

IPO Note

December 02, 2025

Aequs Limited



HDFC
securities

25
YEARS

Powering India's Investments

Issue Snapshot:

Issue Open: December 3 – December 5, 2025

Price Band: Rs. 118-124 (Employee Disc: Rs 11)

*Issue Size: Up to Rs 921 cr (Fresh issue of upto Rs 670 cr + Offer for sale of upto 2,03,07,393 eq sh)

Reservation for:

QIB	atleast	75% eq sh
Non-Institutional	upto	15% eq sh
(including 1/3 rd for applications between Rs.2 lakhs to Rs.10 lakhs)		
Retail	upto	10% eq sh

Face Value: Rs 10

Book value: Rs 13.6 (September 30, 2025)

Bid size: - 120 eq sh and in multiples thereof

100% Book built Issue

Capital Structure:

Pre Issue Equity:	Rs. 616.62 cr
*Post issue Equity:	Rs. 670.65 cr

Listing: BSE & NSE

Book Running Lead Manager: JM Financial Ltd, IIFL Capital Services Ltd, Kotak Mahindra Capital Company Ltd.

Sponsor Bank: HDFC Bank and Kotak Mahindra Bank

Registrar to issue: KFin Technologies Ltd.

Shareholding Pattern

Shareholding Pattern	Pre issue %	Post issue %
Promoter and Promoter Group	64.49	59.08
Public	32.95	38.56
Employee Trust	2.56	2.36
Total	100.0	100.0

*=assuming issue subscribed at higher band
 Source for this Note: RHP

Background & Operations:

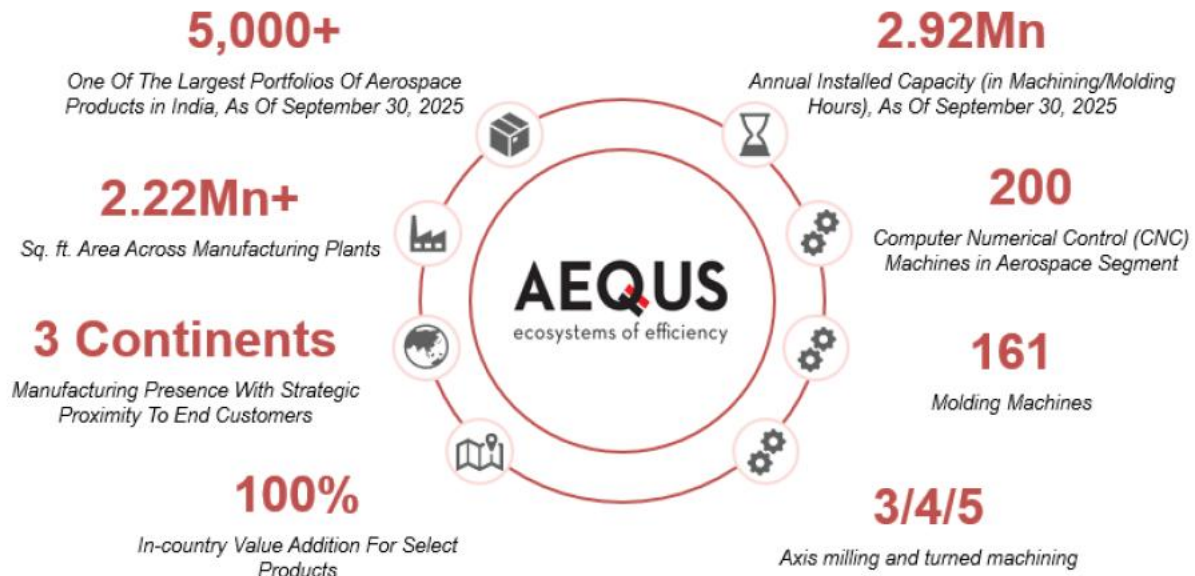
Aequus Limited (Aequus) is a vertically integrated precision component manufacturer with manufacturing capabilities in the Aerospace Segment and Consumer Segment. The Company operates units in three engineering-led vertically-integrated precision manufacturing ecosystems, which enable it to produce complex products for global OEM customers across the aerospace and consumer sectors. The Company's advanced manufacturing capabilities enable it to enter into new business segments by leveraging existing capabilities across current business segments. Its product portfolio comprises components for engine systems, landing systems, cargo and interiors, structures, assemblies, and turnings for aerospace clients; and consumer electronics, plastics, and consumer durables for consumer clients.

