore Fifty-Three Lakh Thirty-Eight Thousand Two Hundred and Eighty-Six) shares are outstanding with Aequs Stock Option Plan Trust, out of a total ESOP pool of 2,04,00,000 shares.

Considering the implementation of Aequs Restricted Stock Unit Plan 2026 ("RSU 2026" or "Scheme" or "Plan") by carving out 15,00,000 (Fifteen Lakhs) stock options from the existing total pool of stock options of 2,04,00,000 (Two Crore Four Lakhs) it is necessary to amend Aequs Employee Stock Option Plan 2025 (ESOP 2025) to reduce its pool from 2,04,00,000 (Two Crore Four Lakhs) to 1,89,00,000 (One Crore Eighty-Nine Lakhs).

Further in addition to the above proposed amendment it is also proposed for certain other amendments to the ESOP 2025 to, inter alia, to extend the benefits of the Plan to eligible employees of associate companies (including joint venture company) in addition to, subsidiary companies of the Company, whether existing or future, in India or outside India, in accordance with the applicable provisions of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (the "SEBI SBEB & SE Regulations").

The Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, at its meeting held on August 07, 2026, approved, subject to approval of members, above mentioned amendments to the ESOP 2025.

The said amendments to the Plan are not prejudicial to the interests of the employees/ directors of (i) the Company; or (ii) Group Company(ies), inter-alia including, subsidiary companies and associate companies [including joint venture company].

Section 62 of the Companies Act, 2013, the applicable provisions of Companies (Share Capital and Debenture) Rules, 2014 read with Regulation 7(1) of the SEBI (SBEB & SE) Regulations, a company may vary the terms of employee stock option schemes by way of passing special resolution by the shareholders of such company. Further, in terms of Regulation 6 of SEBI (SBEB & SE) Regulations, the approval of the shareholders by way of a separate special resolution is required for granting options to the employees of subsidiary companies / group companies (including associate companies, if any) as defined in SEBI (SBEB & SE) Regulations / the Companies Act, 2013.

In view of above, approval of the shareholders of the Company is sought by way of special resolutions for Item Nos. 9 & 10 of the accompanying Notice.

None of the Directors or Key Managerial Personnel and their immediate relatives are concerned or interested, financially or otherwise, except to the extent that the stock options may be granted to any of them pursuant to the ESOP 2025.

The Board recommends the Resolutions set forth in Item Nos. 9-10 for the approval of the Members of the Company by way of Special Resolutions.

This explanatory statement may also be regarded as a disclosure under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Key Variations in the ESOP 2025:

i. Variation of terms of the “Aequus Employee Stock Option Plan 2025” (“ESOP 2025”)

Clause of ESOP 2025	Existing Provision	New Provision
Clause 1.3- amended	The purpose of this Plan is to: (i) Attract, retain and motivate the deserving Employees; (ii) Encourage the Employees to contribute to the growth of the Company; (iii) Reward the Employees of the Company for their performance and contribution to the success and growth of the Company.	The purpose of this Plan is to: (i) Attract, retain and motivate the deserving Employees; (ii) Encourage the Employees to contribute to the growth of the Company; (iii) Reward the Employees of the Company or Subsidiary Company or Associate Company for their performance and contribution to the success and growth of the Company.
Clause 2.1(v)- inserted	-	“Associate Company” shall have the same meaning as defined under the Companies Act.
Clause 2.1(vii)- amended	“Company” shall mean Aequus Limited (formerly known as “Aequus Private Limited”) incorporated under the Companies Act 1956, having its registered office at No. 55, Whitefield Main Road, Mahadevapura Post, Bengaluru, Karnataka, India, 560048 and shall include its successors-in-interest and assigns.	“Company” shall mean Aequus Limited (formerly known as “Aequus Private Limited”) incorporated under the Companies Act 1956, having its registered office at No. 55, Whitefield Main Road, Mahadevapura Post, Bengaluru, Karnataka, India, 560048 and shall include its successors-in-interest and assigns. Provided that where the context so requires, the term Company shall mean the Subsidiary Company and Associate Company.
Clause 2.1(x)- amended	“Employee/s” shall mean: (a) An employee as designated by the company who has been exclusively working in India or outside India; or (b) a director of the company, whether a whole-time director or not, including a non-executive director who is not a promoter or member of the promoter group, but excluding an independent director; or (c) an employee as defined in clauses (a) or (b) of a Group Company including subsidiary, in India or outside India, or of a Holding Company of the company but does not include- (i) an employee who is a Promoter or a	“Employee/s” shall mean: (a) An employee as designated by the company who has been exclusively working in India or outside India; or (b) a director of the company, whether a whole-time director or not, including a non-executive director who is not a promoter or member of the promoter group, but excluding an independent director; or (c) an employee as defined in clauses (a) or (b) of a Group Company including subsidiary, its Associate Company , in India or outside India, but does not include-

	person belonging to the Promoter Group; or (ii) a director who either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the company. The term "independent director" shall have the meaning assigned to the term in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013. Provided that where such employee is a director nominated by an institution as its representative on the Board: (i) the contract or agreement entered into between the institution nominating its employee as the director of the Company and the director so appointed shall, <i>inter alia</i>, specify the following: a. whether the grants by the Company under the Scheme can be accepted by the said employee in his/her capacity as director of the Company; b. that grant if made to the director, shall not be renounced in favour of the nominating institution; and c. the conditions subject to which fees, commissions, other incentives, etc. can be accepted by the director from the Company. (ii) the institution nominating its employee as a director of the Company shall file a copy of the contract or agreement with the said Company, which shall, in turn file the copy with all the recognised stock exchanges on which its Shares are listed.	(i) an employee who is a Promoter or a person belonging to the Promoter Group; or (ii) a director who either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the company. The term "independent director" shall have the meaning assigned to the term in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013. Provided that where such employee is a director nominated by an institution as its representative on the Board: (i) the contract or agreement entered into between the institution nominating its employee as the director of the Company and the director so appointed shall, <i>inter alia</i>, specify the following: a. whether the grants by the Company under the Scheme can be accepted by the said employee in his/her capacity as director of the Company; b. that grant if made to the director, shall not be renounced in favour of the nominating institution; and c. the conditions subject to which fees, commissions, other incentives, etc. can be accepted by the director from the Company. (ii) the institution nominating its employee as a director of the Company shall file a copy of the contract or agreement with the said Company, which shall, in turn file the copy with all the recognised stock exchanges on which its Shares are listed.

