

Price Waterhouse Chartered Accountants LLP

Independent Auditors' Report

To the Members of Aequs Consumer Products Private Limited

Report on the audit of the financial statements

Opinion

1. We have audited the accompanying financial statements of Aequs Consumer Products Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and total comprehensive income (comprising of loss and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Other Information

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board of Directors' report, but does not include the financial statements and our auditors' report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



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Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)

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Responsibilities of management and those charged with governance for the Financial statements

5. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
6. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

7. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
8. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We are also:
 - a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances; but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
 - c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



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- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
9. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

10. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
11. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) Clause (i) of Section 143(3) is not applicable pursuant to notification G.S.R. 583(E) dated June 13, 2017.
 - (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:



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To the Members of Aequus Consumer Products Private Limited
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- i. The Company does not have any pending litigations which would impact its financial position. Refer Note 30 to the financial statements.
- ii. The Company was not required to recognise a provision as at March 31, 2023 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, 2023.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2023.
- iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 35 (vi) (a) to the financial statements);

(b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 35 (vi) (b) to the Financial statements); and

(c) Based on such audit procedures that we 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 (a) and (b) contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year.
- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for maintaining books of account in accounting software having a feature of recording audit trail of each and every transaction, creating an edit log of each change made in books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled, is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.



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12. The provisions of Section 197 read with Schedule V to the Act are applicable only to public companies. Accordingly, reporting under Section 197(16) of the Act is not applicable to the Company.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016



Prashant Kabra
Partner

Membership Number: 217667

UDIN: 23217667BGZBDB9866

Place: Bengaluru

Date: September 5, 2023

Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the Members of Aequus Consumer Products Private Limited on the financial statements as of and for the year ended March 31, 2023

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- i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.

(B) The Company is maintaining proper records showing full particulars of Intangible Assets.

(b) The Property, Plant and Equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, Plant and Equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) According to the information and explanations given to us and the records of the Company examined by us, the Company does not own any immovable properties (Refer Note 35 (x) to the financial statements). Therefore, the provisions of Clause 3(i)(c) of the Order are not applicable to the Company.

(d) The Company has chosen cost model for its Property, Plant and Equipment (including Right of Use assets) and intangible assets. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or intangible assets does not arise.

(e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise.
- ii. (a) The physical verification of inventory has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.

(b) During the year, the Company has been sanctioned working capital limits of INR 5 crores, in aggregate from banks on the basis of security of current assets and accordingly, the company filed the quarterly return statements with the bank that are not in agreement, with the unaudited books of account as set out below. Also refer Note 11(i) to the financial statements.



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Referred to in paragraph 10 of the Independent Auditors' Report of even date to the Members of Aequus Consumer Products Private Limited on the financial statements as of and for the year ended March 31, 2023

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Name of the Banks	Aggregate working capital limits sanctioned (Rs. thousands)	Nature of Current Asset offered as Security	Quarter ended	Gross Amount as per books of account (Rs. thousands)	Amount disclosed as per quarterly return/statement (Rs. thousands)	Difference (Rs. thousands)	Reasons for difference
HDFC Bank and Canara Bank	80,000	Inventories	30-Jun-22	40,686	41,662	(976)	Note (a) below
		Inventories	30-Sep-22	67,832	71,529	(3,697)	
		Inventories	31-Dec-22	55,696	39,074	16,622	Note (b) below
		Inventories	31-Mar-23	54,179	53,400	779	
		Trade receivables	30-Sep-22	58,812	68,977	(10,166)	Note (c) below

(a) Valuation related adjustments.

(b) Inventory of newly acquired business not submitted in stock statement.

(c) Post submission of quarterly statement adjustment entries were posted by management.

iii. (a) The Company has made investment in one company during the year. The Company has not granted secured/ unsecured loans/advances in nature of loans, or stood guarantee, or provided security to any parties. Therefore, the reporting under clause 3(iii), (iii)(a), (iii)(b), (iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order with respect to loans/advances in nature of loans or guarantees or security provided to other parties are not applicable to the Company. The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such investments to subsidiary is as per the table given below:

Particulars	Investments (Amounts in thousands)
Aggregate amount invested during the year	
- Subsidiary	40,001
Balance outstanding as a balance sheet date in respect of such investment during the year	
- Subsidiary	42,983

(b) In respect of the aforesaid investment, the terms and conditions under which such investment was made is not prejudicial to the Company's interest.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of Act in respect of the investments made. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Section 185 of the Act and accordingly, to this extent, the reporting under Clause 3(iv) of the Order are not applicable to the Company.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.



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Referred to in paragraph 10 of the Independent Auditors' Report of even date to the Members of Aequus Consumer Products Private Limited on the financial statements as of and for the year ended March 31, 2023

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- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues, including provident fund, goods and services tax, employees' state insurance, income tax and duty of customs with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues referred to in sub-clause (a) which have not been deposited on account of any dispute.
- viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- ix. (a) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained. (Also, refer Note 11(i) to the financial statements).

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. Further, the Company did not have any joint ventures or associate companies during the year.

(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. Further, the Company did not have any joint ventures or associate companies during the year.
- x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) The company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.



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- xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act and, accordingly, to this extent, the reporting under clause 3(xiii) of the Order is not applicable to the Company.
- xiv. The Company is not mandated to have an internal audit system during the year. Accordingly, reporting under Clause 3(xiv)(a) and 3(xiv)(b) of the Order is not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under Clause 3(xv) of the Order is 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, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.



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- (d) Based on the information and explanations provided by the management of the Company, the Group has one CIC as part of the Group as detailed in Note 35(xiv) to the financial statements. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.
- xvii. The Company has incurred cash losses of INR 139,017 thousands in the financial year and of INR 47,322 thousands in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly, the reporting under Clause 3(xviii) is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 34 to the financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.
- xx. The provisions relating to Corporate Social Responsibility under Section 135 of the Act are not applicable to the Company. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016



Prashant Kabra
Partner

Membership Number: 217667
UDIN: 23217667BGZBDB9866

Place: Bengaluru
Date: September 5, 2023

(All amounts are in ₹ thousands, except share and per share data, unless otherwise stated)

	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	4 (i)	185,532	59,162
Right of use assets	4 (iii)	202,145	7,789
Capital work-in-progress	4 (ii)	6,955	3,834
Intangible assets	5	695	612
Financial assets			
Investments	6 (i)	42,983	7,608
Other financial assets	6(v)	31,115	3,972
Other non-current assets	7(i)	22,111	33,122
Total non-current assets		491,536	116,099
Current assets			
Inventories	8	40,925	22,607
Financial assets			
Trade receivables	6(ii)	50,333	19,683
Cash and cash equivalents	6(iii)	10,407	80,356
Other bank balances	6(iv)	7,900	3,800
Other financial assets	6(v)	3,200	901
Income tax assets	7A	403	-
Other current assets	7(ii)	67,941	771
Total current assets		181,109	128,118
Total assets		672,645	244,217
EQUITY AND LIABILITIES			
Equity			
Equity share capital	9	368,518	193,349
Other equity			
Reserves and surplus	10 (i)	(169,734)	(59,108)
Other reserves	10 (ii)	61,449	5,063
Total equity		260,233	139,304
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	11(i)	48,946	27,818
Lease liabilities	13	176,202	2,827
Other financial liabilities	11(iii)	37,445	-
Employee benefit obligations	15	3,079	139
Total non-current liabilities		265,672	30,784
Current liabilities			
Financial liabilities			
Borrowings	11(i)	32,591	38,279
Lease liabilities	13	7,011	3,529
Trade payables			
(a) Total outstanding dues of micro and small enterprises	11(ii)	-	-
(b) Total outstanding dues other than (a) above	11(ii)	50,197	10,155
Other financial liabilities	11(iii)	50,374	19,827
Employee benefit obligations	15	2,507	420
Contract liabilities	14	1,636	-
Other liabilities	12	2,424	1,919
Total current liabilities		146,740	74,129
Total liabilities		412,412	104,913
Total equity and liabilities		672,645	244,217

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

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

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016



Prashant Kabra
Partner
Membership No.: 217667

Place: Bengaluru
Date: September 05, 2023

For and on behalf of the Board of Directors

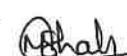


Rajeev Kaul
Director
DIN: 01468590

Place: Belagavi
Date: September 05, 2023



Dinesh Iyer
Director
DIN: 09515485



Mehul Shah
Company Secretary
Membership No: A62043

Aequis Consumer Products Private Limited

CIN:U28995KA2019PTC129087

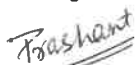
Statement of Profit and Loss for the year ended March 31, 2023

(All amounts are in ₹ thousands, except share and per share data, unless otherwise stated)

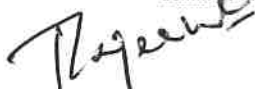
	Notes	Year ended March 31, 2023	Year ended March 31, 2022
Income			
Revenue from operations	16	299,385	57,091
Other gains/(losses)- net	16A	(222)	283
Total income (A)		299,163	57,374
Expenses			
Cost of materials consumed	18	231,322	36,985
Purchases of stock-in-trade		16,347	-
Changes in inventories of work in progress, finished goods and stock-in-trade	19	(5,397)	(1,879)
Employee benefit expenses	20	50,522	23,610
Other expenses	22	120,981	39,806
Total cost (B)		413,775	98,522
Earnings before interest, tax, depreciation and amortisation (A-B)		(114,612)	(41,148)
Depreciation and amortisation expense	21	36,654	10,218
Finance income	17	(2,625)	(239)
Finance cost	23	28,497	5,315
Total		62,526	15,294
Loss before tax		(177,138)	(56,442)
Income tax expense			
- Current tax		-	-
- Deferred tax		-	-
Total tax expense		-	-
Loss for the year		(177,138)	(56,442)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Remeasurements (loss)/gain on defined benefit obligations	15(iii)	(837)	-
Other comprehensive income for the year		(837)	-
Total comprehensive loss for the year		(177,975)	(56,442)
Earnings per share(Basic) :	36	(6.54)	(7.41)
[Nominal value per share: ₹10 (March 31, 2022: ₹10)]			

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

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

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016Prashant Kabra
Partner
Membership No.: 217667

For and on behalf of the Board of Directors

Rajeev Kaul
Director
DIN: 01468590Dinesh Iyer
Director
DIN: 09515485Mehul Shah
Company Secretary
Membership No: A62043Place: Bengaluru
Date: September 05, 2023Place: Belagavi
Date: September 05, 2023

Statement of Changes in Equity for the year ended March 31, 2023

(All amounts are in ₹ thousands, except share and per share data, unless otherwise stated)