Aequus is one of the few manufacturers in India with niche metallurgy capabilities, specializing in precision machining of high-end alloys, including titanium alloys for its aerospace clients. Further, it is the leading company within a single special economic zone in terms of end-to-end manufacturing capabilities (machining, forging, surface treatment and assembly) for the Aerospace Segment in India, based on the number of capabilities and approvals. Aequus operates in three unique, engineering-led vertically integrated precision manufacturing "ecosystems" in India. These manufacturing ecosystems comprise the Company, few of its suppliers and its Joint Ventures, which allow it to manufacture products in accordance with its clients' specifications. Global aerospace companies, such as Airbus and Boeing are focused on enhancing their supply chain efficiency and accordingly, prefer suppliers who are able to offer "one-stop-shop" capabilities to support their complex manufacturing and integration needs, due to the benefits associated with quality management, cost and working capital efficiencies (for instance, on account of reduced logistics and warehousing costs as a result of co-located facilities), reduced lead times and reduced global carbon footprint. The Company's manufacturing ecosystems enable large-scale, timely production of complex products, meeting global OEMs' stringent requirements in both Aerospace Segment and Consumer Segment. In recent years, it has strategically prioritized the selective outsourcing of lower value-added activities, including 3-axis and 4-axis machining, within and outside its manufacturing ecosystem to third-party subcontractors, allowing it to concentrate on producing more complex and higher value components through higher value-added activities, including 5-axis machining. While it continues to maintain its capacity in 3-axis and 4-axis machining, its focus going forward is on expanding its capabilities in 5-axis machining, as it moves up the value chain.

India's precision manufacturing sector is rapidly expanding, driven by advancements in technology and increasing demand across industries such as automotive, aerospace, and electronics (Source: F&S Report). A combination of factors such as manufacturing-led government initiatives, strong domestic demand, integration into global value chains (China +1), cost competitiveness, and availability of skilled labour favorably position India within the global precision manufacturing landscape. The Aerospace Segment value chain involves several critical stages, each influencing cost and quality. The growth in the global consumer electronics market, including products such as laptops, tablets, and wearable devices, is driven by technological advancements and shifting consumer trends.

As of September 30, 2025, the Company produced over 5,000 products within the Aerospace Segment under a variety of manufacturing and assembly programs established with its aerospace customers, including programs for single aisle (such as A220, A320, B737) and long range (A330, A350, B777, B787) commercial aircrafts. The Company had one of the largest portfolios of aerospace products in India, as of March 31, 2025. The combination of its scale, vertically integrated manufacturing ecosystems and qualified engineering talent enables it to scale production while meeting contracted timelines with stringent quality and safety standards. This has also allowed it to achieve 100% in-country value addition for select products. Aequus Ltd. performs its own quality checks on suppliers, by regularly monitoring and ensuring that the raw materials supplied to it meets its and its customers' stringent quality standards, which in turn provides it with an ability to have better control over its quality and increase its competitive ability.

The Promoters of the Company are Aravind Shivaputrappa Melligeri, Aequus Manufacturing Investments Private Limited, Melligeri Private Family Foundation, and The Melligeri Foundation.



Objects of Issue:

The Offer comprises a Fresh Issue aggregating up to Rs 670 crores by Aequus Limited and an Offer for Sale of 2,03,07,393 Equity Shares by the Selling Shareholders.

Offer for Sale

Each of the Selling Shareholders shall be entitled to its respective portion of the proceeds of the Offer for Sale after deducting its proportion of the Offer expenses and relevant taxes thereon. The Company will not receive any proceeds from the Offer for Sale and the proceeds received from the Offer for Sale will not form part of the Net Proceeds.

Requirements of funds

The Company proposes to utilize the Net Proceeds from the fresh issue towards the following:

- Repayment and/ or prepayment, in full or in part, of certain outstanding borrowings and prepayment penalties, as applicable by the Company and three of its wholly-owned Subsidiaries, AeroStructures Manufacturing India Private Limited, Aequus Consumer Products Private Limited and Aequus Engineered Plastics Private Limited, through investment in such Subsidiaries;
- Funding capital expenditure to be incurred on account of purchase of machinery and equipment by the Company and one of the wholly-owned Subsidiaries, AeroStructures Manufacturing India Private Limited, through investment in such Subsidiary
- Funding inorganic growth through unidentified acquisitions, other strategic initiatives and general corporate purposes

Utilisation of Net Proceeds

S.N	Particulars	Total estimated amount (in Rs mn)
1	Repayment and/or prepayment, in full or in part, of certain outstanding borrowings and prepayment penalties, as applicable, availed by:	4,332
(I)	The Company	176
(II)	Three of the wholly owned subsidiaries through investment in subsidiaries	4,156
2	Funding capital expenditures to be incurred on account of purchase of machinery and equipment by:	640
(a)	The Company	81

(b)	One of the wholly owned subsidiaries Aerostructures Manufacturing India Pvt. Ltd. Through investment in such subsidiary	559
3	Funding inorganic growth through unidentified acquisitions, other strategic initiatives and general corporate purposes	[•]
	Net Proceeds*	[•]

Proposed schedule of implementation and deployment of Net Proceeds

S.N	Particulars	Total estimated amount	Amount to be funded from Net Proceeds	Estimated deployment in 2026	Estimated deployment in Fiscal 2027
1	Repayment and/or prepayment, in full or in part, of certain outstanding borrowings and prepayment penalties, as applicable, availed by:	4,332	203	4,332	-
(I)	The Company	176	70	176	-
(II)	Three of the wholly owned subsidiaries through investment in subsidiaries	4,156	133	4,156	-
2	Funding capital expenditures to be incurred on account of purchase of machinery and equipment by:	640	166	482	158
(a)	The Company	81	-	59	22
(b)	One of the wholly owned subsidiaries Aerostructures Manufacturing India Pvt. Ltd. Through investment in such subsidiary	559	166	423	136
3	Funding inorganic growth through unidentified acquisitions, other strategic initiatives and general corporate purposes	[•]	750	[•]	[•]
	Net Proceeds*	[•]	1,119	[•]	[•]