	(iii) the director so appointed shall furnish a copy of the contract or agreement at the first board meeting of the Company attended by him after his nomination.	(iii) the director so appointed shall furnish a copy of the contract or agreement at the first board meeting of the Company attended by him after his nomination.
Clause 7.1- amended	Based on performance and tenure of the Employees of the Company shall be eligible for the Grant of Options in terms of this Plan. NRC may from time to time change the eligibility criteria, subject to compliance with Applicable Law.	Based on performance and tenure of the Employees shall be eligible for the Grant of Options in terms of this Plan. NRC may from time to time change the eligibility criteria, subject to compliance with Applicable Law.
Clause 7.2- amended	The Plan shall be applicable to the Company, Subsidiary(ies) of the Company within or outside India, and Options may be granted to the Employees of the Company, its Subsidiary Company (ies), Holding Company as determined by the Board/Committee at its sole discretion, in compliance with the provisions of Applicable Law. In case of any Grant to the Employees of the Holding company/Subsidiary company (ies), the Company shall obtain prior approval of the Shareholders of the Company by way of a special resolution.	The Plan shall be applicable to the Company, Subsidiary(ies) and Associate Company within or outside India, and Options may be granted to the Employees of the Company, and its Subsidiary Company(ies) and Associate Company(ies) as determined by the Board/Committee at its sole discretion, in compliance with the provisions of Applicable Law. In case of any Grant to the Employees of the Subsidiary company (ies) /Associate Company, the Company shall obtain prior approval of the Shareholders of the Company by way of a special resolution to the extent required under Applicable Law.
Clause 7.6- inserted	-	Notwithstanding anything contained in this Plan, where Options are granted to an Employee of Subsidiary Company or Associate Company of the Company, the Company shall be entitled, subject to Applicable Law, accounting standards and tax requirements, to recover, recharge or cross-charge to such Group Company all or such portion of the costs, expenses, accounting charge, fair value charge, tax cost, administrative cost or any other cost incurred or recognized by the Company or the Trust in connection with the Grant, Vesting, Exercise, transfer or settlement of such Options, as may be determined by the Board / NRC from time to time.

		Such recovery, recharge or cross-charge may be made pursuant to an inter-company agreement, debit note, service arrangement, reimbursement arrangement or such other mechanism as may be considered appropriate by the Company, and the concerned Subsidiary Company/Associate Company shall, to the extent permitted under Applicable Law, bear and reimburse such cost in the manner and within such timelines as may be determined by the Company.
Clause 8.1- amended	Subject to an Adjustment, the total Shares proposed to be allotted to the Trust by the Company are 2,04,00,000 (Two Crores Four lakhs) Shares, which includes the ESOP Pool of 1,44,00,000 (One Crore Forty-Four Lakhs) Shares allotted from Prior ESOP Plans and further proposed allotment of 60,00,000 (Sixty Lakhs) shares under ESOP 2025, herein referred to as 'ESOP Pool'. Each 1 (One) Option granted by the Trust shall represent 1 (One) Share.	Subject to an Adjustment, the total Shares held by Trust for ESOP 2025 are 1,89,00,000 (One Crore Eighty-Nine Lakh) Shares. Each 1 (One) Option granted by the Trust shall represent 1 (One) Share.
Clause 12.1 amended	The Exercise Price payable in respect of each Vested Option shall be as determined by the NRC, subject to confirmation with the accounting policies specified under the SEBI SBEB Regulations. The specific Exercise Price shall be intimated to the Option Grantee in the Offer Letter at the time of Grant. The Exercise Price for Options granted under the Prior ESOP Plans shall remain as per respective grant letters.	The Exercise Price for any stock option Grant shall be the last traded price of equity shares of Aequs Limited, on the recognized stock exchange having the highest trading volume on the trading day immediately preceding the date of grant of options by the Nomination & Remuneration Committee. The specific Exercise Price shall be intimated to the Option Grantee in the Offer Letter at the time of Grant. The Exercise Price for Options granted under the Prior ESOP Plans shall remain as per respective grant letters.
Clause 19.1- amended	In the event of an Option Grantee being transferred or deputed to any of Holding Company, Subsidiary Company (prior to Vesting or Exercise) at the instance of or with the consent of the Company, the Option Grantee will continue to hold all Granted Options and the Vesting and Exercise shall be governed by the Plan and	In the event of an Option Grantee being transferred or deputed to any of, Subsidiary Company or Associate Company (prior to Vesting or Exercise) at the instance of or with the consent of the Company, the Option Grantee will continue to hold all Granted Options and the Vesting and Exercise shall be

	Letter of Offer, as is, even after the transfer or deputation.	governed by the Plan and Letter of Offer, as is, even after the transfer or deputation.
Clause 33-amended	The terms and conditions of the Plan shall be governed by and construed in accordance with the laws of India including the Income Tax Laws and Foreign Exchange Laws mentioned below: i. Income Tax Laws The provisions of the Income Tax Act, 1961 and Rules made thereunder as amended and enacted from time to time shall be applicable in respect of taxability of Employees and the Company arising out of any transaction in the Options. ii. Foreign Exchange Laws In case any Options are granted to any Employee being resident outside India belonging to the Company or its Subsidiary, the provisions of the Foreign Exchange Management Act, 1999 and Rules or Regulations made thereunder as amended and enacted from time to time shall be applicable and the Company has to comply with such requirements as prescribed in connection with the Grant, Vesting, Exercise of Options and allotment/transfer of Shares thereof. All matters arising out of this Plan shall be subject to the jurisdiction of the Courts at Bengaluru, India. Nothing in this sub-clause will however limit the right of the Company to bring proceedings against any Employee in connection with this Plan: (i) in any other court of competent jurisdiction; or (ii) concurrently in more than one jurisdiction.	The terms and conditions of the Plan shall be governed by and construed in accordance with the laws of India including the Income Tax Laws and Foreign Exchange Laws mentioned below: i. Income Tax Laws The provisions of the Income Tax Act, 1961 and Rules made thereunder as amended and enacted from time to time shall be applicable in respect of taxability of Employees and the Company arising out of any transaction in the Options. ii. Foreign Exchange Laws In case any Options are granted to any Employee being resident outside India belonging to the Company or its Subsidiary or Associate Company, the provisions of the Foreign Exchange Management Act, 1999 and Rules or Regulations, directions, circulars, notifications and reporting requirements issued thereunder, including those relating to foreign investment, issue, transfer, holding and disposal of securities, shall apply. The Company, the Trust, the concerned Subsidiary Company and Associate Company and the Option Grantee shall comply with all applicable requirements in connection with the Grant, Vesting, Exercise, issue, allotment, transfer, holding, sale or disposal of Shares pursuant to this Plan, including any approvals, filings, reporting, sectoral caps, pricing guidelines, payment conditions or other conditions prescribed under Applicable Laws. Where any Grant, Vesting, Exercise, issue, transfer or settlement of Options or Shares in favour of an Employee of a Subsidiary Company or Associate Company is not permissible, requires prior approval,

		or is subject to additional conditions under applicable foreign exchange laws, the Company / Trust may withhold, defer, modify, cancel or settle such Options in such manner as may be determined by the Board / NRC, without any liability, until such permissions, approvals or compliances are completed to the satisfaction of the Company / Trust. All matters arising out of this Plan shall be subject to the jurisdiction of the Courts at Bengaluru, India. Nothing in this sub-clause will however limit the right of the Company to bring proceedings against any Employee in connection with this Plan: (i) in any other court of competent jurisdiction; or (ii) concurrently in more than one jurisdiction.