A. Equity share capital

	Note	Amount
Balance as at April 1, 2021		36,980
Changes during the year	9	156,369
Balance as at March 31, 2022		193,349
Changes during the year	9	175,169
Balance as at March 31, 2023		368,518

B. Other equity

	Reserves and surplus				Other reserves	Total other equity
	Capital Reserve	Retained earnings	Securities premium	Share options outstanding account	Other reserves	
Balance as at April 01, 2021	-	(18,208)	-	-	-	(18,208)
Loss for the year	-	(56,442)	-	-	-	(56,442)
Other comprehensive income/(loss)	-	-	-	-	-	-
Total comprehensive loss for the year	-	(56,442)	-	-	-	(56,442)
Finance guarantee received during the year	-	-	-	-	5,063	5,063
Premium received on shares issued during the year	-	-	8,128	-	-	8,128
Employee stock option expenses	-	-	-	180	-	180
Common control business combination	7,609	-	-	-	-	7,609
Share issue expenses	-	-	(375)	-	-	(375)
Balance as at March 31, 2022	7,609	(74,650)	7,753	180	5,063	(54,045)
Loss for the year	-	(177,138)	-	-	-	(177,138)
Other comprehensive income/(loss)	-	(837)	-	-	-	(837)
Total comprehensive loss for the year	-	(177,975)	-	-	-	(177,975)
Finance guarantee received during the year	-	-	-	-	56,386	56,386
Premium received on shares issued during the year	-	-	68,814	-	-	68,814
Common control business combination	(870)	-	-	-	-	(870)
Employee stock option expenses	-	-	-	2,117	-	2,117
Share issue expenses	-	-	(2,712)	-	-	(2,712)
Balance as at March 31, 2023	6,739	(252,625)	73,855	2,297	61,449	(108,285)

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

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

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016Prashant Kabra
Partner
Membership No.: 217667Place: Bengaluru
Date: September 05, 2023

For and on behalf of the Board of Directors

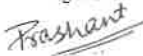
Rajeev Kaul
Director
DIN: 01468590Dinesh Iyer
Director
DIN: 0951541Mehul Shah
Company Secretary
Membership No: A62043Place: Belagavi
Date: September 05, 2023

Aequs Consumer Products Private Limited
Statement of Cash Flows for the year ended March 31, 2023
(All amounts are in ₹ thousands, except share and per share data, unless otherwise stated)

	March 31, 2023	March 31, 2022
A. Cash flow from operating activities		
Loss before income tax	(177,138)	(56,442)
Adjustments for:		
Depreciation and amortisation expense	36,654	10,218
Finance income	(2,625)	(240)
Finance cost	23,192	4,144
Loss on derecognition of leases	1,639	-
Net loss on foreign currency translations	38	-
Finance guarantee expense	5,305	1,171
Provision for slow moving inventory	13,254	-
Employee stock compensation expense	2,117	180
Change in operating assets and liabilities		
(Increase)/decrease in		
- trade receivables	(29,337)	(12,678)
- inventories	(29,281)	(16,990)
- other financial assets	(7,870)	(2,931)
- other non-current assets	32,983	(22,747)
- other current assets	(68,058)	(4,668)
Increase/(decrease) in		
- trade payables	37,127	(1,034)
- employee benefit obligations	4,190	559
- other financial liabilities	35,907	6,545
- other current liabilities	538	1,851
- contract liabilities	1,636	-
Cash used in operations	(119,729)	(93,062)
Net cash outflow from operating activities (A)	(119,729)	(93,062)
B. Cash flows from investing activities:		
Purchase of property, plant and equipment and intangible assets	(186,656)	(54,638)
Fixed deposits made	(4,100)	(3,800)
Interest received	225	240
Investments in subsidiaries	(40,001)	(10,099)
Net cash outflow from investing activities (B)	(230,532)	(68,297)
C. Cash flows from financing activities:		
Proceeds from issue of shares	241,271	174,222
Proceeds from long-term borrowings	84,826	36,705
Repayment of long-term borrowings	(8,979)	-
Loan repaid to related party	(46,500)	-
Loan taken from related party	24,000	22,500
Principal repayment of lease liability	(5,652)	(2,337)
Proceeds / (repayment) from short-term borrowings (net)	12,968	5,235
Interest paid	(21,622)	(3,596)
Net cash inflow from financing activities (C)	280,312	232,729
Net increase (decrease) in cash and cash equivalents (A+B+C)	(69,949)	71,370
Cash and cash equivalents at the beginning of the financial year	80,356	8,986
Cash and cash equivalents at end of the year	10,407	80,356
Non-cash investing activities		
-Acquisition of right of use assets	213,994	11,476
Reconciliation of cash and cash equivalents as per the cash flow statement		
Cash and bank balances as per above comprise of the following:		
Balances with banks:		
in current accounts	10,398	756
Deposits with bank	-	79,600
Cash on hand	9	-
Balances per statement of cash flows	10,407	80,356

The accompanying notes are an integral part of these financial statements.
This is the Statement of Cash Flows referred to
in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/NS00016


Prashant Kabra
Partner
Membership No.: 217667

For and on behalf of the Board of Directors


Rajeev Kaul
Director
DIN: 01468590


Dinesh Iyer
Director
DIN: 09515485


Mehul Shah
Company Secretary
Membership No: A62043

Place: Bengaluru
Date: September 05, 2023

Place: Belagavi
Date: September 05, 2023

Notes forming part of the financial statements for the year ended March 31, 2023

(All amounts are in ₹ thousands, except share and per share data, unless otherwise stated)

1. Background

Aequs Consumer Products Private Limited ('the Company') was incorporated on October 25, 2019 under the Companies Act 2013, in India, as a wholly subsidiary of Aequs Private Limited. The Company is engaged in the business of contract manufacturing of kitchen and home appliances. The commercial operations of the Company started in February, 2021.

During the year ended March 31, 2023, pursuant to slump sale agreement dated November 30, 2022 the Company has acquired business of its subsidiary Aequs Home Appliances Private Limited. The company has set up a new plant at Hubballi and has relocated its operations from Bengaluru during March 2023.

2. Significant accounting policies:

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

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

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

(ii) Historical cost convention

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

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

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

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

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

The Ministry of Corporate Affairs has vide notification dated March 31, 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are effective April 1, 2023. The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications. These amendments are not expected to have a material impact on the company in the current or future reporting periods and on foreseeable future transactions. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the company's accounting policy already complies with the now mandatory treatment.

b) Going concern assumption

The company has incurred a total comprehensive loss of ₹ 177,975 (March 31, 2022: ₹ 56,442) for the year ended March 31, 2023. The company's accumulated loss and net worth are ₹ 252,625 (March 31, 2022: ₹ 74,650) and ₹ 260,233 (March 31, 2022: ₹ 139,304) respectively. These financial statements have been prepared on the assumption that the Company will continue as a going concern based on business plans approved by the Board of Directors for the year ended March 31, 2023 and a letter of continuing financial support received from its holding company.

(c) Segment reporting

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

The Company's Chief Operating Decision Maker (CODM) is identified to be the Managing Director and Chief Operating Officer ("COO") of the holding company, who plans the allocation of resources and assess the performance of the segments. The Company has only one reportable segment to be reported in its financial statements. Refer Note 31 for segment information presented.

(d) Foreign currency translation**(i) Functional and presentation currency**

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

(ii) Transactions and balances

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

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined.



(e) Revenue from contract with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Sale of goods

The company supplies kitchen and home appliances, against purchase orders placed by its customers. Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally as per the Inco terms. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold is net of variable consideration, if any. The Company does not expect to have any contracts where the period between the transfer of goods or services to the customer and payment by the customer exceeds one year. Accordingly, the Company does not adjust any of the transaction prices for time value of money.

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

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

A contract asset is recognized 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 customer) is recognized

(f) Government grants

Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will be received and the Company will comply with all the attached conditions. Government grants relating to income are deferred and recognized in the profit and loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

(g) Income tax

The income tax expense or credit for the year is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction 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 company 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.

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

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities. 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.

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

(h) Leases

The Company as a Lessee

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

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, less any lease incentives receivable.
- Variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date.
- Amounts expected to be payable by the entity under residual value guarantees.
- The exercise price of a purchase option if the entity is reasonably certain to exercise that option.
- Payments of penalties for terminating the lease, if the lease term reflects the company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an 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. If the Company is reasonably certain to exercise a 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) Short-term leases and leases of low-value assets

The company applies the short-term lease recognition exemption to its short-term leases of building (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

j) Impairment of non-financial assets

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

(k) 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.

(l) Trade receivables

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

(m) Inventories

Raw materials, stores and spares, work in progress, stock-in-trade and finished goods

Raw materials, stores and spares, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials, stores and spares and traded goods comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Stock-in-trade is valued at cost of purchase. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items on weighted average basis. Costs of purchased inventory are determined after deducting rebates, refundable taxes and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

n) Investment in subsidiary

The Company measures its investments in equity instruments of subsidiary at cost in accordance with Ind AS 27. Equity investments in subsidiary are carried at cost less accumulated impairment losses, if any.

(o) Investments and other financial assets

(i) Classification

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

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

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

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

(ii) Initial recognition

The Company recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities (excluding trade receivables which do not contain a significant financing component) are recognised at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value on initial recognition.



(iii) Subsequent measurement

(a) Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate

(b) Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other expenses and impairment expenses in other expenses.

(c) Financial assets measured at fair value through profit and loss (FVTPL): Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit and loss. Interest income from these financial assets is included in other income.

(iv) Derecognition of financial assets

A financial asset is derecognised only when

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

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

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(v) 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. Note 26 details how the Company determines whether there has been a significant increase in credit risk. For trade receivables only, the Company applies the simplified approach required by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(vi) Income recognition

Interest income

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 amortised cost is calculated using the effective interest method and is recognised in the statement of profit and loss using the effective interest rate method.

(vii) Offsetting Financial Instruments

Financial assets and liabilities are offset, and the net amount is included in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(p) Property, plant and equipment:

Property, plant and equipment and capital work in progress is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met, directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

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

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

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.

The estimated useful lives of assets are as follows:

Asset	Management assessment of useful life	Useful life as per Schedule II
Leasehold improvement	10 years or lease period, whichever is lower	Not Applicable
Plant and machinery	2 to 10 years	8 to 15 years
Computers	3 to 6 years	3 to 6 years
Furniture and fittings	2 to 5 years	10 years
Office equipment	2 to 5 years	5 years

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. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Assets in the course of development or construction and freehold land are not depreciated.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in statement of profit and loss within other gains/losses. When significant spare parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.