Competitive Strengths

Advanced and vertically integrated precision manufacturing capabilities: Aequus Limited is the leading company within a single special economic zone in terms of end-to-end manufacturing capabilities (machining, forging, surface treatment and assembly) for the Aerospace Segment in India, based on the number of capabilities and approvals. Across Aequus' three manufacturing ecosystems in India and two dedicated aerospace facilities outside India, that it operates in, the Company had an aggregate capacity of 2,919,058 annual machining/molding hours for products within the Aerospace Segment and Consumer Segment, and over 200 computer numerical control ("CNC") machines for Aerospace Segment and 161 molding machines deployed for consumer products, each as of September 30, 2025. Its extensive machining capabilities enables it to manufacture critical and complex components, such as engine systems, landing systems, at a large scale and in a timely manner.

Manufacturing presence across three continents with strategic proximity to end customers: The Company has a manufacturing presence across India, U.S. and France, with strategic proximity to global OEMs, which enables it to create innovative products and engineering solutions for these OEMs. It is one of the few companies in India in the Aerospace Segment with a presence in three continents, which enables access to skilled workforce with diverse backgrounds and expertise, apart from the closeness to the customer which helps in its long-term customer relationships.

Comprehensive precision product portfolio across high value segments: As of September 30, 2025, the Company produced over 5,000 products within the Aerospace Segment under a variety of manufacturing and assembly programs established with its aerospace customers, including programs for single aisle (such as A220, A320, B737) and long range (A330, A350, B767, B777, B787) commercial aircrafts. Aequus Ltd. had one of the largest portfolios of aerospace products in India, as of March 31, 2025. It is a Tier-1 supplier of highly engineered precision components for certain global OEMs, and have a diversified range of product offerings across the Aerospace Segment and Consumer Segment. Its aerospace product portfolio comprises distinct products across engine systems, landing systems, cargo and interiors, structures, assemblies and turning. The Company focuses on high value-added products like engine and landing components, in the Aerospace Segment. It enhances its operational efficiencies, by increasing its procurement of raw materials from domestic suppliers as compared to international suppliers, which in turn will reduce its raw material costs and improve its margins. Further, in the Consumer Segment, its product portfolio spans across components for portable computers and smart devices, outdoor toys, figurines, toy vehicles and non-stick cookware.

Long-standing relationships with high entry barrier global customers: The Company has established long-standing relationships with high entry barrier global customers, such as Airbus, Collins Aerospace, Spirit Aerosystems Inc., Safran and Boeing in the Aerospace Segment, and Hasbro, Spinmaster, Wonderchef, and Tramontina in the Consumer Segment. Over the years, it has also established itself as Tier-1 suppliers for such OEM customers. As of September 30, 2025, the Company's three largest customer groups had an average tenure of 15 years with it. Its five largest customer groups collectively accounted for 66.36%, 69.71%, 73.17%, 69.08% and 65.84% of its revenue from operations for the six months period ended September 30, 2025 and 2024, and the Financial Years 2025, 2024 and 2023, respectively. Further, its relationships with these key customers enables access to a substantial portion of the end market.

Business Strategy:

Continue to increase wallet share with its existing customers in the Aerospace Segment by moving up the manufacturing value chain and diversify its customer base in the Aerospace Segment: The Company has scaled the volume of products sold to its customers in the Aerospace Segment in the past. Going forward, as a part of its growth strategy, it aims to increase wallet share from existing customers in Aerospace Segment through initiatives such as moving up the value chain and increasing the manufacture of more critical and complex parts in the Aerospace Segment, such as engine and landing systems. It aims to increase its manufacturing of existing complex engine and landing systems, and also venture into the production of new engine and landing systems such as torque tube, engine nacelles and blades

Grow its portfolio of consumer products: The Company aims to further diversify its business by expanding its portfolio of consumer electronics products. It has started manufacturing and has commenced mass production shipments of components for portable computers from July 31, 2025 and it intends to manufacture and commence mass production shipments of components for smart devices, targeting integration into the supply chain of a company that is among the largest global consumer electronics players by revenue in Financial Year 2024. Aequus intends to strengthen its relationship with OEMs in the consumer electronics sector to scale manufacturing of existing products, related components such as portable computer and smart devices, and other components for wearables and electronics devices. It has invested and intends to continue to invest in its consumer electronics business. It has invested ₹2,024.99 million, ₹1,473.60 million and Rs. 186.66 million for the Financial Years 2025, 2024 and 2023 respectively, towards the development of its consumer business in its units in the Hubballi Manufacturing Cluster, in particular towards investment in plant and machinery for its consumer electronics business. As of September 30, 2025, the Company had 70,763 machining hours of capacity in its units in the Hubballi Manufacturing Cluster, and it had 299,957 square feet of manufacturing space available to support its strategic objectives within the consumer electronics and consumer durables sector. It intends to leverage its advanced manufacturing capabilities in the Aerospace Segment to further develop and enhance its manufacturing capabilities in the consumer electronics business, which will increase its customer base and wallet share in its consumer electronics business.