Note: Consequent upon the insertion of the aforesaid clause(s), the subsequent clauses of the ESOP Plan shall be renumbered accordingly, wherever required.

ii. Rationale of the variation of the terms of the “Aequs Employee Stock Option Plan 2025” (“ESOP 2025”)

The proposed variation of the ESOP Plan is intended to extend the benefits of the ESOP Plan to eligible employees of the associate company (including joint venture companies), whether existing or future, in India or outside India, subject to Applicable Laws. The variation seeks to provide a broader framework for attracting, retaining, motivating and rewarding eligible employees across the group and to align their interests with the long-term growth, performance and value creation of the Company and its group companies.

Further, the proposed variation is intended to amend and modify the ESOP pool size of ESOP 2025, considering the implementation of Aequs Restricted Stock Unit Plan 2026 (“RSU 2026” or “Scheme” or “Plan”) by carving out 15,00,000 (Fifteen Lakhs) stock options from the existing total pool of stock options of 2,04,00,000 (Two Crore Four Lakhs) and thereby reducing ESOP 2025 pool from 2,04,00,000 (Two Crore Four Lakhs) to 1,89,00,000 (One Crore Eighty-Nine Lakhs).

The variation is aimed at providing the Company with greater flexibility in designing and administering equity-based incentives, enabling the Company to attract, retain and motivate eligible employees through an additional form of long-term equity incentive. The proposed variation does not adversely affect the interests of the employees who have already been granted Options under ESOP 2025, as it pertains only to the ungranted option pool. Consequently, the ungranted option pool available under ESOP 2025 shall stand reduced by 15,00,000 Options, and the total pool under ESOP 2025 shall stand at 1,89,00,000 Options, subject to adjustments in accordance with the terms of ESOP 2025 and applicable law.

The proposed variation would also foster a greater sense of ownership and commitment among eligible employees and recognise their contribution towards achieving the strategic and business objectives of the Company and its group companies. Accordingly, the ESOP Plan is proposed to be suitably amended to enable the grant of stock options to such eligible employees, in accordance with applicable laws and subject to the terms and conditions of the ESOP Plan.

The proposed amendments also contain certain editorial/drafting changes. The variation in the terms of the Plan do not adversely affect any vested rights of the existing option holders.

Further, the proposed changes/deletions/amendments are not detrimental to the interests of the employees/ directors of the Company, Subsidiary Company and Associate Company (including joint venture companies).

iii. Details of the employees who are beneficiaries of such variation

The beneficiaries of the proposed variation are all existing options grantees (who have not yet exercised their options) and such other option grantees to whom options may be granted in the future under Plan.

The Plan is to continue to cover the eligible employees of the Company, Subsidiary Company and Associate Company in India and abroad, whether present or future.

The Plan will continue to be implemented through Aequs Stock Option Plan Trust ("**Trust**") either by primary issue of shares by the Company or secondary acquisition from the open market.

The particulars as required under Section 62 (1)(b) of the Companies Act, 2013 and SEBI (SBEB &SE) Regulations are provided herein below:

a. Brief Description of the "Aequs Employee Stock Option Plan 2025" ("ESOP 2025") is as under:

The Company has formulated ESOP 2025 to attract, retain, motivate and reward the deserving employees and encourage the employees to contribute to the growth of the Company by granting them the option to purchase certain shares of the Company.

The ESOP 2025 shall be administered and implemented by the Nomination & Remuneration Committee along with Aequs Stock Option Plan Trust.

b. Total number of employee stock options to be offered and granted:

Considering the implementation of Aequs Restricted Stock Unit Plan 2026 ("RSU 2026" or "Scheme" or "Plan") by carving out 15,00,000 (Fifteen Lakhs) stock options from the existing total pool of stock options of 2,04,00,000 (Two Crore Four Lakhs), under ESOP 2025, the maximum number of options that may be granted shall be 1,89,00,000 which on exercise would entitle not more than 1,89,00,000 equity shares of face value of INR 10/- each of the Company, in one or more tranches, on such other terms and conditions as the Nomination and Remuneration Committee along with Aequs Stock Option Plan Trust, may decide from time to time, subject to any adjustment as may be required.

It is pertinent to note that grant or exercise of any such stock options would not entail any creation, issue or offer or new shares in the Company as the corresponding shares are already allotted and residing in Stock Option Plan Trust.

c. Identification of classes of employees entitled to participate and be beneficiaries in the Scheme:

The following classes of employees / directors shall be entitled to participate and shall be the beneficiaries under the ESOP 2025:

- (a) An employee as designated by the company who has been exclusively working in India or outside India; or
- (b) a director of the company, whether a whole-time director or not, including a non-executive director who is not a promoter or member of the promoter group, but excluding an independent director; or
- (c) an employee as defined in clauses (a) or (b) of a Subsidiary Company and Associate Company in India or outside India, but does not include-
 - (i) an employee who is a Promoter or a person belonging to the Promoter Group; or
 - (ii) a director who either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the company.

The term "independent director" shall have the meaning assigned to the term in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013.

Provided that where such employee is a director nominated by an institution as its representative on the Board:

- (i) the contract or agreement entered into between the institution nominating its employee as the director of the Company and the director so appointed shall, *inter alia*, specify the following:
 - a. whether the grants by the Company under the Scheme can be accepted by the said employee in his/her capacity as director of the Company;
 - b. that grant if made to the director, shall not be renounced in favour of the nominating institution; and
 - c. the conditions subject to which fees, commissions, other incentives, etc. can be accepted by the director from the Company.
- (ii) the institution nominating its employee as a director of the Company shall file a copy of the contract or agreement with the said Company, which shall, in turn file the copy with all the recognised stock exchanges on which its Shares are listed.
- (iii) the director so appointed shall furnish a copy of the contract or agreement at the first board meeting of the Company attended by him after his nomination.

Eligibility: Based on performance and tenure of the Employees, they shall be eligible for the Grant of Options in terms of ESOP 2025. The Nomination and Remuneration Committee may from time to time change the eligibility criteria, subject to compliance with Applicable Law.

d. Appraisal Process for determining the eligibility of the employees to ESOPs:

The appraisal process for determining the eligibility of employees shall be based on any one or a combination of factors as determined by the Nomination and Remuneration Committee, including but not limited to performance and work contribution, period of service, role and responsibilities, and the present and potential contribution of the option grantees, or such other factors as the Committee may deem relevant in its absolute discretion.

e. Requirements of vesting and period of vesting:

The Vesting Period shall be for a maximum period of 7 (seven) years from the date of Grant and minimum shall be 1 (one) year from the date of Grant.