(q) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets include Computer software. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Costs associated with maintaining software programmes are recognised as an expense as incurred.

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

Asset	Useful life adopted by the Company (in years)	Useful life as per Schedule II (in years)
Computer Software	3-10 years	Not applicable

(r) Accounting policy on EBITDA

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

(s) Trade and other payables

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

(t) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

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

(u) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

(v) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be 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 a 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 passage of time is recognised as an interest expense.

(w) Employee benefits**(i) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

Leave obligations are presented as current liabilities in the balance sheet since the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

(a) defined benefit plans such as gratuity; and

(b) defined contribution plans such as provident fund and ESI

Gratuity obligations:

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

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

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

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



Notes forming part of the financial statements for the year ended March 31, 2023**(All amounts are in ₹ thousands, except share and per share data, unless otherwise stated)****Defined Contribution Plans:**

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

(iv) Share-based payments

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

v) Bonus

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

(x) 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 associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investments.

(y) Contributed equity

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

(z) Earnings per share**(i) Basic earnings per share**

Basic earnings/ (loss) per share is calculated by dividing:

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

(ii) Diluted earnings per share

Diluted earnings/ (loss) 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.

(aa) Rounding off norms adopted by the Company

All amounts disclosed in the financial statements and notes have been rounded to nearest thousands as per the requirement of Schedule III of Companies Act, 2013, unless otherwise stated. Amount mentioned as "0" in the financial statements denote amounts rounded-off, being less than ₹ 500 and amount mentioned as "-" in the financial statements denotes ₹ Nil amount.

3. Critical estimates and judgements

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

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

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

The areas involving critical estimates are as below:

- Estimation of defined benefit obligation (Note 15)

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.



4 (i) Property, plant and equipment

	Leasehold Improvement	Plant and machinery	Computer equipment	Office equipment	Furniture & Fixtures	Total
Year ended March 31, 2023						
Gross carrying amount						
Opening gross carrying amount	740	63,079	1,177	1,352	101	66,449
Additions	1,001	141,644	1,560	2,280	92	146,577
Disposals	-	-	-	-	-	-
Closing gross carrying amount	1,741	204,723	2,737	3,632	193	213,026
Year ended March 31, 2022						
Gross carrying amount						
Opening gross carrying amount	352	16,260	855	861	101	18,429
Additions	388	46,819	322	491	-	48,020
Disposals	-	-	-	-	-	-
Closing gross carrying amount	740	63,079	1,177	1,352	101	66,449
Accumulated Depreciation						
Year ended March 31, 2023						
Opening accumulated depreciation	87	6,344	343	460	53	7,287
Depreciation charge during the year	210	18,776	546	624	51	20,207
Disposals	-	-	-	-	-	-
Closing accumulated depreciation	297	25,120	889	1,084	104	27,494
Accumulated Depreciation						
Year ended March 31, 2022						
Opening accumulated depreciation	3	724	61	36	10	834
Depreciation charge during the year	84	5,620	282	424	43	6,453
Disposals	-	-	-	-	-	-
Closing accumulated depreciation	87	6,344	343	460	53	7,287
Net carrying amount as on March 31, 2023	1,444	179,603	1,848	2,548	89	185,532
Net carrying amount as on March 31, 2022	653	56,735	834	892	48	59,162

(a) Plant and machinery includes the following amount related to Electrical installations:

Particulars	March 31, 2023	March 31, 2022
Cost	10,703	2,662
Addition during the year	6,311	8,041
Accumulated depreciation	(2,299)	(766)
Net carrying amount	14,715	9,937

(b) Plant and machinery includes the following amount related to Tools and instruments:

Particulars	March 31, 2023	March 31, 2022
Cost	8,173	6,321
Addition during the year	26,967	1,852
Accumulated depreciation	(7,717)	(2,491)
Net carrying amount	27,423	5,682

c) Refer note 30 for disclosure of contractual commitments for acquisition of property, plant and equipment

d) Refer note 20 for salary cost capitalized

e) Refer note 38 for information on Property, plant and equipment pledged as security



4(ii) Capital work-in-progress

Balance as at April 1, 2021	-
Additions	3,834
Transfers	-
Balance as at March 31, 2022	3,834
Additions	6,955
Transfers	(3,834)
Balance as at March 31, 2023	6,955

Note: Capital work in progress mainly comprises of plant and machinery under installation.

(a) Ageing of Capital work in progress as at March 31, 2023

	Amounts in CWIP for the period of			
	Less Than one year	1-2 years	2-3 years	More than 3 years
(i) Project In Progress	6,955	-	-	-
(ii) Projects Temporarily suspended	-	-	-	-
				Total
				6,955

(b) Ageing of Capital work in progress as at March 31, 2022

	Amounts in CWIP for the period of			
	Less Than one year	1-2 years	2-3 years	More than 3 years
(i) Project In Progress	3,834	-	-	-
(ii) Projects Temporarily suspended	-	-	-	-
				Total
				3,834

There are no projects whose completion is overdue or exceeded its cost compared to its original plan at the end of the year or previous year.



4 (iii) Right of use assets

	Factory Building
Year ended March 31, 2023	
Gross carrying amount	
Opening gross carrying amount	11,476
Additions	213,994
Derecognition	(11,476)
Closing gross carrying amount	213,994
Gross carrying amount	
Year ended March 31, 2022	
Opening balance	-
Additions	11,476
Closing balance as on March 31, 2022	11,476
Accumulated Depreciation	
Year ended March 31, 2023	
Opening accumulated depreciation	3,687
Depreciation charge during the year	16,310
Derecognition	(8,148)
Closing accumulated depreciation	11,849
Accumulated Depreciation	
Year ended March 31, 2022	
Opening balance	-
Depreciation charge during the year	3,687
Closing balance as on March 31, 2022	3,687
Net carrying amount as on March 31, 2023	202,145
Net carrying amount as on March 31, 2022	7,789

5 Intangible assets

	Computer software	Total
Year ended March 31, 2023		
Gross carrying amount		
Opening gross carrying amount	750	750
Additions	220	220
Disposals	-	-
Closing gross carrying amount	970	970
Year ended March 31, 2022		
Gross carrying amount		
Opening gross carrying amount	750	750
Additions	-	-
Disposals	-	-
Closing gross carrying amount	750	750
Accumulated amortisation		
Year ended March 31, 2023		
Opening accumulated amortisation	138	138
Amortisation charge during the year	137	137
Disposals	-	-
Closing accumulated amortisation	275	275
Year ended March 31, 2022		
Opening accumulated amortisation	60	60
Amortisation charge during the year	78	78
Disposals	-	-
Closing accumulated amortisation	138	138
Net carrying amount as on March 31, 2023	695	695
Net carrying amount as on March 31, 2022	612	612

Note:

(a) There were no contractual commitments for intangible assets as at March 31, 2023 and March 31, 2022



6 Financial assets

	As at March 31, 2023	As at March 31, 2022
(i) Non-current investments		
Investment in equity instruments (Unquoted, at cost)		
Investment in subsidiary		
5,010,000 (March 31, 2022: 1,009,999) equity shares of ₹10 each fully paid up of Aequs Home Appliances Private Limited	42,983	7,608
	42,983	7,608

Note: An amount of ₹ 4,626 (March 31, 2022: 2,491) has been written off from investments due to permanent diminution in the value of investments as a result of operating losses incurred by the subsidiary.

(ii) Trade receivables

Trade receivables from contracts with customers	50,333	19,683
Total receivables	50,333	19,683

Break-up of security details

Trade receivables considered good- secured	-	-
Trade receivables considered good - unsecured	50,333	19,683
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
Total	50,333	19,683
Loss allowance	-	-
Total trade receivables	50,333	19,683

Note: a) Refer note 38 for information on lien/charge against trade receivables.

Aging of Trade receivables as on March 31, 2023

Particulars	Outstanding for following periods from the due date							Total
	Unbilled	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	-	29,644	19,395	1,294	-	-	-	50,333
Which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed trade receivables								
Considered good	-	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	-	-
Less: Loss allowance	-	-	-	-	-	-	-	-
Total trade receivables	-	29,644	19,395	1,294	-	-	-	50,333

Aging of Trade receivables as on March 31, 2022

Particulars	Outstanding for following periods from the due date							Total
	Unbilled	Not due	Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables								
considered good	1,599	3,245	12,253	2,586	-	-	-	19,683
Which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed trade receivables								
Considered good	-	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-	-
Less: Loss allowance	-	-	-	-	-	-	-	-
Total trade receivables	1,599	3,245	12,253	2,586	-	-	-	19,683

(iii) Cash and cash equivalents

	As at March 31, 2023	As at March 31, 2022
Balances with banks:		
- in current accounts	10,398	756
- Deposits with original maturity of less than three months	-	79,600
Cash on hand	9	-
	10,407	80,356

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

(iv) Other bank balances

Margin money deposits	7,900	3,800
	7,900	3,800

Note: Margin Money deposits are against Letters of Credit, issued in favor of vendors for purchase of materials.



	As at March 31, 2023	As at March 31, 2022
(v) Other financial assets		
Non current		
Security deposits (refer note (a) below) [refer Note 32]	31,115	3,972
	31,115	3,972
Current		
Receivable from related parties [refer Note 32]	2,780	901
Interest accrued	420	-
	3,200	901
Note:		
Security deposit includes deposit given to Hubballi Durable Goods Cluster Private Limited (HDGCPL) against leasehold building ₹ 54,430 (March 31, 2022: ₹ Nil) which is the gross value of the deposit.		
7 Other assets		
(i) Non current		
Capital advances	17,362	10,091
Prepaid expenses	4,749	386
Balances with statutory authorities(Goods and service tax)	-	22,645
	22,111	33,122
(ii) Current		
Advance to suppliers	1,247	351
Advances to employees	91	7
Prepaid expenses	3,611	413
Balances with statutory authorities(Goods and service tax)	62,992	-
	67,941	771
7A Income tax assets		
Advance tax [net of provision for tax: ₹ Nil (March 31, 2022: ₹ Nil)]	403	-
	403	-
8 Inventories		
Raw materials	35,342	18,439
Work-in-progress	12,165	3,382
Finished goods	2,136	61
Stock-in-trade	244	-
Stores and spares	4,292	725
	54,179	22,607
Less: Provision for slow moving inventories	(13,254)	-
	40,925	22,607
(i) Raw material includes goods in transit amounting ₹ 840 [March 31, 2022: ₹ Nil].		
(ii) Raw materials includes packing material amounting ₹ 1,193 [March 31, 2022: ₹ 551].		
(iii) Stores and spares includes goods in transit amounting ₹ 32 [March 31, 2022: ₹ Nil]		
(iv) Provision for slow moving inventory includes provision in respect of:		
Raw materials	4,909	-
Work-in-progress	5,678	-
Finished goods	27	-
Stores and spares	2,640	-
	13,254	-
(v) Write- down of inventories to net realizable value amounted to ₹ 658 (March 31, 2022: ₹ Nil). These were recognized as an expense during the year and included in changes in value of inventories of finished goods and work-in-progress, stock-in-trade in Statement of profit and loss.		
(vi) Refer note 38 for information on lien/charge against inventories.		