Improve its margins through higher value manufacturing and measures for operational efficiencies: The Company aims to improve its margins through the following initiatives by increasing generation of revenues from the Consumer Segment while maintaining a stable cost base, thereby allowing it to benefit from operating leverage, increasing efficiency and improving its asset and capacity utilization across all its segments; pursuing opportunities for evaluating potential targets for unidentified acquisitions and/or strategic initiatives and partnerships, that complement its business operations, strengthen or establish its presence in targeted markets; as part of its business restructuring, for generation of business synergies and operational efficiencies, the Company may continue to explore options to merge, consolidate or wind-up some of its Indian and overseas entities, subject to compliance with applicable laws and receipt of necessary approvals, in their respective jurisdictions.

Leverage its existing capabilities to increase its market share in capability and sector adjacencies: The Company has developed advanced engineering and machining capabilities in its Aerospace Segment which can be replicated across related precision-driven sectors, and intends to leverage these capabilities to enter into these sectors and increase its market share with global OEMs. The Company has started manufacturing and have commenced mass production shipments of components for portable computers from July 31, 2025 and it intends to manufacture and commence mass production shipments of components for smart devices, targeting integration into the supply chain of a company that is among the largest global consumer electronics players by revenue in Financial Year 2024. It continuously explores such opportunities and engage with global OEMs on an ongoing basis, to leverage its existing capabilities to increase its market share in related precision-driven sectors. Accordingly, it has a significant market opportunity, driven by favorable industry trends, its unique approach to manufacturing through the manufacturing ecosystems and its diversified business model and product portfolio which enables it to generate growth and profitability and enhance its operational efficiency. The Indian precision engineering component market will grow from Rs. 2,992.92 billion in 2024 to Rs. 4,946.96 billion in Financial Year 2030 with a CAGR of 8.74%.

Industry Overview

India is rapidly emerging as a key destination for aerospace manufacturing, driven by several strategic factors that position the country as an attractive hub for global aerospace companies and local manufacturers. India offers a cost advantage, with competitive labor costs and lower overheads compared to other established aerospace manufacturing hubs like the US and Europe. This cost efficiency makes India an attractive destination for the Global Aerospace companies. Additionally, India has made significant strides in developing a skilled

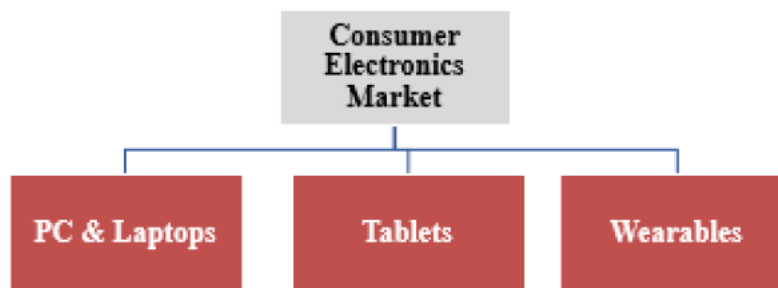
workforce in aerospace engineering and manufacturing. The government's emphasis on education, training programs, and partnerships with aerospace companies ensures a steady supply of qualified professionals to meet the sector's growing needs.

Furthermore, India's growing air travel market and the expansion of regional airlines create a rising demand for aircraft, which encourages more local production and supply of aerospace components. Overall, India's combination of government incentives, cost efficiency, skilled labor, and strategic partnerships makes it a rapidly emerging destination for commercial aerospace manufacturing.

Consumer Section

The consumer section focuses on products and services tailored to meet customer needs across various industries. It includes categories such as electronics, apparel, home appliances, cookware, personal care, and entertainment. The growth in global consumer electronics market which includes products such as laptops, tablets, and wearables devices, is driven by technological advancements and shifting consumer trends. Some of the key trends driving this growth include rapid urbanization and rising disposable incomes, shifts in lifestyle, education and work preferences, demand for connectivity and latest technology (rapid innovation in AI and 5G connectivity), and sustainable products. The sum of all three markets (PC & Laptop), Tablets and Wearables is projected to grow from USD 351.64 Bn in 2024 to USD 405.46 Bn in 2030 registering a CAGR of 2.89%.