Provided that, the vesting period for an option granted under Prior ESOP Schemes shall continue to vest in accordance with the terms as set out in the respective Prior ESOP Schemes and grant letters, while being within the minimum vesting period of 1 (one) year from the date of grant of an option and maximum vesting period of 7 (seven) years from the date of grant.

f. The maximum period within which the options shall be vested:

7 (seven) years from the date of grant of ESOPs.

g. Exercise price or pricing formula:

The Exercise Price for any stock option Grant shall be the last traded price of equity shares of Aequs Limited, on the recognized stock exchange having the highest trading volume on the trading day immediately preceding the date of grant of options by the Nomination & Remuneration Committee." The specific Exercise Price shall be intimated to the Option Grantee in the Offer Letter at the time of Grant. The Exercise Price for Options granted under the Prior ESOP Plans shall remain as per respective Grant Letters.

The exercise price shall be in compliance with the accounting standards specified under the SBEB & SE Regulations, including any 'Guidance Note on Accounting for employee share-based Payments' issued in that regard from time to time.

h. Exercise Period and the process of exercise:

Exercise process:

The vested Options can be exercised by the option grantees by a written application to the Company in the format as may be prescribed in due course keeping in view the administrative and/or the legal requirements prevailing at that time.

VESTED OPTIONS		
SI. No	REASONS FOR SEPARATION	PARTICULARS
1	While in employment	All the Vested Options can be Exercised by the Option Grantee within three (3) years of the Vesting of the Options.
2	Resignation/ termination (other than due to Misconduct)	All the Vested Options on that date shall be exercisable by the Grantee within ninety (90) days from the date of resignation/ termination.
3	Termination / severance for cause or any other default or Misconduct on the part of the Option Grantee.	All the Vested Options which were not Exercised at the time of such termination/ severance shall immediately lapse with effect from the date of such termination/ severance of employment.
4	Retirement / Superannuation (not being resignation or termination) in accordance with the Company policies and Applicable Law	All Vested Options can be exercised by the Grantee immediately after, but in no event later than six (6) months from the date of such retirement/ superannuation.

5	Death	All Vested Options may be exercised by the Nominee immediately after, but in no event later than twelve (12 months) from the date of death of the Grantee.
6	Termination due to Permanent Incapacity.	All Vested Options may be exercised by the Grantee or, in case of his death, by the Nominee immediately after, but in no event later than twelve (12 months) from the date of such Permanent Incapacitation.
7	Abandonment	All the Vested Options shall stand cancelled.
8	Separation due to reasons other than those mentioned above	The Board/Committee will decide whether the Vested Options on the date of separation can be exercised by the Option Grantee or not, and such decision shall be final.
UNVESTED OPTIONS		
Sl. No	REASONS FOR SEPARATION	PARTICULARS
1	While in employment	The Options would continue to Vest as per the original Vesting schedule set out in the Letter of Offer.
2	Resignation/ termination (other than due to Misconduct)	All Unvested Options on the date of submission of resignation / the last working day shall stand cancelled and return to the pool with effect from that date.
3	Termination due to Misconduct	All Unvested Options on the date of such termination shall stand cancelled with effect from that date of termination of employment.
4	Retirement / Superannuation (not being resignation or termination) approved by the company	All Unvested Options would continue to Vest as per the original Vesting schedule set out in the Letter of Offer.
5	Death	All the Unvested Options as on the date of death shall vest immediately and may be exercised by the nominee immediately after, but in no event later than twelve (12 months) from the date of death of the Option Grantee.
6	Termination due to Permanent Incapacity	All the Unvested Options as on the date of such Permanent Incapacitation shall Vest immediately and can be Exercised by the Grantee or, in case of his death, the nominee immediately after, but in no event later than six (6) months from the date of such Permanent Incapacitation.
7	Abandonment	All the Unvested Options shall stand cancelled.
8	Separation due to reasons other than those mentioned above	All Unvested Options on the date of separation shall stand cancelled with effect from that date.

i. Lock-in period:

The Shares arising out of Exercise of Vested Options would not be subject to any lock-in period after such Exercise except such restrictions as prescribed under the Applicable Laws.

j. Maximum number of options to be issued per employee and in aggregate:

Any Option Grantee may be Granted Options multiple times. However, the maximum quantum of Grantee's Shares which may be reserved for an Option Grantee shall not exceed five (5) % of the total issued and paid-up equity share capital of the Company, at any given time. However, Grant of Option, to identified Employees, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant of Option shall be subject to receipt of approval of shareholders of the Company by way of separate resolution in the general meeting.

k. Maximum quantum of benefits to be provided per Employee under the "Aequs Employee Stock Option Plan 2025" ("ESOP 2025") scheme:

Unless otherwise determined by the Nomination and Remuneration Committee, the maximum benefits underlying the equity shares acquired by employees pursuant to the exercise of the ESOPs will be the difference in the exercise price and the market price of the equity shares. Apart from grant of Options as stated above, no monetary benefits are contemplated under the ESOP 2025.

l. Whether the "Aequs Employee Stock Option Plan 2025" ("ESOP 2025") is to be implemented and administered directly by the Company or through a trust:

The ESOP 2025 is administered through the Aequs Stock Option Plan Trust.

m. Whether "Aequs Employee Stock Option Plan 2025" ("ESOP 2025") involves new issue of shares by the Company or secondary acquisition by the trust:

ESOP 2025 may be implemented through primary issuance of shares and/or secondary acquisition by the ESOP Trust, as permitted under the ESOP 2025.

The total number of Options to be granted under this ESOP 2025 shall not exceed 1,89,00,000 or any other higher number of Equity Shares as may be approved by Shareholders in the general meeting from time to time subject to and in accordance with the Applicable Laws, Charter Documents and any shareholders' agreement of the Company.

n. The amount of loan to be provided for implementation of the "Aequs Employee Stock Option Plan 2025" ("ESOP 2025") scheme(s) by the Company to the trust, its tenure, utilization, repayment terms, etc.