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9 Equity share capital**(i) Authorised equity share capital**

	Number of shares	Amount
As at April 01, 2021	7,500,000	75,000
Increase during the year	18,500,000	185,000
As at March 31, 2022	26,000,000	260,000
Increase during the year	15,000,000	150,000
As at March 31, 2023	41,000,000	410,000

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

	March 31, 2023	March 31, 2022
Balance at the beginning of the year		
19,334,873 (March 31, 2022 : 3,698,000) equity shares of ₹10 each fully paid up.	193,349	36,980
Issue of shares during the year		
17,516,890 (March 31, 2022: 15,636,873) equity shares of ₹10 each fully paid up	175,169	156,369
Total issued, subscribed and fully paid-up equity share capital as at March 31, 2023	368,518	193,349

(a) Movement equity share capital

	March 31, 2023		March 31, 2022	
	Number of shares	Amount (₹)	Number of shares	Amount (₹)
At the beginning of the year	19,334,873	193,349	3,698,000	36,980
Add: Issued during the year	17,516,890	175,169	15,636,873	156,369
Outstanding at the end of the year	36,851,763	368,518	19,334,873	193,349

(b) Terms & rights attached to equity

The Company has only one class of equity shares having par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, equity share holders are eligible to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shares of the Company held by holding/ultimate holding company

	March 31, 2023	March 31, 2022
Aequs Private Limited	36,851,763	19,334,873
	36,851,763	19,334,873

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

Name of the shareholder	Number of equity shares	% holding
As at March 31, 2023		
Aequs Private Limited (APL)	36,851,763	100%
As at March 31, 2022		
Aequs Private Limited (APL)	19,334,873	100%

(e) There are no instances of shares allotted as fully paid by way of bonus shares and shares bought back during the current and previous reporting periods.

(f) There are no shares which are reserved for issuance and there are no securities issued/outstanding which are convertible into equity shares.

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

(h) Details of shareholding of promoters:

Name of the promoter	Number of shares		Percentage of number of shares		Percentage change during the year (Refer Note)
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	
Aequs Private Limited	36,851,763	19,334,873	100.00%	100%	0%

Note: During the previous year, Pursuant to share purchase agreement dated December 02, 2021 Aequs Manufacturing Investments Private Limited (AMIPPL) has transferred its shareholding in the Company to Aequs Private Limited (APL).



10 Other Equity**(i) Reserves and Surplus**

Capital reserve
Retained earnings
Securities premium
Share options outstanding account

As at March 31, 2023	As at March 31, 2022
6,739	7,609
(252,625)	(74,650)
73,855	7,753
2,297	180
(169,734)	(59,108)

(ii) Other Reserves

Other reserves

61,449	5,063
61,449	5,063

Capital Reserve**Opening balance**

Arising from common control acquisition

7,609	-
(870)	7,609

Closing Balance

6,739	7,609
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Retained earnings**Opening balance**

Loss for the year

(74,650)	(18,208)
(177,138)	(56,442)

Items of other comprehensive income / (loss) recognised directly in retained earnings:

- Remeasurement of post employment benefit obligations

(837)	-
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Closing balance

(252,625)	(74,650)
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Securities premium**Opening balance**

Premium received on equity shares issued during the year

7,753	-
68,814	8,128

Transaction costs arising on share issues

(2,712)	(375)
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Closing Balance

73,855	7,753
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Share options outstanding account**Opening balance**

Employee stock option expense

180	-
2,117	180

Closing Balance

2,297	180
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Other reserves**Opening balance**

Finance guarantee received during the year

5,063	-
56,386	5,063

Closing Balance

61,449	5,063
---------------	--------------

(a) Capital reserve

This represents the excess of net assets acquired by the company over the fair value consideration payable on common control acquisition (refer note 27).

(b) Securities premium

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilized in accordance with the provisions of Companies Act 2013.

(c) Share options outstanding account

Share options outstanding account represents the fair value of share options granted to the employees of the Company by Aequs Private Limited, Holding Company, which will be settled by allotting the shares of the issuer of the options. There is no cross charge that is being done by Aequs Private Limited with respect to this cost. Based on the assessment carried out by the Management, the impact of the stock options issued to the employee of the Company is not material, hence the disclosures as envisaged under Ind AS 102 are not made in these financial statements.

(d) Other reserves

Other reserve comprises of amount towards fair value of financial guarantee received from MFRE Private Trust ₹ 6,113 (March 31, 2022: ₹ 5,063), Aequs Private Limited ₹ 27,668 (March 31, 2022: ₹ Nil) and Aequs SEZ Private Limited ₹ 27,668 (March 31, 2022: ₹ Nil)



	As at March 31, 2023	As at March 31, 2022
II Financial liabilities		
(i) Borrowings		
Non current:		
Term Loan (Secured) (a) and (b)	59,079	33,526
Total non-current borrowings	59,079	33,526
Less: Interest accrued but not due on borrowings	(369)	(548)
Less: Current maturities of term loans included in current borrowings	(9,764)	(5,160)
Non-current borrowings	48,946	27,818
Current		
Working capital facilities from banks (Secured) (c) and (d)	17,458	5,071
Loan from related parties (Unsecured) (e)	5,000	27,500
Current maturities of term loans from banks	9,764	5,160
Interest accrued but not due on borrowings	369	548
	32,591	38,279

Note:

(a) HDFC Bank: Term loan taken by the Company carries an interest at 1 YRS MCLR + 2.50% p.a and is repayable in 60 monthly instalments (including current moratorium period of 9 months) and is secured by hypothecation of plant & machinery, collateral security over parcel of land & building owned by M/s. MFRE Private Trust, the personal guarantee of Mr. Aravind Melligeri, Director of Aequis Private Limited and corporate guarantee given by M/s. MFRE Private Trust.

(b) Canara Bank: Term loan taken by the Company carries an interest at -Present RLLR 8.30% + 3% CRP over RLLR+0.8% Liquidity premium and is repayable in 8 years 6 months monthly instalments(Including repayment holiday period of 18 months) and is secured by hypothecation of plant & machinery/equipments, miscellaneous Assets and electrical installation, collateral security over parcel of land & building owned by M/s Aequis SEZ private limited, the personal guarantee of Mr. Aravind Melligeri, Director of Aequis private limited and corporate guarantee given by M/S Aequis SEZ Private Limited and M/S Aequis Private Limited.

(c) Working capital facilities taken by the Company from HDFC bank includes Letter of Credit and Cash Credit (CC). Working capital facilities are secured by hypothecation of raw material, semi-finished goods, finished goods, existing and future receivables. Collateral security includes, parcel of land and building owned by M/s. MFRE Private Trust and hypothecation charges on unencumbered plant and machineries and other fixed assets of the Company. Personal guarantee given by Mr. Aravind Melligeri, Director of the holding company. CC carries interest @ 3MT bill+4.10% p.a.

(d) Working capital facilities taken by the Company from Canara Bank includes Letter of Credit and Cash Credit (CC). Working capital facilities are secured by hypothecation Proposed stock and book debts. Collateral security includes, parcel of land owned by M/s MFRE Private Trust and hypothecation charges on unencumbered plant and machineries and other fixed assets of the Company. Personal guarantee given by Mr. Aravind Melligeri, Director of the holding company and corporate guarantee given by M/S Aequis SEZ Private Limited and M/S Aequis Private Limited. These working capital facilities are not utilised as at March 31, 2023.

(e) Loan from related party pertains to unsecured loan availed by the company from Aequis SEZ Private Limited ₹ Nil (March 31, 2022 : ₹7,500) and from Aequis Private Limited ₹5,000 (March 31, 2022 : ₹20,000) with interest @ 12% p.a. These loans are repayable on demand.

(f) The term loan is reduced by Ind AS adjustments for unamortised financial guarantee received amounting to ₹54,390 (March 31, 2022: ₹ 3,727)

(g) The working capital loan is reduced by Ind AS adjustments for unamortised financial guarantee received amounting to ₹581 (March 31, 2022: ₹164)

(h) Overdraft against third party deposit (FCNR): Overdraft facility is secured primarily by Lien on FCNR deposit. Overdraft facility carry interest rate of 12.15% p.a. This facility is utilised and repaid during the current year.

(i) 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, 2023:

I. Inventories

For the quarter ended	Name of bank	Particulars of Securities Provided	Gross amount as per books of account	Amount as reported in the quarterly return/ statements	Amount of difference	Reason for discrepancies
Jun-22	HDFC Bank	Inventories	40,686	41,662	(976)	Refer note(a)
Sep-22	HDFC Bank	Inventories	67,832	71,529	(3,697)	
Dec-22	HDFC Bank	Inventories	55,696	39,074	16,622	Refer note (b)
Mar-23	HDFC Bank	Inventories	54,179	53,400	779	

Notes:

(a) Valuation related adjustments.

(b) Inventory of newly acquired business not submitted in stock statement.



Notes to the financial statements for the year ended March 31, 2023

(All amounts are in ₹ thousands, except share and per share data, unless otherwise stated)

2. Trade Receivables

For the quarter ended	Name of bank	Particulars of Securities Provided	Amount as per books of account	Amount as reported in the quarterly return/ statements	Amount of difference	Reason for discrepancies
Sep-22	HDFC Bank	Trade receivables	58,812	68,977	(10,166)	Refer note (a)

(a) Post submission of quarterly statement adjustment entries were posted by management.