Market Segmentation on Consumer Electronics Market

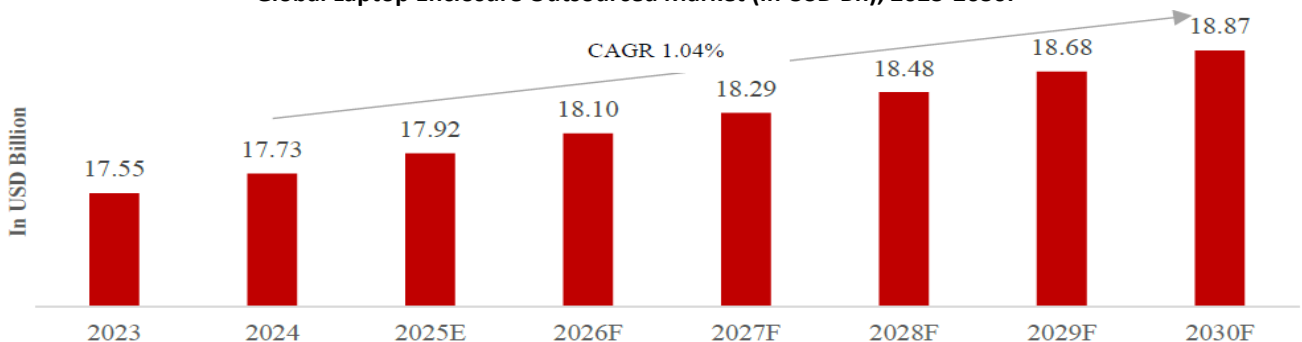


(Source: Company, RHP)

Aequus aims to increase their proportion of consumer electronics products, which are higher-margin products as compared to other consumer products such as toys. Its product portfolio for consumer electronics includes components for portable computers and smart devices.

The global laptop enclosures market is experiencing strong growth, driven by the increasing demand for lightweight, durable, and visually appealing designs made from materials such as aluminium, carbon fibre, and high-grade plastics, designed to protect internal components from damage, dust, and moisture. These enclosures enhance portability and longevity while offering customizable, sleek designs. The market is projected to expand from USD 17.73 Bn in 2024 to USD 18.87 Bn by 2030, reflecting a CAGR of 1.04%. The laptop enclosures account to around 15% of the overall market by value. Most laptop enclosures for global brands (HP, Dell, Lenovo, Apple, Asus, etc.) are manufactured by large Taiwanese ODMs (Original Design Manufacturers) such as Foxconn, Compal, Quanta, Wistron, and Inventec, who have extensive manufacturing operations in China and Southeast Asia. Companies like Lian Li, Cooler Master and Sohoo Technology are recognized for their expertise in high-quality, often aluminium, chassis and enclosures, supplying both consumer and enterprise markets.

Global Laptop Enclosure Outsourced Market (In USD Bn), 2023-2030F

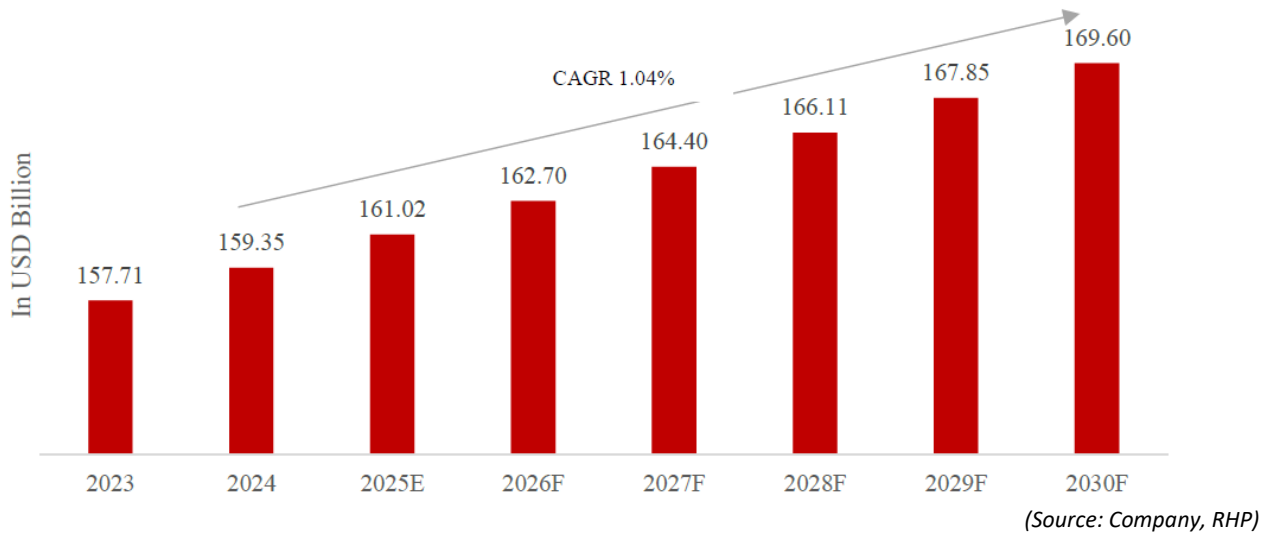


(Source: Company, RHP)

Global Laptop market

This segment includes both personal computers (PC) and laptops. The rise of remote work, online education, and digital content consumption further supports market growth. The global laptop market is expected to increase from USD 159.35 Bn in 2024 to USD 169.60 Bn by 2030, registering a CAGR of 1.04%. The key players in the global laptop market are Lenovo, Dell, HP, Apple, and Asus to name a few.