The Company may fund the Aequs Stock Option Plan Trust by way of a loan for enabling it to acquire shares (in addition to the initial shares) or any equivalent monetary or economic value in accordance with the ESOP 2025 and the Trust Deed. The amount of loan shall not exceed 5% (five percent) of the aggregate of the paid up share capital and free reserves of the Company for the purpose of subscription and/ or purchase of equity shares of the Company by the Trust/ Trustees, in one or more tranches, subject to the ceiling of equity shares as may be prescribed under the ESOP 2025 and permitted under applicable laws prevailing from time to time. The loan shall be utilized for the purposes of subscription and / or purchase of equity shares of the Company by the Trust / Trustees. The loan shall be repayable with zero or minimum interest, as allowed/mandatory, if any, under the applicable law and the tenure of such loan shall be the point where the objects of the Trust are accomplished or the repayment of loan is made, whichever is earlier.

o. Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the trust for the purposes of the ESOP 2025 scheme(s)

Secondary acquisition in a financial year by the Trust shall not exceed 2% of the paid-up equity capital of the Company as at the end of the previous financial year. The total number of Shares under secondary acquisition held by the Trust shall at no point of time exceed 5% (five percent) of the paid-up equity capital of the Company as at the end of the financial year immediately prior to the year in which the Shareholders' approval is obtained for such secondary acquisition.

p. Method of option valuation:

The Company shall adopt fair value method for valuation of options as prescribed under Ind AS 102 or under any relevant accounting standard notified by appropriate authorities from time to time. In case the Company opts for expensing of share based employee benefits using the intrinsic value, the difference between the employees compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Board's Report and the impact of this difference on profits and on earnings per share of the Company shall also be disclosed in the Board's Report.

q. The conditions under which option vested in employees may lapse

The conditions under which options vested in employee may lapse are as given below:

In case of Termination / severance for cause or any other default or Misconduct on the part of the Option Grantee, all the Vested Options which were not Exercised at the time of such termination/ severance shall immediately lapse with effect from the date of such termination/ severance of employment.

All Vested Options can be exercised by the Grantee immediately after, but in no event later than six (6) months from the date of such Retirement/ Superannuation.

In case of abandonment, all unvested and vested options shall stand cancelled.

r. The specified time period within which the employee shall exercise the vested options in the event of a proposed termination of employment or resignation of employee:

As mentioned in Clause (h) above.

s. Terms & conditions for buyback, if any, of specified securities covered under the SEBI (SBEB&SE) and Sweat Equity Regulations

The Nomination Remuneration Committee shall determine the procedure for buy-back of Options granted under the Plan if to be undertaken at any time by the Company, and the applicable terms and conditions thereof.

t. Statement to the effect that the company should comply with the applicable accounting standards:

The Company shall conform to the applicable accounting policies prescribed under the SEBI SBEB & SE Regulations, or such other policy(ies) as may be prescribed under any other law with respect to accounting for Options, including the disclosure requirements prescribed therein.

The amended and restated ESOP 2025 and other documents referred to in the aforesaid resolutions are available for inspection by the shareholders at the registered office of the Company during office hours on all working days until the last date for receipt of votes by e-voting and are also available on the website of the Company at <https://www.aequs.com/investor/>.

ITEM NO. 11

The Board of Directors of the Company, at its meeting held on April 23, 2026 and May 26, 2026, approved the Scheme of Amalgamation between Aequs Limited ("**the Company**" / "**Transferee Company**") and AeroStructures Manufacturing India Private Limited, Aequs Engineered Plastics Private Limited and Aequs Force Consumer Products Private Limited ("**Transferor Companies**" / "**Wholly Owned Subsidiaries of the Company**") and their respective shareholders and creditors (the "**Scheme**"), pursuant to the provisions of Sections 233 and other applicable provisions of the Companies Act, 2013 (the "**Act**").

Pursuant to the Scheme and upon the Scheme becoming effective, the respective undertakings, businesses, assets, properties, rights, interests, liabilities and obligations of the Transferor Companies shall stand transferred to and vested in the Company in accordance with the terms of the Scheme.

Aequs Engineered Plastics Private Limited ("**AEPPL**") is, inter alia, engaged in the business of manufacturing of all sorts of plastic products, parts and toys, while Aequs Force Consumer Products Private Limited ("**AFCPPL**") is, inter alia, engaged in the business of manufacturing all sorts of consumer products and toys.

Accordingly, in order to enable the Company to continue, undertake and carry on the businesses and activities presently undertaken by AEPPL and AFCPPL, and to align the Object Clause of the Memorandum of Association of the Company with the businesses proposed to be transferred to and vested in the Company, it is proposed to alter Clause III(A) of the Memorandum of Association of the Company by incorporating therein the relevant main object clauses of AEPPL and AFCPPL.

The business activities presently undertaken by Aerostructures Manufacturing India Private Limited are already covered within the scope of the existing Object Clause of the Memorandum of Association of the Company. Accordingly, no further alteration of the Memorandum of Association is considered necessary in respect of the business and activities of Aerostructures Manufacturing India Private Limited.

The proposed alteration would facilitate the seamless continuation and integration of the aforesaid businesses and activities with the existing business operations of the Company and would enable the Company to undertake such businesses and activities in accordance with its Memorandum of Association.

Pursuant to Section 13 of the Act, alteration of the provisions of the Memorandum of Association requires the approval of the Members by way of a Special Resolution. Accordingly, the approval of the Members is being sought for alteration of Clause III(A) of the Memorandum of Association of the Company in the manner set out in the Special Resolution forming part of this Notice.

The Board of Directors, at its meeting held on August 07, 2026, has approved the proposed alteration of the Object Clause of the Memorandum of Association of the Company, subject to the approval of the Members and such other approvals, consents, permissions and sanctions as may be necessary.

A copy of the existing Memorandum of Association of the Company, together with the proposed alterations thereto, shall be available for inspection by the Members in accordance with the applicable provisions of the Act and the details specified in this Notice. A draft copy of the revised Memorandum of Association with the proposed alterations thereto is also available on website of the Company for inspection by the Members up to the last date of remote e-voting.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives is, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 11 of this Notice, except to the extent of their respective shareholding, if any, in the Company.

The Board recommend the Resolution set forth in Item No. 11 for the approval of the Members of the Company by way of Special Resolution.

ITEM NO. 12

In terms of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") as amended, any transaction with a related party shall be considered material for the Company, if the transaction(s) entered into/ to be entered into individually or taken together with the previous transactions during a financial year, exceeds 10% of the annual consolidated turnover of the Company (as per Schedule XII of the SEBI Listing Regulations) as per the last audited financial statements of the Company, and shall require prior approval of Members by means of an Ordinary Resolution. The approval of the Members under Regulation 23 of the SEBI Listing Regulations is required even if the transactions are in the ordinary course of business of the Company and are on an arm's length basis.

Background and Justification:

Members may take note that Aequs Limited ("Company") and the below mentioned wholly owned subsidiaries of the Company are operating their units from Aequs Special Economic Zone (BAC) and Koppal Toy Cluster Koppal (KTC), developed, maintained and operated by Aequs SEZ Private Limited, the Developer of Special Economic Zones within the meaning of SEZ Act 2005 and developer of the Domestic Tariff Area (DTA) in KTC. Aequs Limited is operating in BAC since 2008 and subsidiaries are operating from BAC and KTC since the inception of their operations.