Net debt reconciliation:

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

	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents	10,407	80,356
Current borrowings	(22,458)	(32,571)
Non-current borrowings	(59,079)	(33,526)
Lease Liabilities	(183,213)	(6,356)
Net Debt	(254,343)	7,903

	Other assets	Liabilities from financing activities				Total
	Cash and cash equivalents	Lease liabilities	Non-current borrowings	Current borrowings	Loan from Related Parties (Current borrowings)	
Net debt as on April 01, 2021	8,986	-	-	-	(5,000)	3,986
Cashflows	71,370	-	-	-	-	71,370
Acquisition of leases/borrowings	-	(8,693)	(36,705)	(5,235)	(22,500)	(73,133)
Repayments	-	2,337	-	-	-	2,337
Interest expense	-	(619)	(1,611)	(559)	(1,355)	(4,144)
Interest paid	-	619	1,063	559	1,355	3,596
Unamortized Financial guarantees	-	-	3,727	164	-	3,891
Net debt as on March 31, 2022	80,356	(6,356)	(33,526)	(5,071)	(27,500)	7,903
Net debt as on March 31, 2022	80,356	(6,356)	(33,526)	(5,071)	(27,500)	7,903
Cashflows	(69,949)	-	-	-	-	(69,949)
Acquisition of leases/ borrowings	-	(184,197)	(84,826)	(12,968)	(24,000)	(305,991)
Repayments	-	5,652	8,979	-	46,500	61,131
Interest expense	-	(9,723)	(7,449)	(1,674)	(3,145)	(21,991)
Interest paid	-	9,723	7,080	1,674	3,145	21,622
Lease derecognition	-	1,688	-	-	-	1,688
Unamortized financial guarantees	-	-	50,663	581	-	51,244
Net Debt as on March 31, 2023	10,407	(183,213)	(59,079)	(17,458)	(5,000)	(254,343)

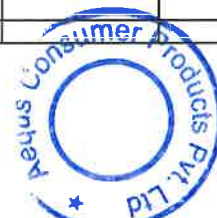
	As at March 31, 2023	As at March 31, 2022
(ii) Trade Payables		
Current:		
Trade payables		
- Dues to micro and small enterprises [Refer Note 37]	-	-
- Other trade payables	38,052	9,664
- Related party trade payables[Refer Note 32]	12,145	491
	50,197	10,155

Aging of Trade payables as at March 31, 2023

Particulars	Outstanding for following periods						Total
	Unbilled	Not Due	Less than 1 year	1-2 Years	2-3 Years	More than 3 year	
(i)MSME	-	-	-	-	-	-	-
(ii)Others	9,320	5,739	35,030	108	-	-	50,197
(iii)Disputed dues- MSME	-	-	-	-	-	-	-
(iv)Disputed dues- Others	-	-	-	-	-	-	-
	9,320	5,739	35,030	108	-	-	50,197

Aging of Trade payables as at March 31, 2022

Particulars	Outstanding for following periods						Total
	Unbilled	Not Due	Less than 1 year	1-2 Years	2-3 Years	More than 3 year	
(i)MSME	-	-	-	-	-	-	-
(ii)Others	1,487	2,813	5,571	284	-	-	10,155
(iii)Disputed dues - MSME	-	-	-	-	-	-	-
(iv)Disputed dues- Others	-	-	-	-	-	-	-
	1,487	2,813	5,571	284	-	-	10,155



	As at March 31, 2023	As at March 31, 2022
(iii) Other financial liabilities		
Non Current:		
Deferred business consideration [refer note 27]	37,445	-
	37,445	-
Current:		
Capital creditors [refer note 32 for payables to related parties]	3,691	4,447
Employees related liability	2,805	840
Payable to related parties [refer note 32]	43,878	14,540
	50,374	19,827
12 Other liabilities		
Statutory dues payable	2,424	1,919
	2,424	1,919
13 Lease liabilities		
Non Current:		
Lease liabilities	176,202	2,827
	176,202	2,827
Current:		
Lease liabilities	7,011	3,529
	7,011	3,529

Notes

a) During the previous year, the Company's lease contracts were for fixed periods of 35 months for factory building and 24 months for additional shed. Extension and termination options (for Building) are exercisable on mutually agreed terms. The said agreement is terminated by the Company as per mutually agreed terms on March 15, 2023, as the company has relocated its plant to Hubballi.

b) The Company has entered into agreements with lessors for taking factory premises on lease. The lease term is for a period of 10 years with escalation clauses in the lease agreements of premises. Measurement of right-of-use assets and lease liabilities are calculated based on the fixed lease rentals payable under the lease agreements.

c) The total cash outflow for leases, including interest, for the year was ₹ 15,375 [March 31, 2022 : ₹ 2,956]

14 Contract liabilities

Advance from customers

1,636	-
1,636	-

Note:

- a. Revenue recognised that was included in contract liability balance as at the beginning of the period.
- b. There was no revenue recognised from performance obligations satisfied in previous period.



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	As at March 31, 2023	As at March 31, 2022
15 Employee benefit obligations		
Non-current		
Gratuity	3,079	139
	3,079	139
Current		
Gratuity	67	1
Leave obligations	2,440	419
	2,507	420

(i) Leave obligations

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

The leave obligations cover the Company's liability for earned leave which are classified as other long-term benefits. The amount of provision of ₹ 2,440 (March 31, 2022: ₹ 419) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take full amount of accrued leave or require payment within next 12 months.

	For the year ended March 31, 2023	For the year ended March 31, 2022
Leave obligation not expected to be settled in the next 12 months	1,753	233

(ii) Defined contribution plans

The Company has certain defined contribution plans in the form of provident fund and employees state insurance scheme for qualifying employees. The contributions are made to provident fund for employees at the rate of 12% and to employees state insurance scheme at the rate of 3.25% of basic salary as per regulations. The contributions are made to a registered provident fund and ESI fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual or any constructive obligation. The expense recognised during the period towards defined contribution plans is:

	For the year ended March 31, 2023	For the year ended March 31, 2022
Provident Fund	1,244	911
Employees State Insurance	25	11
Total	1,269	922

(iii) Gratuity

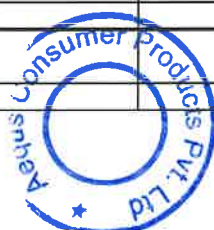
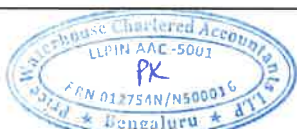
The Company provides for gratuity for employees in India as per Payment of Gratuity (Amendment) Act, 2018. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on termination/retirement is the employees last drawn basic salary per month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

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

	March 31, 2023	March 31, 2022
Opening defined benefit obligation	140	-
Current service cost	281	140
Interest cost/(income)	10	-
Net actuarial (gain) / loss recognized during the period	-	-
(a) Total amount recognized in statement of profit or loss	291	140
Opening amount recognized in OCI outside profit and loss account	-	-
Remeasurements		
- return on plan assets, excluding amounts included in interest expense/(income)	-	-
- (Gains)/losses from changes in demographic assumptions	367	-
- (Gains)/losses from changes in financial assumptions	(233)	-
- Experience (gains)/losses	703	-
(b) Total amount recognized in other comprehensive income	837	-
Closing amount recognized in other comprehensive income	837	-
Total amount recognized in statement of profit and loss and other comprehensive income (a+b)	1,128	140
Liabilities assumed/(settled)	1,907	-
Benefits paid	(29)	-
Closing defined benefit obligations	3,146	140

The net liability disclosed above relates to the unfunded plans are as follows:

	March 31, 2023	March 31, 2022
(c) Change in fair value of plan assets		
Present value of unfunded defined benefit obligation	3,146	140
Fair value of plan assets	-	-
Net defined benefit liability/(asset) recognized in balance sheet	3,146	140
(d) Classification		
Current	67	1
Non current	3,079	139
Total	3,146	140



(e) Significant estimates: actuarial assumptions		
The significant actuarial assumptions are as follows:		
Discount rate per annum	7.50%	6.95%
Salary escalation rate per annum	10.00%	10.00%
Other actuarial assumptions		
Attrition rate		
21 to 30 years	5.00%	5.56%
31 to 40 years	5.00%	11.11%
41 to 50 years	3.00%	5.56%
51 to 57 years	5.00%	11.11%
Retirement age	58 Years	58 Years
Mortality table	Indian Assured Lives Mortality (2012-14) Ult table	Indian Assured Lives Mortality (2012-14) Ult table

Sensitivity analysis

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

Changes in assumption	March 31, 2023	March 31, 2022
Discount rate		
Defined benefit obligation (DBO) on increase in 50 bps	2,952	132
Impact of increase in 50 bps on DBO	-6.16%	-6.05%
Defined benefit obligation (DBO) on decrease in 50 bps	3,357	149
Impact of decrease in 50 bps on DBO	6.71%	6.63%
Salary increase rate		
Defined benefit obligation (DBO) on increase in 50 bps	3,335	149
Impact of increase in 50 bps on DBO	6.02%	6.40%
Defined benefit obligation (DBO) on decrease in 50 bps	2,963	132
Impact of decrease in 50 bps on DBO	-5.81%	-5.92%

Sensitivity analysis for each significant actuarial assumptions namely discount rate and salary assumptions have been shown in the table above at the end of the reporting period, showing how the defined benefit obligation would have been affected by the changes. The method used to calculate the liability in these scenarios is by keeping all the other parameters and the data same as in the base liability calculation except the parameters to be stressed.

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.

b. Expected future cashflows (in Thousands) [Undiscounted]	March 31, 2023	March 31, 2022
Year 1	67	1
Year 2	91	1
Year 3	106	1
Year 4	122	9
Year 5	140	15
Year 6 to 9	873	56
10 years and above	8,427	329
Weighted average duration of the defined benefit obligation in years	12.86 years	12.66 years

Risk exposure

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

(i) Market risk

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

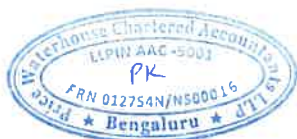
The impact of longevity risk will depend on whether the benefits are paid before retirement age or after. Typically for the benefits paid on or before the retirement age, the longevity risk is not very material.

(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.