Global Laptop Market (In USD Bn), 2023-2030F



Global Wearables Outsourced Market

The global wearables market includes wrist bands, smartwatch, ear wear, smart rings, and smart glasses. Technological advancements in sensors, connectivity, and battery life improve product performance. The global wearables outsourced market is a significant and growing segment, underpinned by the expansion of the broader wearables industry and the increasing reliance on contract manufacturers for efficient, scalable, and cost-effective production. Asia remains the dominant region for outsourced manufacturing, with countries like China, India, and Taiwan at the forefront. The growing demand for wearables and personal devices, coupled with OEMs' China+1 strategy, also positions India as an alternative supply base. The global wearables market is expected to grow from USD 126.58 Bn in 2024 to USD 151.40 Bn by 2030. The global outsourced wearables market is projected to increase from USD 43.55 Bn in 2024 to USD 52.09 Bn by 2030, registering a CAGR of 3.03%. The outsourced segment is estimated to account for around 50% of the total market.

Key Market Drivers in Global Toy Market

The global toy market is influenced by several dynamic factors, including shifting consumer preferences, technological advancements, and evolving retail landscapes. One of the key drivers is the increasing demand for interactive and educational toys that engage children's learning and development. Additionally, the rise of technology has led to the proliferation of digital toys, smart devices, and augmented reality (AR) toys, which integrate gaming and physical play experiences. The key drivers in the market include growing Demand for Educational and STEM Toys, rising disposable income, popularity of licensed and franchise-based toys, technological advancements and smart toys, shift towards eco-friendly and sustainable toys, expansion of e-commerce platforms.

Global consumer durables market

The global consumer durables market includes products such as home appliances, electronics, cookware, furniture, and automobiles to name a few. However, in this report this segment covers only cookware market, which includes non-stick cookware market. The rise in online shopping and e-commerce platforms has further increased accessibility to consumer durables globally. Additionally, sustainability concerns are pushing manufacturers to innovate eco-friendly products. As consumers seek convenience, durability, and modern features, the global consumer durables market continues to evolve, offering opportunities for both established and emerging brands.

Market Size-Global Outsourced Cookware Market 2023-2030F

The global cookware outsourcing market is closely linked to the broader cookware manufacturing sector, which is experiencing steady growth driven by rising consumer demand, technological innovation, and the expansion of manufacturing capabilities in Asia. The key

countries within Asia which are preferred for outsourcing of cook ware are China, India, and Vietnam. The global cookware market is projected to grow from USD 29.52 Bn in 2024 to USD 42.37 Bn by 2030. The global outsourced cookware market is expected to expand from USD 8.05Bn in 2024 to USD 11.55 Bn by 2030, registering a CAGR of 6.21%. The global cookware outsourced market is estimated to be 50% of the total global cookware manufacturing market.

Indian Consumer Electronics Market and Market Dynamics

The Indian consumer electronics market is experiencing robust growth, driven by rising disposable incomes, evolving consumer preferences, and rapid technological advancements. Increased adoption of smartphones, smart home devices, and wearables, coupled with expanding e-commerce platforms, is reshaping the market, offering significant opportunities for both domestic and international brands. The consumer electronics products that Aequus manufactures (portable computers and smart devices) have high barriers to entry.

Key Concerns

- The Company derives a significant portion of its net external revenue from the Aerospace Segment (88.23% for H1FY26). Any decrease in demand of products within the Aerospace Segment or any development that makes the sale of products within the Aerospace Segments less economically beneficial may adversely affect its business, results of operations, financial condition and cash flows.
- The Company is dependent on its ten largest customer groups, which comprise a significant portion of its revenue from operations (82.51% for H1FY26). Any failure to maintain its relationship with these customer groups or any adverse changes affecting their financial condition will have an adverse effect on its business, results of operations, financial condition and cash flows.
- Aequus' contractual arrangements with its OEM customer groups are typically requirement-based contracts which do not obligate its customers to place a fixed quantity of orders with it within a fixed time frame, and any termination of such contracts or decline in the production requirements of any of its customers, may adversely affect its business, results of operations, financial condition and cashflows.
- Aequus' business requires significant capital expenditure to maintain or upgrade equipment and machinery across its existing manufacturing clusters and facilities. If the Company is unable to have access to capital, it may adversely affect its business, results of operations, financial condition and cash flows.
- While the Company intends to use a portion of the Net Proceeds to purchase and install machinery and equipment for it and its Subsidiary, AeroStructures Manufacturing India Private Limited, to expand its existing capacities, it cannot assure that it will be able to maintain the existing levels of capacity utilization within the segments of its manufacturing clusters it operates in or facilities, which may adversely affect its results of operations. Further, a slowdown or shutdown in its manufacturing operations could have an adverse effect on its business, results of operations, financial condition and cash flows.
- The business is subject to fluctuations in the prices and disruptions in the availability of raw materials, which may have an adverse effect on its business, results of operations, financial condition and cashflows.
- All the units in the manufacturing clusters that the Company operates in, in India are located in the state of Karnataka, which may expose it to regional risks that could adversely affect its business, results of operations, financial condition, and cash flows.
- A downgrade in its credit rating could adversely affect its ability to raise capital in the future.
- The business and results of operations may be adversely affected if it is unable to maintain or improve capacity utilization following the installation of additional plant and machinery from the proceeds of the Offer
- The units in the manufacturing clusters the Company operates in and facilities are subject to periodic inspections and audits by regulatory authorities. The Company may be recipient of adverse observations from such visits which may damage its business and reputation leading to an adverse effect on its business, results of operations, financial condition and cash flows.
- The inability to effectively execute its business plan and growth strategies could adversely affect its business, results of operations, financial condition and cash flows.