Aequs SEZ Private Limited being the Developer of BAC and KTC is catering to all the units including the third-party units in BAC and also providing, apart from land and building, all requisite infrastructures like electricity, water, transportation and allied services. Aequs SEZ being the Developer of BAC and KTC is most equipped to cater all these services, and they have been catering these services since 2008 and 2022 respectively and they are the deemed distribution licensee for supply of electricity. As Aequs and wholly owned subsidiaries have chosen to be operating as "Units within the meaning of the SEZ Act 2005 and rules made thereunder, like most of the SEZ and Industrial parks are operated, Aequs SEZ Private Limited being the developer of BAC and KTC are catering all the services to Aequs Limited and below mentioned wholly owned subsidiaries and these services are being rendered in the ordinary course of business and at arm's length price.

The shareholders of the Company had, by way of postal ballot concluded on March 27, 2026, approved the material related party transactions proposed to be entered into/continued between the Company and its certain wholly owned subsidiaries with Aequs SEZ Private Limited for the financial year 2026-27 ("In-force RPT Approval") for an aggregate amount up to INR 1,07,01,44,716/- (Indian Rupees One Hundred Seven Crores One Lakh Forty Four Thousand Seven Hundred and Sixteen only).

With a view to aligning the validity of shareholders' approval for material related party transactions with the Company's annual general meeting cycle and in line with good governance practices, the approval of the shareholders is now being sought for the proposed material related party transactions between the Company and its subsidiaries with Aequs SEZ Private Limited for the period commencing from the conclusion of the 26th (Twenty-Sixth) Annual General Meeting until the conclusion of the 27th (Twenty-Seventh) Annual General Meeting of the Company, on the terms and conditions set out in the accompanying resolution. Though the Company is having In-force RPT Approval in place, as the scale and pace of certain operational activities of the Company (including its subsidiaries) are anticipated to be accelerated, resulting in an increased requirement for infrastructure and related support services being availed from Aequs SEZ Private Limited.

The members may further note that the Securities and Exchange Board of India ("SEBI") vide its circular no. SEBI/HO/CFD/CMD1/CIR/P/2022/47 dated April 8, 2022, clarified that the member's omnibus approval of the RPTs approved in an Annual General Meeting shall be valid upto the date of the next AGM for a period not exceeding fifteen months. Hence, it is now proposed to seek approval of the members for the below mentioned transactions at the 26th Annual General Meeting in order to have the resolution valid till 27th Annual General Meeting.

Accordingly, the proposed related party transaction(s) between the Company and its wholly owned subsidiaries, as mentioned herein below, with Aequs SEZ Private Limited ("ASEZ"), as approved / recommended by the Audit Committee and approved by the Board of Directors at their meeting held on August 06, 2026, and August 07, 2026, respectively, are placed before the Shareholders for their approval by way of an Ordinary Resolution:

S. No	Name of the Company	Value of the proposed transaction (INR Million)
1.	Aerostructures Assemblies India Private Limited ("AAI")	92
2.	Aequs Consumer Products Private Limited ("ACPPL")	18
3.	Aequs Engineered Plastics Private Limited ("AEPPL")	338
4.	Aequs Force Consumer Products Private Limited ("AFCPPL")	225
5.	Aequs Limited ("AL")	206
6.	AeroStructures Manufacturing India Private Limited ("ASMIPL")	717
8.	Aequs Toys Private Limited ("ATPL")	270
9.	Koppal Toys Molding COE Private Limited ("KTmpl")	134
Total		2,000

The Audit Committee has, on the basis of a thorough scrutiny of relevant details / documents provided by the Management and also of the mandatory disclosure which is required to be made to the Audit Committee in accordance with the Industry Standards on "Minimum Information to be provided to the Audit Committee and Shareholders for Approval of Related Party Transactions", reviewed and approved the said transaction(s), subject to approval of the Members, while noting that such transaction(s) shall be on arms' length basis and in the ordinary course of business of the Company. While approving the related party transactions, the Audit Committee has determined that the promoters will not benefit from the proposed RPTs at the expense of public shareholders and is in the interest of the Company.

The approval is sought to enable the Company to enter into/continue with the existing contract(s)/arrangement(s)/transaction(s) with the said related party transaction(s) in one or more tranches. The proposed transaction(s) are intended to be undertaken by the Company with the related party in the ordinary course of business and on an arm's length basis

The relevant information pertaining to transactions as required pursuant to the Master Circular for compliance with the provisions of the SEBI Listing Regulations by listed entities dated January 30, 2026, as amended, issued by the Securities and Exchange Board of India ("SEBI") read with the Industry Standards on Minimum information to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions dated June 26, 2025 ("RPT Industry Standards") and as last amended on October 13, 2025 are as set forth below:

S. No.	Particulars of the information	Information provided by the management
A. Details of the related party and transactions with the related party		
A(1). Basic details of the related party		
1.	Name of the related party	Aequs SEZ Private Limited
2.	Country of incorporation of the related party	India

3.	Nature of business of the related party	The company is primarily engaged in real estate and infrastructure development , including development of industrial parks, IT parks and commercial/residential projects, along with ancillary activities such as aviation services, internet service provision, and training & manpower services.
A(2). Relationship and ownership of the related party		
1.	a) Relationship between the listed entity/subsidiary (in case of transaction involving the subsidiary) and the related party. b) Shareholding of the listed entity/ subsidiary (in case of transaction involving the subsidiary), whether direct or indirect, in the related party. c) Where the related party is a partnership firm or a sole proprietorship concern or a body corporate without share capital, then capital contribution, if any, made by the listed entity/ subsidiary (in case of transaction involving the subsidiary). d) Shareholding of the related party, whether direct or indirect, in the listed entity/ subsidiary (in case of transaction involving the subsidiary).	a. Mr. Aravind S Melligeri, Executive Chairman & Chief Executive Officer and also one of the Promoters of Aequs Limited ("Company") is a Director of Aequs Infrastructures Pvt Ltd Mauritius, which is holding 100% of shareholding of Aequs SEZ Private Limited. Also, Aequs Manufacturing Investments Private Limited which is the promoter shareholder of the Company and Aequs Infrastructures Pvt Ltd Mauritius are ultimately held by The Melligeri Foundation, Cayman Islands. AAI, ACPPL, AEPPL, AFCPPL, ASMIPL, ATPL & KTML are the wholly owned subsidiaries of Aequs Limited. b. Neither Aequs Limited nor its wholly owned subsidiaries are holding any shares in the share capital of Aequs SEZ Private Limited, whether directly or indirectly. c. Not Applicable d. Aequs SEZ Private Limited is not holding any shares of Aequs Limited or of its wholly owned subsidiaries