	Year ended March 31, 2023	Year ended March 31, 2022
16 Revenue from operations		
Revenue from contracts with customers		
Sale of products	297,329	56,066
	297,329	56,066
Other operating income		
Scrap sales	2,056	361
Other income	-	664
	299,385	57,091
a. There are no adjustments made to contract price.		
b. There are no unfulfilled performance obligations resulting from contracts with customers as at reporting date.		
c. There is no disaggregation of revenue (refer note 31)		
16A Other Gains/ (Losses)-net		
Net foreign exchange gain/ (loss)	1,417	283
Loss due to termination of lease	(1,639)	-
	(222)	283
17 Finance income		
Interest income from financial asset at amortised cost	645	127
Unwinding of discount on security deposit	1,980	112
	2,625	239
18 Cost of materials consumed		
Opening stock	18,439	3,968
Add: Purchases during the year	243,316	51,456
	261,755	55,424
Less: Closing stock (net of provision for slow moving inventory)	30,433	18,439
Cost of materials consumed	231,322	36,985
19 Changes in inventories of work in progress and finished goods and Stock-in-trade		
Opening stock (a)		
Work-in-progress	3,382	1,564
Finished goods	61	-
Stock-in-trade	-	-
	3,443	1,564
Less: Closing Stock (b)		
Work-in-progress (net of provision for slow moving inventory)	6,487	3,382
Finished goods (net of provision for slow moving inventory)	2,109	61
Stock-in-trade	244	-
	8,840	3,443
Change in inventories of work in progress and finished goods and Stock-in-trade	(5,397)	(1,879)
20 Employee benefit expenses		
Salaries, wages and bonus [refer note below]	43,802	21,542
Contribution to provident and other funds [refer note 15]	1,269	922
Gratuity [refer note 15]	291	140
Staff welfare expenses	822	295
Employee stock option expense	2,117	180
Leave compensation	2,221	531
	50,522	23,610
Note:		
Expenses capitalized during the year		
Salaries	5,984	-
21 Depreciation and amortisation expense		
Depreciation on property, plant and equipment [refer note 4 (i)]	20,207	6,453
Amortisation on intangible assets [refer note 5]	137	78
Depreciation on Right-of-use assets [refer note 4(iii)]	16,310	3,687
	36,654	10,218



	Year ended March 31, 2023	Year ended March 31, 2022
22 Other Expenses		
Consumption of stores and spares	9,727	254
Contract manpower	22,768	2,624
Power and fuel	17,972	1,725
Subcontracting expenses	9,193	21,620
Repairs and maintenance		
Plant & Machinery	1,604	1,354
Buildings	1,393	1,150
Others	6,202	1,240
Legal and professional fees	7,053	4,891
Payment to auditors [refer note (i) below]	625	500
Plant relocation charges	5,735	-
Freight and forwarding	604	-
Management Fee	21,712	-
Rental charges [refer note 33(iii)]	2,126	603
Printing and stationery	161	52
Insurance	783	247
Rates and taxes	2,491	797
Travelling and conveyance	7,662	2,002
Communication	1,131	72
Bank charges	1,910	221
Miscellaneous expenses	129	454
	120,981	39,806
(i) Payments to auditors		
As auditor:		
Audit fee	500	500
	500	500
23 Finance cost		
Interest expense on short-term borrowings	4,819	1,914
Interest expense on deferred business consideration	1,201	-
Interest expense on long-term borrowings	7,449	1,611
Finance guarantee expense	5,305	1,171
Interest on lease liabilities	9,723	619
	28,497	5,315

- 24** The provisions of Section 135 of the Companies Act, 2013 with respect to the Corporate Social Responsibility are not applicable to the Company.

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Aequis Consumer Products Private Limited

Notes forming part of the financial statements for the year ended March 31, 2023

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

25 Deferred Tax Assets (Net)

A. Deferred tax recognition

Deferred tax asset on timing differences and on unabsorbed depreciation and business loss carried forward has not been recognised in these accounts in the absence of reasonable certainty supported by convincing evidence that sufficient future taxable income will be available for set-off. However, this position will be reassessed at every year end and the deferred tax asset will be accounted for, if appropriate. Deferred tax asset as at March 31, 2023 has been arrived at as follows:

Particulars	March 31, 2023	March 31, 2022
Difference between carrying amount of Property, Plant and Equipment in the financial statement and the income tax return	(329)	(115)
Expense charged in the financial statement but allowable as deduction in the future years under Income Tax Act, 1961	893	49
Unabsorbed depreciation / carry forward of business losses as per Income tax	35,617	11,648
	36,181	11,582

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

Particulars	March 31, 2023	March 31, 2022
Profit/(Loss) before income tax expense	(177,138)	(56,442)
Tax at the rate of 17.16% for March 31, 2023 and 17.16% for March 31, 2022	(30,397)	(9,685)
Expenses not allowed as deduction in computation of current tax	1,192	201
Income not chargeable to tax	(217)	(19)
Expenses on which DT not recognised in the current year	4,663	9,039
Tax Impact of Current Year Loss	23,969	-
Tax impact on loss incurred by Aequis Home Appliances (Refer note 27)	794	427
Others	(4)	37
Total tax expense/(income)	-	-

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.

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

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

Particulars	March 31, 2023	March 31, 2022
Within five years	-	-
Later than five years but less than ten years	178,163	58,644
No expiry	29,397	9,235

a) Unabsorbed depreciation does not have any expiry period.

b) Tax rate considered for arriving at the above amounts is 17.16% (March 31, 2022: 17.16%)

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

Financial Year	March 31, 2023	March 31, 2022
2028-29	15,508	15,508
2029-30	43,136	43,136
2030-31	119,519	-

Deferred Tax :

Movement in the deferred tax asset / (liabilities) - not recognised

Particulars	As at April 1, 2021	Movement	Charge/(credit) to the statement of profit and loss	As at March 31, 2022	Movement	Charge/(credit) to the statement of profit and loss	As at March 31, 2023
Deferred Tax Asset/(Liabilities) :							
Property, plant & equipment , Intangible Asset	(538)	423	-	(115)	(214)	-	(329)
Right of use assets (net of lease liabilities)	-	(246)	-	(246)	(3,003)	-	(3,249)
Employment Benefit Obligation - Gratuity	-	24	-	24	516	-	540
Employee Benefit Obligation - Leave Encashment	-	72	-	72	347	-	419
Bonus	-	122	-	122	315	-	437
Unabsorbed Depreciation	487	1,098	-	1,585	3,459	-	5,044
Loss carried forward	4,032	6,031	-	10,063	20,510	-	30,573
Provision on inventory	-	-	-	-	2,274	-	2,274
Other Items	87	(10)	-	77	395	-	472
Net Deferred Tax Asset	4,068	7,514	-	11,582	24,599	-	36,181
Deferred tax (credit)/charge for the year	-	-	-	-	-	-	-

C. Current Tax

There is no liability arising on account of current tax during the year ended March 31, 2023 and March 31, 2022.



26 Fair value measurement

Financial instruments by category

Particulars	Category	March 31, 2023	March 31, 2022
Financial assets			
Investments	Amortised cost	42,983	7,608
Trade receivables	Amortised cost	50,333	19,683
Cash and cash equivalents	Amortised cost	10,407	80,356
Other bank balances	Amortised cost	7,900	3,800
Other financial assets	Amortised cost	34,315	4,873
Total financial assets		145,938	116,320
Financial liabilities			
Borrowings	Amortised cost	81,537	66,097
Trade payables	Amortised cost	50,197	10,155
Other financial liabilities	Amortised cost	87,819	19,827
Lease liabilities	Amortised cost	183,213	6,356
Total financial liabilities		402,766	102,435

(i) Fair value hierarchy

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

(a) recognized and measured at fair value

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

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

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

	Note	March 31, 2023	March 31, 2022
		Level 3	Level 3
Financial assets			
Investments	6 (i)	42,983	7,608
Trade receivables	6(ii)	50,333	19,683
Cash and cash equivalents	6(iii)	10,407	80,356
Other bank balances	6(iv)	7,900	3,800
Other financial assets	6(v)	34,315	4,873
Total financial assets		145,938	116,320
Financial liabilities			
Borrowings	11(i)	81,537	66,097
Trade payables	11(ii)	50,197	10,155
Other financial liabilities	11(iii)	87,819	19,827
Lease liabilities	13	183,213	6,356
Total financial liabilities		402,766	102,435

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. These instruments are included in Level 1.

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

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

There are no transfers of financial instruments between Level 1, Level 2 and Level 3 during the year.

(ii) Valuation process

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

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

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

Interest free refundable security deposit are measured at fair value using the present value technique. Discount rate taken are the current yields on government bonds having tenure equivalent. The present value of interest free refundable deposit is the future cash flows discounted using the risk free return for the tenure of the agreement at the time of initial recognition. These inputs used being unobservable inputs, interest free refundable deposit is classified under level 3.

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

(iv) Investments

The Company accounts the investments in subsidiary at cost, in accordance with Ind AS 27. These investments are tested for impairment annually.

(iv) Significant estimates

The fair value of financial instruments that are not traded in an active market is determined using various valuation techniques. 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.



27 Common Control Disclosure as per Ind AS 103**Assets and Liabilities acquired via business transfer agreement.**

Pursuant to a Slump sale agreement dated November 30, 2022, the Company acquired business of Aequs Home Appliances Private Limited (AHAPL) with effect from December 01, 2022. The consideration for this acquisition was INR 43,855 payable after two years from date of execution of the agreement. AHAPL is a subsidiary of the Company, hence this business transfer agreement constitutes a business combination under common control as per Ind AS 103 and the Company has accounted this acquisition from the earliest date of common control, i.e., incorporation date of AHAPL August 9, 2021.

The impact of this treatment is that the Company has recorded:

- the carrying value of assets and liabilities, income and expenditure of AHAPL from earliest date of common control i.e., AHAPL August 9, 2021 till the date of actual business transfer i.e., November 30, 2022.

Below are the details of assets and liabilities acquired as on the date of business transfer-

As at November 30, 2022

Assets		
Property, plant and equipment		4,730
Other intangible assets		187
Other financial assets		19,530
Other non-current assets		16,475
Inventories		2,947
Trade receivables		1,566
Cash and cash equivalents		475
Other current assets		2,816
		48,726
Liabilities		
Trade payables		3,562
Other financial liabilities		2,164
Other current liabilities		17
		5,743

The bifurcation of income and expenditure of the Company and AHAPL reported in the Statement of Profit and Loss for the year ended March 31, 2023 are as below-

	April 01, 2022 to March 31, 2023	April 01, 2022 to November 30, 2022	Total as reported in the Statement of profit and loss for the year ended March 31, 2023
	Aequs Consumer Products Private Limited	Aequs Home Appliances Private Limited	
Revenue			
Revenue from operations	288,853	10,532	299,385
Other gains/(losses)- net	(208)	(14)	(222)
Total	288,645	10,518	299,163
Expenses			
Cost of materials consumed	219,246	12,076	231,322
Purchase of traded goods	16,347	-	16,347
Changes in inventories of work in progress, finished goods and stock in trade	(3,044)	(2,353)	(5,397)
Employee benefit expenses	50,522	-	50,522
Other expenses	115,745	5,236	120,981
Depreciation and amortization expense	35,783	871	36,654
Finance income	(1,907)	(718)	(2,625)
Finance cost	28,466	31	28,497
Total Expenditure	461,158	15,143	476,301
Loss Before Tax	(172,513)	(4,625)	(177,138)
- Current tax	-	-	-
- Deferred tax (credit)	-	-	-
Profit/(Loss) for the period	(172,513)	(4,625)	(177,138)

Calculation of capital reserve

	As at March 31, 2023	As at March 31, 2022
Opening balance	(7,609)	-
Fair value of deferred business consideration on the date of business transfer	36,244	-
Less: Net identifiable assets acquired	35,374	7,609
Movement during the year	870	(7,609)
Closing balance debit/ (credit)	(6,739)	(7,609)



28 Financial risk management

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

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

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

A. Credit risk

Credit risk is a risk where the counterparty will not meet its obligations under 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.