- The Company has incurred losses of Rs. (169.77) million, Rs. (717.00) million, Rs. (1,023.46) million, Rs. (142.44) million and Rs. (1,094.95) million for the six months period ended September 30, 2025 and 2024, and the Financial Years 2025, 2024 and 2023, respectively and it has made provisions for impairment of goodwill in its Subsidiaries. It may continue to experience losses in the future and may be required to make similar provisions for impairment, which could result in an adverse effect on its business, results of operations, financial condition and cash flows.
- Certain of its Subsidiaries have incurred losses in the past and may continue to experience losses in the future, which in turn may result in an adverse effect on its business, results of operations, financial condition and cash flows.
- If the Company fails to obtain, maintain or renew the statutory and regulatory licenses, permits and approvals required for its business and operations, its business, results of operations, financial condition and cash flows may be adversely affected.
- The examination report issued by its Statutory Auditors, for its Restated Consolidated Financial Information as of and for the Financial Years 2024 and 2023 includes references to certain emphasis of matter.
- A significant portion of its revenue from operations is derived from direct and indirect exports, with only 11.44%, 10.74%, 12.67% and 11.67% of its revenue from operations being derived from sales within India during H1FY26, and the Financial Years 2025, 2024 and 2023, respectively. Further, its international business exposes it to complex management, legal, tax and economic risks, which could adversely affect its business, results of operations, financial condition and cash flows.
- Certain of the units in the manufacturing clusters in which it operates, in Belagavi, Karnataka and Koppal, Karnataka are located in SEZs, and the manufacturing cluster, it operates in, located in Hubballi, Karnataka is operating under Export Oriented Unit (EOU) Scheme. The Company is subject to certain regulations and receives certain tax benefits as a result of such operations, and it cannot assure that it will be able to comply with such regulations or that it will continue to receive such tax benefits in the future.
- The Company has entered into, and may continue to enter into related party transactions. It cannot assure that such transactions, individually or in the aggregate, will not have an adverse effect on its business, results of operations, financial condition and cash flows.
- Non-compliance with and changes in, corporate affairs, safety, environmental and labour laws and other applicable regulations, may adversely affect its business, results of operations, financial condition and cash flows.
- The Company is subject to a variety of threats and challenges affecting the manufacturing sector in India, which may adversely affect its business, results of operations, financial condition and cash flows.
- The Company's reliance on third parties for certain aspects of its operations, including on-site job work, transport and logistics may affect the quality of its products and its ability to meet delivery timelines to its customers, which may adversely affect its business, results of operations, financial condition and cash flows.
- Fluctuations in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of its Equity Shares, independent of its operating results.
- The Company has a significant amount of foreign exchange borrowings, including foreign exchange borrowings which are unhedged or subject to variable rates, which may expose it to currency and interest rate fluctuations, and in turn adversely affecting its business, results of operations, financial condition and cash flows.
- If the Company is unable to adequately protect its intellectual property rights, its competitive position and business may be adversely affected.
- The Company and its Individual Promoter have extended guarantees in respect of borrowings availed by certain of its Subsidiaries and Joint Ventures, and any invocation of such guarantees may adversely affect its financial condition.
- The Company, Subsidiaries, Promoters, Key Managerial Personnel, Senior Management and Directors are involved in certain legal proceedings. Any adverse decision in such proceedings may render the Company, Subsidiaries, Promoters, Key Managerial

Personnel, Senior Management and Directors liable to liabilities/penalties and may adversely affect its business, financial condition, results of operations and cash flows.

- The Company is subject to risks associated with product liability and recall if the products are found to be defective, which may arise from its products failing to perform as expected or meet the stringent quality or qualification standards, which may adversely affect its reputation, business, results of operations, financial condition and cash flows.
- If the Net Proceeds to be utilised towards inorganic growth through unidentified acquisitions and strategic initiatives are insufficient for the cost of its inorganic acquisitions and strategic initiatives, it may have to seek alternative forms of funding.