A(3). Details of previous transactions with the related party				
1.	Total amount of all the transactions undertaken by the listed entity or subsidiary with the related party during the last financial year.	Sl. No.	Nature of Transactions	Amount (INR Mn.)
		1	Rental Expenses	519
		2	Services Availed (incl. reimbursement of expenses)	331
		3	Finance cost	58
		4	Fair value of Corporate Guarantee received	15
		5	Security Deposit	13
		6	Rendering of Services (incl. reimbursement of expenses)	1
			Total	937
2.	Total amount of all the transactions undertaken by the listed entity or subsidiary with the related party in the current financial year up to the quarter immediately preceding the quarter in which the approval is sought.	Sl. No.	Nature of Transactions	Amount (INR Mn.)
		1	Rental Expenses	134
		2	Services Availed (incl. reimbursement of expenses)	94
		3	Finance cost	4
		4	Fair value of Corporate Guarantee received	0
		5	Security Deposit	5
		6	Rendering of Services (incl. reimbursement of expenses)	0
			Total	237
4.	Any default, if any, made by a related party concerning any obligation undertaken by it under a transaction or arrangement entered into with the listed entity or its subsidiary during the last financial year.	No		
A(4). Amount of the proposed transactions (All types of transactions taken together)				
1.	Total amount of all the proposed transactions being placed for approval in the current meeting.	INR 2,000 Mn (Indian Rupees Two Thousand Million only)		
2.	Whether the proposed transactions taken together with the transactions undertaken with the related party during the current financial year is material RPT in terms of Para 1(1) of these Standards?	Yes		
3.	Value of the proposed transactions as a percentage of the listed entity's annual consolidated turnover for the immediately preceding financial year	16.25%		

4.	Value of the proposed transactions as a percentage of subsidiary's annual standalone turnover for the immediately preceding financial year (in case of a transaction involving the subsidiary and where the listed entity is not a party to the transaction)	Name of the company	Value of proposed transaction (in INR Mn.)	% of turnover for FY 25-26
		ASMIPL	717	11%
		AAI	92	10%
		ACPPL	18	3%
		KTMPL	134	114%
		AEPPL	338	26%
		AFCPPL	225	1481%
		ATPL	270	1197%
5.	Value of the proposed transactions as a percentage of the related party's annual consolidated turnover (if consolidated turnover is not available, calculation to be made on standalone turnover of related party) for the immediately preceding financial year, if available.	Name of the company	Value of proposed transaction (In INR Mn.)	% of turnover of Aequs SEZ Private Limited for FY 2024-25*
		ASMIPL	717	60%
		AAI	92	8%
		ACPPL	18	1%
		KTMPL	134	11%
		AEPPL	338	28%
		AFCPPL	225	19%
		ATPL	270	22%
		AL	206	17%
		Total	2,000	
*Statutory Audit of financial statements of Aequs SEZ Private Limited for the year ended March 31, 2026, is in process and hence % is calculated as per FY 2024-25 audited financial statements.				
6.	Financial performance of the related party for the immediately preceding financial year:	Particulars	FY 2024-25 (In INR Mn.) *	
		Turnover	1201.00	
		Net profit	99.00	
		Net worth	1825.18	
		*Statutory Audit of financial statements of Aequs SEZ Private Limited for the year ended March 31, 2026, is in process and hence details are provided as per FY 2024-25 audited financial statements.		
A(5). Basic details of the proposed transaction				
1.	Specific type of the proposed transaction (e.g. sale of goods/services, purchase of goods/services, giving loan, borrowing etc.)	Sl. No.	Nature of Transactions	Amount (INR Mn.)
		1	Rental Expenses	760
		2	Services Availed (incl. reimbursement of expenses)	736
		3	Lease hold improvements	235
		4	Finance cost	32

		5	Fair value of Corporate Guarantee received	35
		6	Security Deposit	199
		7	Rendering of Services (incl. reimbursement of expenses)	3
			Total	2,000
2.	Details of each type of the proposed transaction	The proposed Related Party Transactions to be entered into between the Company and its wholly owned subsidiaries with Aequs SEZ Private Limited shall comprise transactions undertaken in the ordinary course of business and on an arm's length basis. These include: (i) availing and rendering of various services such as administrative support services, Infrastructure maintenance, transportation, electricity, water and other common area & operational support services. (ii) Cost recognised in respect of guarantee provided by Aequs SEZ Private Limited in respect of loan availed by the company and its subsidiaries. (iii) Leasehold improvements for expansion & strengthening existing building along with Fire & Safety compliance. (iv) Rent payment as per Lease agreements. (v) Security deposit for lease hold properties ^ refundable statutory electricity deposits. All such transactions shall be executed in compliance with applicable laws and the Company's policy on related party transactions.		
3.	Tenure of the proposed transaction (tenure in number of years or months to be specified)	Till 27 th Annual General Meeting of the Company to be held in the year 2027		
4.	Whether omnibus approval is being sought?	Yes		
5.	Value of the proposed transaction during a financial year. If the proposed transaction will be executed over more than one financial year, provide estimated break-up financial year-wise.	INR 2,000 Million (Indian Rupees Two Thousand Million only) As omnibus approval is sought for the aforesaid related party transactions, the		

		estimated break-up of financial year-wise is not applicable, as the Company is seeking the approval for the transactions between the ensuing AGM to 27 th AGM.
6.	Justification as to why the RPTs proposed to be entered into are in the interest of the listed entity	Refer the background and justification provided above in the explanatory statement.
7.	Details of the promoter(s)/ director(s) / key managerial personnel of the listed entity who have interest in the transaction, whether directly or indirectly. a. Name of the director / KMP b. Shareholding of the director / KMP, whether direct or indirect, in the related party	a. Mr. Aravind S Melligeri, Executive Chairman & Chief Executive Officer of the Company is a Director of Aequs Infrastructures Pvt Ltd, Mauritius, which is holding 100% of shareholding of Aequs SEZ Private Limited b. Nil
8.	A copy of the valuation or other external party report, if any, shall be placed before the Audit Committee.	Not Applicable
9.	Other information relevant for decision making.	NA

B. Details for specific transactions
B(1). Disclosure *only* in case of transactions relating to sale, purchase or supply of goods or services or any other similar business transaction and trade advances.

1.	Bidding or other process, if any, applied for choosing a party for sale, purchase or supply of goods or services.	NA
2.	Basis of determination of price.	Cost plus mark-up.
3.	In case of Trade advance (<i>of upto 365 days or such period for which such advances are extended as per normal trade practice</i>), if any, proposed to be extended to the related party in relation to the transaction, specify the following: a. Amount of Trade advance b. Tenure c. Whether same is self-liquidating?	NA

B(4) Disclosure *only* in case of guarantee (including performance guarantee in nature of security/contractual commitment or which could have an impact in monetary terms on the issuer of such guarantee), surety, indemnity or comfort letter, by whatever name called, made or given by the listed entity or its subsidiary.