The Company's financial assets mainly comprise of investments, cash and bank balances, other bank balances, trade receivables and other receivables.

(i) Credit risk management

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

A : High-quality assets, negligible credit risk

B : Low quality assets, high credit risk

C : Doubtful assets, credit-impaired

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

1. Internal credit rating

2. External credit rating (to extent available)

3. Any significant change in business, financial or economic conditions that are expected to cause a significant change in the payer's ability to meet its obligations, including changes in operating results and payment status.

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

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

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28 Financial risk management (continued)**(ii) Provision for expected credit losses**

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

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

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

1) Deposits :

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

2) Deposits with bank :

They are considered to be having negligible risk or nil risk, as they are maintained with high rated banks and the period of such deposits are generally less than one year.

3) Investments :

It consists of investments in subsidiary. Management undertakes impairment assessment on an annual basis and based on the recoverable value of the investments, impairment if any, will be provided for.

4) Trade receivables and other dues from related parties

No significant expected credit loss provision has been created for trade receivables and other dues since the Company considers the life time credit risk of these financial assets to be very low. Further, receivables are expected to be collected considering the past trend of no defaults and that the balances are not significantly aged. For balances that management believes are credit impaired, full provision is made immediately.

There are no balances for the current financial year which the management believes to be credit impaired.

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 at floating rate of interest:

Particulars	March 31, 2023	March 31, 2022
A. Expiring within one year (bank overdraft and other facilities)	72,542	24,929
B. Expiring beyond one year (bank loans)	291,157	11,314
	363,699	36,243

(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.



28 Financial risk management (continued)

Contractual maturities of financial liabilities

Contractual maturities of financial liabilities	Less than 12 months	More than 12 months	Total
As at March 31, 2023			
Non-derivatives			
Borrowings*	33,172	103,336	136,508
Interest on borrowings (term loans)	20,114	65,706	85,819
Trade payables	50,197	-	50,197
Other financial liabilities	50,374	37,445	87,819
Lease liabilities	24,824	267,763	292,587
Total non derivative liabilities	178,681	474,250	652,930

Contractual maturities of financial liabilities	Less than 12 months	More than 12 months	Total
As at March 31, 2022			
Non-derivatives			
Borrowings*	41,256	33,690	74,946
Trade payables	10,155	-	10,155
Other financial liabilities	19,827	-	19,827
Lease liabilities	3,529	2,827	6,356
Total non derivative liabilities	74,767	36,517	111,284

*The amount of borrowings includes interest accrued, unamortized portion of financial guarantee and loan processing fees and current maturities of long term borrowings.

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 recognized 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. Further, any additional exposure is continuously monitored and hedging options like forward contracts shall be taken whenever they are expected to be cost effective.

(a) Foreign currency risk exposure

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

	March 31, 2023		March 31, 2022	
	USD	CNY	USD	CNY
Financial asset				
Trade receivables	11,978	-	-	-
Net exposure to foreign currency risk (assets)	11,978	-	-	-
Financial liabilities				
Trade payables	179	-	222	64
Net exposure to foreign currency risk (liabilities)	179	-	222	64

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	
	March 31, 2023	March 31, 2022
USD Sensitivity		
INR/USD - Increase by 5%	489	(8)
INR/USD - decrease by 5%	(489)	8
CNY Sensitivity		
INR/CNY - Increase by 5%	-	(2)
INR/CNY - decrease by 5%	-	2

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the debt obligations with floating interest rates.

(a) Interest rate risk exposure

The exposure of company's borrowings to the interest rate changes at the end of the reporting period are included in the table below.

Particulars	March 31, 2023	March 31, 2022
Variable rate borrowings	76,537	38,597
Fixed rate borrowings	5,000	27,500
Total borrowings	81,537	66,097

(b) Sensitivity

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

	Impact on profit after tax	
	March 31, 2023	March 31, 2022
Interest rates - increase by 50 basis points	(383)	(193)
Interest rates - decrease by 50 basis points	383	193

(iii) Price risk

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



29 Capital management**Risk management**

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio minimum. The Company includes within net debt, interest bearing borrowings less cash and bank balances.

The Company's objectives while managing capital are to:

- (i) Safeguard their ability to continue as a going concern, so that they can continue to provide returns to shareholders and benefits to other stakeholders;
- (ii) Maintain 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)

- (i) The below table depicts the company's net debt to equity ratio.

	March 31, 2023	March 31, 2022
Borrowings	81,537	66,097
Lease liabilities	183,213	6,356
Cash and cash equivalents	(10,407)	(80,356)
Net debt	254,343	(7,903)
Total equity	260,233	139,304
Net debt to equity ratio	0.98	(0.06)

Note:

(a) The above ratio is calculated by considering the amount of net debt (including cash and cash equivalents). This is resulting in a deviation between the above ratio and the debt equity ratio calculated in Note 34. The net debt to equity ratio for the current year increased due to increase in lease liabilities on account of new building taken on lease.

- (ii) Loan Covenants

There are no restrictive covenants on Company's share capital.

As part of the borrowing agreements with a bank, the Company needs to maintain following financial covenants:

- a. Total Net Worth (TNW) more than ₹ 260,000;
- b. Total Outside Liabilities (TOL)/ Adjusted TNW of less than 2.0; and
- c. Debt Service Coverage Ratio (DSCR) of more than 1.
- d. Current Ratio more than 1.33;

During the year the Company has complied with TNW and TOL/TNW covenants. However, defaulted in complying with Current ratio. The company has not been able to comply with DSCR due to negative EBITDA. Breaches in complying with the financial covenants would permit the bank to call back the loans. However, the Company continues to classify the loans as non-current based on its original repayment schedule as in the view of management, the breach is not material and the bank has not demanded repayment of the loan before the date of approval of these financial

30 Commitments and contingent liabilities.

	March 31, 2023	March 31, 2022
(a) Capital commitments		
Estimated amount of contracts remaining to be executed on capital account net of advances and not provided for:		
(i) Property, plant and equipment	10,751	51
	10,751	51

(b) Contingent liabilities

Claims against the company not acknowledged as debt

The Company accrues a liability when a loss due to potential claims and legal actions is considered probable and the amount can be reasonably estimated. In the opinion of Management, the outcome of any potential claims and legal proceedings from existing customer contracts, if decided adversely, is not expected to have a material adverse effect on the business, financial condition and results of operation.

31 Segment information**(a) Description of segments and principal activities**

The Company is primarily engaged in a single line of business of contract manufacturing of consumer products including kitchen and home appliances. The Chief Operating Decision Maker (CODM) is identified to be the Managing Director and Chief Operating Officer of the holding company, who plans the allocation of resources and assess the performance of the segments. The company's CODM reviews the financial information by considering the entity as a whole, hence the operating segment being the company as one single segment. The company is domiciled in India. The amount of its revenue from external customers specified by location of customers are presented in the below table:

Particulars	March 31, 2023	March 31, 2022
Revenue from operations		
In India	285,295	56,066
Overseas	12,034	-
	297,329	56,066

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

	March 31, 2023	March 31, 2022
EBITDA	(114,612)	(41,148)

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

(b) Revenue from major customers are as follows:

Customer	March 31, 2023		March 31, 2022	
	Revenue	% of total revenue	Revenue	% of total revenue
Customer 1	242,204	81.46%	56,066	100.00%

Note:

There are no non-current assets which are outside India, hence no separate disclosure given.



32 Related party disclosures**Name of related party and their relationship**

Name of related party where control exists.

Relationship	Name of the related party
Ultimate holding company	: Aequs Inc., Cayman Islands*
Holding company	: Aequs Manufacturing Investments Private Limited Mauritius(AM IPL) (till , December 03, 2021) : Aequs Private Limited (APL) (w.e.f. December 04, 2021)
Subsidiary	: Aequs Home Appliances Private Limited (AHAPL)
Relationship	Name of the related party
Fellow subsidiaries	: Aequs Engineered Plastics Private Limited ('AEPPL') : Aequs Force Consumer Products Private Limited (AFCPPL) : Aequs Toys Private Limited., India (ATPL) : Aerostructures Manufacturing India Private Limited (ASMIPL), India : Aerostructure Assemblies India Private Limited (AAI), India
Enterprises in which individuals owning interest in the Company, or their relatives have control or joint control or significant influence	: Aequs SEZ Private Limited ('ASEZ'), India : MFRE Private Trust, India : Hubballi Durable Goods Cluster Private Limited (HDGCPL)
Downstream investment of fellow subsidiaries	: Koppal Toys Tooling COE Private Limited (KTTPPL), India
Key Management Personnel :	: Rajeev Kaul ** : Dinesh V Iyer ** : Rohit Mulki Hegde

(*) Aequs Inc. is 100% beneficially owned and controlled by the Melligiri Foundation.