Profit & Loss

Particulars (Rs in million)	H1FY26	FY25	FY24	FY23
Income				
Revenue from operations	5371.6	9246.1	9650.7	8121.3
Other Income	283.9	346.1	232.3	284.1
Total Income	5655.5	9592.1	9883.0	8405.4
Expenses	4812.1	8508.3	8413.3	7766.3
Cost of materials consumed	2328.9	4082.6	4390.7	4169.0
Purchases of stock-in-trade	0.0	0.0	0.0	20.7
Changes in inventories of finished goods and work-in-progress	-154.4	-160.6	-224.7	-349.2
Employee benefits expense	927.6	1587.4	1434.1	1446.4
Other expenses	1710.0	2998.9	2813.2	2479.5
PBIDT	843.3	1083.9	1469.7	639.1
Finance costs	357.5	589.0	638.1	646.1
PBDT	485.8	494.8	831.7	-7.0
Depreciation and amortisation expenses	571.6	1034.1	1076.9	995.2
Impairment of non-current assets	0.0	0.0	0.0	0.0
Impairment losses on financial assets and contract assets	2.3	4.2	14.6	8.5
Loss before share of loss of associate, exceptional items and tax	-88.0	-543.4	-259.8	-1010.7
Share in net loss of an associate	33.8	85.2	51.5	-8.7
Loss before exceptional items and tax	-54.2	-458.1	-208.3	-1019.4
Exceptional item		482.7	-186.5	7.4
Loss before tax	-54.2	-940.8	-21.8	-1026.8
Tax (incl. DT & FBT)	112.7	83.4	99.7	60.5
Current tax	109.9	148.9	115.1	12.0
Deferred Tax Charge/(Benefit)	2.8	-65.5	-15.5	48.5
Loss from continuing operations	-166.8	-1024.2	-121.5	-1087.3
Loss from discontinued operations	-2.9	0.7	-21.0	-7.7
Loss for the period/year	-169.8	-1023.5	-142.4	-1095.0
EPS (Rs.)	-0.3	-1.8	-0.2	-2.4
Face Value	10.0	10.0	10.0	10.0
OPM (%)	10.4	8.0	12.8	4.4
PATM (%)	-3.1	-11.1	-1.3	-13.4

Balance Sheet

Particulars (Rs in million) As at	H1FY26	FY25	FY24	FY23
Non-current assets				
Property, plant and equipment	4,024.3	1,668.8	1,749.5	1,815.3
Capital work-in-progress	3,461.4	3,950.9	1,753.9	16.0
Right-of-use assets	3,126.7	3,349.3	4,112.4	4,168.9
Investment Property	0.0	0.0	0.0	63.9
Goodwill	172.6	172.6	655.2	655.2
Other intangible assets	53.0	61.2	85.4	134.0
Intangible assets under development	-			4.1
Investments accounted for using the equity method	813.1	768.1	621.6	574.9
Financial assets				

Investments	0.9	0.9	0.8	0.8
Loans	0.0	0.0	0.0	0.0
Contract assets	51.0			
Other Financial Assets	780.1	706.2	394.5	337.4
Deferred tax assets (net)	331.1	331.7	324.5	309.0
Non- current tax assets (net)	6.7	19.0	14.3	27.3
Other non-current assets	229.0	133.1	159.0	78.5
Total non-current assets	13,049.9	11,161.8	9,871.1	8,185.5
Current assets				
Inventories	4,591.2	4,082.7	3,541.2	2,984.9
Investments	0.0	0.0	297.2	0.0
Trade receivables	1,812.6	1,566.0	1,368.9	1,071.3
Cash and cash equivalents	571.9	609.4	792.7	512.9
Bank balances other than (iii) above	226.3	188.5	1,727.0	60.8
Other financial assets	124.3	128.7	15.2	33.2
Contract assets	26.7	52.9	24.8	0.6
Other current assets	940.5	808.2	588.2	317.8
Total current assets	8,293.5	7,436.5	8,355.1	4,981.4
Assets classified as held for sale	0.2	0.1	3.7	50.1
Total assets	21,343.5	18,598.4	18,229.8	13,216.9
EQUITY & LIABILITIES				
Equity				
Equity share capital	6,050.0	5,818.3	4,247.6	4,247.6
Equity share capital pending issuance				
Instruments entirely equity in nature	0.0	0.0	4,071.2	0.0
Instruments entirely equity in nature pending issuance				
Other equity	2,004.3	1,350.9	-153.1	-1,461.5
Reserves and surplus				
Non controlling interest	-9.4	-9.4	-9.4	-113.6
Total equity	8,044.9	7,159.8	8,156.2	2,672.5
Liabilities				
Non-current Liabilities				
Financial Liabilities				
Borrowings	2,073.9	1,424.4	855.1	1,253.2
Lease liabilities	2,694.7	2,785.6	3,506.8	3,377.9
Other financial liabilities	61.1	64.8	6.4	6.6
Contract liabilities	176.4	192.9	0.0	0.0
Other non-current liabilities	42.0	45.0	0.0	29.5
Provisions	170.8	161.8	126.6	110.2
Total non-current liabilities	5,218.8	4,674.4	4,494.9	4,777.3
Current liabilities				
Financial liabilities				
Borrowings	3,261.2	2,946.2	2,063.7	2,208.2
Lease liabilities	658.7	694.3	563.7	520.0
Trade payables	2,931.5	2,308.9	2,025.2	2,257.6
Other financial liabilities	541.9	400.3	496.0	264.5
Current tax liabilities (net)	71.6	35.2	60.9	0.0
Contract liabilities	365.7	160.7	122.1	165.4
Provisions	80.7	65.6	54.8	45.2
Other current liabilities	168.5	152.8	191.9	295.5
Liabilities directly associated with assets classified for sale		0.3	0.5	10.7
Total current liabilities	8,079.8	6,764.2	5,578.8	5,767.1
Total liabilities	13,298.6	11,438.6	10,073.6	10,544.4
Total equity and liabilities	21,343.5	18,598.4	18,229.8	13,216.9

Source: Company, RHP

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