1.	a. Rationale for giving guarantee, surety, indemnity or comfort letter b. Whether it will create a legally binding obligation on listed entity?	Details of guarantees given by Aequs Limited to Aequs SEZ Private Limited on behalf of its below-mentioned wholly owned subsidiaries in respect of lease rentals and other dues related to lease premises for FY 2026-27: 1. Koppal Toys Molding COE Private Limited (KT MPL): INR 102.41 Million 2. Aequs Toys Private Limited (ATPL): INR 89.21 Million

		a. Guarantee is required to be given to the lessor considering the financial position of abovementioned subsidiaries. b. Yes, the guarantee is legally binding on Aequs Limited
2.	Material covenants of the proposed transaction including: (i) commission, if any to be received by the listed entity or its subsidiary; - (ii) contractual provisions on how the listed entity or its subsidiary will recover the monies in case such guarantee, surety, indemnity or comfort letter is invoked.	i) Commission a. KTML: INR 11.81 Million b. ATPL: INR 10.63 Million It will be recovered under the provisions of applicable law
3.	The value of obligations undertaken by the listed entity or any of its subsidiary, for which a guarantee, surety, indemnity or comfort letter has been provided by the listed entity or its subsidiary. Additionally, any provisions required to be made in the books of account of the listed entity or any of its subsidiary shall also be specified.	1. Koppal Toys Molding COE Private Limited (KTML): INR 102.41 Million 2. Aequs Toys Private Limited (ATPL): INR 89.21 Million

Other Disclosures under Para 5(2) of the RPT Industry Standards:

S No	Particulars	Disclosure
1.	Information as placed before the Audit Committee in the format as specified in the RPT Industry Standards, to the extent applicable.	Refer to the disclosure in the table above
2.	Justification as to why the proposed transaction is in the interest of the listed entity, basis for determination of price and other material terms and conditions of RPT	Justification: Refer the background and justification provided above in the explanatory statement. Basis for determination of price: Refer to B(1) in the table above Material terms and conditions: Refer to the details provided in table A(5).
3.	Disclosure on the fact that the Audit Committee had reviewed the certificate provided by the CEO/ Managing Director/ Whole time Director/ Manager and CFO of the Listed Entity as required under Para 3(1)(b) of these Standards.	While approving the related party transactions, the Audit Committee has reviewed the certificates provided by the Managing Director of the Company as required under the Industry Standards on Related Party Transactions confirming that the terms of the RPTs proposed to be entered are in the interest of the listed entity as required under the Industry Standards on Related Party Transactions.
4.	Disclosure that the material RPT or any material modification thereto, has been approved by the Audit Committee and the Board of Directors recommends the proposed transaction to the shareholders for approval.	Audit Committee at its meeting held on August 6, 2026, has reviewed and approved the material related party transactions by the Company and its wholly owned subsidiaries with Aequs SEZ Private Limited.

		Board of Directors at its meeting held on August 7, 2026, has noted and approved the material related party transactions by the Company and its wholly owned subsidiaries with Aequs SEZ Private Limited and has recommended to the shareholders of the Company for the approval.
5.	Web-link and QR Code, through which shareholders can access the valuation report or other reports of external party, if any, considered by Audit Committee while approving the RPT.	Not Applicable
6.	Redaction of commercial secrets and such other information that would affect competitive position of listed entity, if any	Not Applicable
7.	Any other information that may be relevant	Nil

The aggregate value of the transactions and other amounts in the resolution and the explanatory statement are estimates based on currently available information and may change based on factors including general economic and political conditions in India and globally, inflation, deflation, volatility in interest rates and / or exchange rates, tax rates, changes in our industry, natural calamities, epidemics, pandemics and / or force majeure events, that are outside our control.

The related party transactions placed for Members' approval shall also be reviewed/ monitored on quarterly basis by the Audit Committee of the Company as per Regulation 23 of the Listing Regulations and Section 177 of the Act and shall remain within the proposed amount(s) being placed before the Members. Any subsequent material modifications in the proposed transactions, as defined by the Audit Committee as a part of the Company's Policy on Materiality of and dealing with Related Party Transactions, shall be placed before the Members for prior approval, in terms of Regulation 23(4) of the Listing Regulations. Members may note that these related party transactions/ contract(s)/ arrangement(s), placed for members' approval, shall, at all times, be subject to prior approval of the Audit Committee of the Company and shall continue to be in the ordinary course of business and at arm's length and have a significant role in the Company's operations.

Further, as per Regulation 23 (4) of the Listing Regulations, all entities falling under the definition of related parties shall not vote to approve any related party transaction, irrespective of whether the entity is a party to the transaction or not.

Considering the above requirements, Resolution No. 12 is recommended by the Board of Directors of the Company to the Members for their approval as an Ordinary Resolution along with necessary details on the proposed RPTs provided in this Statement.

Except Mr. Arvind S Melligeri, none of the Directors, Key Managerial Personnel of the Company or any of their relatives, are concerned or interested in the above proposed resolution. However, they may be deemed to be interested financially or otherwise to the extent of their shareholding in such Company, if any.

Registered Office:

Aequs Tower, No. 55, Whitefield Main Road,
Mahadevapura Post, Bengaluru – 560048
Karnataka, India

**By Order of the Board
For Aequs Limited**

Date: August 07, 2026

Place: Belagavi

**Ravi Mallikarjun Hugar
Company Secretary
Membership No. A20823**

Annexure-A

**Details of Director seeking re-appointment at the Annual General Meeting
 (Pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations
 and Disclosure Requirements) Regulations, 2015 and Secretarial Standards issued by Institute of
 Companies Secretaries of India**

Name of Director	Mr. Rajeev Kaul
DIN	01468590
Designation	Managing Director
Date of birth and Age	November 18, 1971 (55 years)
Initial date of appointment	November 02, 2011
Qualifications	Chartered Accountant
Experience & Expertise in specific functional areas/ brief resume	Rajeev Kaul is the Co-Founder and Managing Director of Aequs Limited. He holds a bachelor's degree in arts in mathematics from the University of Delhi and is a member of the Institute of Chartered Accountants of India. He is responsible for the overall operations and performance of different verticals in the Company, including aerospace and consumer durable goods and has been associated with our Company since April 1, 2007. He has over 22 years of experience in finance and aerospace sectors. He was previously associated with QuEST Global Engineering Services Private Limited and A.F. Ferguson & Co.
Past remuneration	Refer Directors report and Corporate Governance Report.
Terms and conditions of re-appointment	As per the existing terms of appointment.
Remuneration proposed to be paid	Not applicable as the approval is sought only for re-appointment of director who is liable to retire by rotation.
Directorships held in other Public Companies (excluding Foreign Companies)	Nil
Names of listed entities from which the director has resigned in the past three years	Nil
Directorship held in other Indian companies as on date	Five (5)
Membership/chairmanship in committees of other companies*	Nil
Number of shares held in the Company#	5,62,365 shares
Relationships between directors inter-se	He is not related to any Director/Key Managerial Personnel of the Company pursuant to the provisions of the Companies Act, 2013 read with Rules thereunder including amendments thereof.
No. of Board meetings attended during the financial year ended March 31, 2026	Seventeen (17)

**Covers only Audit and Stakeholders Relationship Committee in all public limited companies*