(**) No transactions during the year

A. Transactions with related party

Name	Nature of transactions	March 31, 2023	March 31, 2022
AM IPL	: Equity shares issued	-	35,000
AEPPL	: Expenses incurred on behalf of the company	-	1,679
APL	: Equity shares issued	243,983	129,497
	: Service received	637	-
	: Unsecured borrowing	24,000	20,000
	: Repayment of unsecured loan	39,000	-
	: Interest expense on loan borrowed	2,570	432
	: Expenses incurred on behalf of the Company	46,785	221
	: Expenses incurred on behalf of related party	117	-
	: Financial guarantee Received	27,668	-
	: Financial guarantee expense	1,961	-
AFCPPL	: Expenses incurred on behalf of the Company	-	38
ASEZ	: Service received	839	762
	: Unsecured borrowing	-	7,500
	: Repayment of unsecured loan	7,500	-
	: Interest expense on loan borrowed	567	882
	: Expenses incurred on behalf of the Company	480	340
	: Expenses incurred on behalf of related party	30	-
	: Financial guarantee Received	27,668	-
	: Financial guarantee expense	1,961	-
AHAPL	: Investment in equity share capital	40,001	10,099
	: Acquisition of business of AHAPL	36,244	-
	: Expenses incurred on behalf of related party	114	-
ASMIPL	: Expenses incurred on behalf of the Company	2,940	1,267
	: Expenses incurred on behalf of related party	956	-
HDGCPL	: Service received	8,931	-
	: Repayment of lease liability	985	-
	: Interest expenses on lease liability	9,148	-
	: Security Deposits given	54,430	-
KTTPPL	: Expenses incurred on behalf of related party	53	-
MFRE Private Trust	: Fair value of the guarantee received	1,050	5,063
	: Financial guarantee expense	1,383	1,171
AAI	: Expenses incurred on behalf of related party	779	-
Rohit Mulki Hegde	: Service received	1,200	1,272
	: Expenses reimbursed	230	127



32 Related party disclosures

B. Balance as at the year end

Name	Nature of transactions	March 31, 2023	March 31, 2022
AEPPL	Dues to related parties	11	13,782
	Capital creditors	801	801
	Dues from related parties	759	759
	Trade payables	12	-
AHAPL	Investment in equity share capital	42,983	7,608
	Dues from related parties	114	-
	Trade receivables	-	-
	Deferred business consideration payables	37,445	-
APL	Unsecured borrowings	5,000	20,000
	Interest accrued but not due on borrowings	4	183
	Dues to related parties	40,692	298
	Trade payables	616	-
	Dues from related parties	117	-
	Unamortized fair value of the guarantee	25,706	-
AFCPPL	Capital creditors	533	533
	Dues to related parties	388	388
	Dues from related parties	1	-
HDGCPL	Security deposit	54,430	-
	Trade payables	10,375	-
ASEZ	Dues from related parties	-	142
	Unsecured borrowings	-	7,500
	Interest accrued but not due on borrowings	-	70
	Capital advance	64	-
	Trade payables	666	120
	Unamortized fair value of the guarantee	25,706	-
ASMIPL	Dues to related parties	2,787	72
	Dues from related parties	956	-
KTTPPL	Dues from related parties	54	-
AAI	Dues from related parties	779	-
MFRE Private Trust	Unamortized fair value of the guarantee	3,558	3,891
Rohit Mulki Hegde	Trade payables	476	371

Notes:

- All transactions were made on normal commercial terms and conditions are at arms length price.
- Please refer Note 11 for the corporate guarantees and personal guarantees extended to the Company by the related parties against the borrowings taken by the Company.
- All outstanding balances are unsecured and repayable in cash.
- A letter of continuing financial support has been received from Aequis Private Limited.
- There is no loss allowance for receivables in relation to any outstanding balances, and no loss allowances has been recognized during the year in respect of receivables due from related parties.

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33 Lease**(i) Lease commitments as lessee**

The Company has entered into agreements with lessors for taking factory and office premises on lease. The lease term is for a period ranging from 1 to 10 years with escalation clauses in the lease agreements of premises. Measurement of right-of-use assets and lease liabilities are calculated based on the fixed lease rentals payable under the lease agreements and component towards maintenance and any variable payments are excluded. Refer note 11 for movement in lease liabilities.

	March 31, 2023	March 31, 2022
Current	7,011	3,529
Non-current	176,202	2,827
Total	183,213	6,356

(ii) Refer note 28 for the contractual maturities of lease liabilities.

(iii) The following are the amounts recognized in the statement of profit and loss :

Particulars	March 31, 2023	March 31, 2022
Depreciation of right-of-use assets [Refer note 4(iii)]	16,310	3,687
Interest expense on lease liabilities [Refer note 23]	9,723	619
Short term leases	1,991	603
Low value leases	135	-

(iv) There are no lease agreements that has been entered into and have not yet commenced as at March 31, 2023

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34 Financial Ratios

Ratios	Numerator	Denominator	March 31, 2023	March 31, 2022	% of variance	Reason for variance
Current Ratio	Current Assets	Current Liabilities	1.23	1.73		
Debt-Equity Ratio	Total Debt	Shareholders' Equity	1.02	0.52		-29% Note-2
Debt Service Coverage Ratio (DSCR)	Earnings available for Debt Service	Debt Service	(1.41)	(6.51)		96% Note-4
Return on Equity (ROE)	Profit/(Loss) after tax	Average Shareholders' Equity	(0.89)	(0.71)		-78% Note-3
Inventory Turnover Ratio	Revenue from operations	Average Inventory	9.36	26.14		24% Note-1
Trade Receivables Turnover Ratio	Credit Sales	Average Accounts Receivables	8.55	4.28		-64% Note-5
Net Capital Turnover ratio	Revenue from operations	Working Capital	8.71	1.06		100% Note-6
Trade Payables Turnover Ratio	Credit Purchases	Average Trade Payables	8.42	5.30		724% Note-9
Net Profit Ratio	Net Profit/(Loss) after tax	Revenue from operations	(0.59)	(0.99)		59% Note-7
Return on Capital Employed (RoCE)	Earnings before interest and tax	Capital Employed	(0.31)	(0.26)		-40% Note-8
Return on Investment	Earnings before interest and tax	Average Total Assets	(0.35)	(0.37)		19% Note-1
						-5% Note-1

Notes:

1. Not given as the variance is less than 25%.
2. Current ratio is decreased due to increase in trade payables and other liabilities as compared to previous year.
3. Debt Service coverage has decreased due to reduction in earnings available for debt service during the year.
4. Debt equity ratio has increased due to increase in lease liability and borrowings as compared to previous year.
5. Increase in inventory with growth in revenue during the year has resulted in reduction of inventory turnover ratio.
6. Increase in revenue during the year resulted in faster turnover of receivables.
7. Increase in purchases and improved settlement cycle for trade payables during the year.
8. Reduction of losses due to increase in revenue has resulted in improvement of this ratio during the year.
9. Improvement in net capital turnover ratio is mainly due to increase in sales and working capital.

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35. 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 Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (iii) Relationship with struck off companies: The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.
- (iv) Compliance with number of layers of companies: The Company has complied with the number of layers prescribed under the Companies Act, 2013.
- (v) Compliance with approved scheme(s) of arrangements: The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- (vi) (a) The Company has not advanced or loaned or invested 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 group (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- (vi)(b) The Company has received the following funds from other entities (Funding Parties) with the understanding (whether recorded in writing or otherwise) that the Company shall invest in other entities (Ultimate Beneficiaries) during the year ended March 31, 2023 for the purposes stated below.

Nature of amount	Funding Party	Amount	Ultimate Beneficiary	Purpose of further investment or lending
Investment	Aequs Private Limited	40,001	Aequs Home Appliances Private Limited	Business operations

- (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 recognize any provision as at March 31, 2023 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, 2023.
- (xiv) The Company has one Core Investment Company (CIC) as part of the Group, viz., Aequs Manufacturing Holdings Private Limited, India which is not required to be registered with the Reserve Bank of India.



36 Earnings per share

	March 31, 2023	March 31, 2022
(a) Basic Earnings per share [₹]	(6.54)	(7.41)
(b) (Loss)/ Profit attributable to the equity share holders	(177,138)	(56,442)
(c) Weighted average number of equity shares of ₹10 each	27,094,630	7,615,286

Diluted earnings per share

In the view of losses during the current year and previous year, dilutive earnings per share and basic earnings per share are same being anti-dilutive in nature

- 37 The Company has a process of identifying Micro, Small and Medium Enterprises (MSME), as defined under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), is based on management's knowledge of their status. There are no dues to micro, small and medium enterprises as on March 31, 2023 and March 31, 2022.

	March 31, 2023	March 31, 2022
A. Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
B. Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
C. Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
D. Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
E. Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
F. 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).	-	-
G. Interest accrued and remaining unpaid at the end of the accounting year	-	-
H. 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	-	-

38 Assets pledged as security

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

	March 31, 2023	March 31, 2022
Current		
A. Financial assets:		
- Trade receivables	50,333	19,683
B. Non financial assets:		
- Inventories (net of provisions)	40,925	22,607
Total current assets pledged as security	91,258	42,290
Non current		
A. Non financial assets:		
Property Plant and Equipment		
- Plant and machinery	179,603	56,735
- Computer equipment	1,848	834
- Office equipment	2,548	892
- Furniture & Fixtures	89	48
Total non-current assets pledged as security	184,088	58,509
Total assets pledged as security	275,346	100,799

Note: Total value of the pledge asset is restricted to the outstanding borrowing amount as at the balance sheet date.

39 Subsequent events

- The Board has approved increase in authorized share capital to ₹760,000 (76 million equity shares of ₹10 each) in its meeting held on April 20, 2023 and the Company has received equity capital infusion of ₹280,000 (15 million equity shares at ₹18.50 per share) from its holding Company on May 24, 2023.
- Pursuant to loan agreement dated April 21, 2023, the Company has availed unsecured loan of ₹ 15,000 at rate of 12% interest p.a. from Aequs Private Limited (APL) to meet its business requirements. This agreement provided for an option of conversion of such loan into equity at the option of the lender. Subsequently, in May 2023, the Company, upon receipt of expression of willingness by the Lender (APL) to convert the unsecured loan into equity shares, has converted the loan amount of ₹ 14,999 into 810,810 equity shares issued at ₹ 18.50 per share and repaid balance principal amount of ₹ 0.1.



Aequs Consumer Products Private Limited

CIN:U28995KA2019PTC129087

Notes to the financial statements for the year ended March 31, 2023

(All amounts are in ₹ thousands, except share and per share data, unless otherwise stated)

40 Disclosure as required under section 186(4) of Companies Act, 2013.

Name of Entity	Place of Business	Ownership held by	Nature of relationship	% of Holding and voting power either directly or indirectly through subsidiary as at		Nature of Business
				March 31, 2023	March 31, 2022	
Aequs Home Appliances Private Limited	Honaga, India	Aequs Consumer Products Private Limited	Subsidiary	100%	100%	Manufacturing Kitchen and Home Appliances

Note,

These financial statements are the separate financial statements. The Company has opted for exemption from preparing the consolidated financial statements as per the applicable accounting standards, as the consolidated financial statements shall be prepared by the holding company, Aequs Private Limited.

41 The financial statements were approved for issue by Board of Directors on September 05, 2023

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016



Prashant Kabra
Partner
Membership No.: 217667

Place: Bengaluru
Date: September 05, 2023

For and on behalf of the Board of Directors



Rajeev Kaul
Director
DIN: 01468590



Dinesh Iyer
Director
DIN: 09515485



Mehul Shah
Company Secretary
Membership No: A62043

Place: Belagavi
Date: September 05, 2023