

Independent Auditor's Report

To the Members of Aequs Consumer Products Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Aequs Consumer Products Private Limited (the "Company") which comprise the balance sheet as at 31 March 2024, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended 31 March 2024, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its loss and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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

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

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

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



Independent Auditor's Report (Continued)

Aequs Consumer Products Private Limited

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

The financial statements of the Company for the year ended 31 March 2023 were audited by the predecessor auditor who had expressed an unmodified opinion on 05 September 2023.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement

Independent Auditor's Report (Continued)
Aequs Consumer Products Private Limited

on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
- e. On the basis of the written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- f. the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

- a. The Company does not have any pending litigations which would impact its financial position.
- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 37(vi)(a) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 37(vi)(b) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the

Independent Auditor's Report (Continued)

Aequs Consumer Products Private Limited

representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

- e. The Company has neither declared nor paid any dividend during the year.
- f. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account, however, the feature of recording audit trail (edit log) facility has not been enabled. Consequently, we are unable to comment on audit trail feature of the said software.
- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:
- In our opinion and according to the information and explanations given to us, the Company is not a public company. Accordingly, the provisions of Section 197 of the Act are not applicable to the Company. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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

Chartered Accountants

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



Sampad Guha Thakurta

Partner

Place: Chennai

Date: 20 September 2024

Membership No.: 060573

ICAI UDIN:24060573BKFGPL4186

Annexure A to the Independent Auditor's Report on the Financial Statements of Aequs Consumer Products Private Limited for the year ended 31 March 2024

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

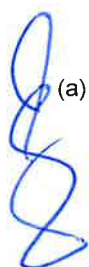
- (i) (a) (A) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) According to the information and explanations given to us, the Company has maintained proper records showing full particulars of intangible assets.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable property (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company except as follows:



Annexure A to the Independent Auditor's Report on the Financial Statements of Aequs Consumer Products Private Limited for the year ended 31 March 2024 (Continued)

Quarter	Name of bank	Particulars	Amount as per books of account (Rs in Thousands)	Amount as reported in the quarterly return/statement (Rs in Thousands)	Amount of difference (Rs in Thousands)	Whether return/statement subsequently rectified
Jun-23	HDFC Bank	Inventories	40,534	53,749	(13,215)	No
Sep-23		Inventories	84,246	102,082	(17,836)	No
Dec-23		Inventories	99,609	114,468	(14,859)	No
Mar-24		Inventories	62,877	58,676	4,201	No
Jun-23		Trade receivables	32,871	34,638	(1,767)	No
Sep-23		Trade receivables	85,501	87,269	(1,768)	No
Dec-23		Trade receivables	66,319	68,088	(1,769)	No
Mar-24		Trade receivables	44,541	47,170	(2,629)	No

- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, The Company has made investments in other parties, in respect of which the requisite information is as below. The Company has not made any investments in companies, firms or limited liability partnership. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company with respect to any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year.



- (a) Based on the audit procedures carried on by us and as per the information and explanations

Annexure A to the Independent Auditor's Report on the Financial Statements of Aegus Consumer Products Private Limited for the year ended 31 March 2024 (Continued)

given to us the Company has made investments to any other entity as below:

Particulars	Investments (Rs in Thousands)
Aggregate amount during the year Others*	22,655
Balance outstanding as at balance sheet date Others*	22,655

*As per the Companies Act, 2013

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made during the year are, prima facie, not prejudicial to the interest of the Company. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the products manufactured by it. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

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

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the

Annexure A to the Independent Auditor's Report on the Financial Statements of Aequs Consumer Products Private Limited for the year ended 31 March 2024 (Continued)

Income Tax Act, 1961 as income during the year.

- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Act. Further, the Company did not have any associates or joint ventures (as defined under the Act) during the year ended 31 March 2024.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act). Further, the Company did not have any associates or joint ventures (as defined under the Act) during the year ended 31 March 2024.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) The Company is a private limited company and accordingly the requirements as stipulated by the provisions of Section 177 of the Act are not applicable to the Company. In our opinion and according to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion and based on the information and explanations provided to us, the Company is not required to have an internal audit system as per Section 138 of the Act. However, the Company has an internal audit system which is commensurate with the size and nature of its

Annexure A to the Independent Auditor's Report on the Financial Statements of Aequs Consumer Products Private Limited for the year ended 31 March 2024 (Continued)

business except that internal audit has only been completed for part of the year.

- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have more than one CIC.
- (xvii) The Company has incurred cash losses of Rs 164,207 thousands in the current financial year and Rs 139,017 thousands in the immediately preceding financial year.
- (xviii) There has been resignation of the statutory auditors during the year and there were no issues, objections or concerns raised by the outgoing auditors.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the



B S R & Co. LLP

**Annexure A to the Independent Auditor's Report on the Financial Statements
of Aequs Consumer Products Private Limited for the year ended 31 March
2024 (Continued)**

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

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

Chartered Accountants

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



Sampad Guha Thakurta

Partner

Place: Chennai

Date: 20 September 2024

Membership No.: 060573

ICAI UDIN:24060573BKFGPL4186

Annexure B to the Independent Auditor's Report on the financial statements of Aequs Consumer Products Private Limited for the year ended 31 March 2024

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

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

Opinion

We have audited the internal financial controls with reference to financial statements of Aequs Consumer Products Private Limited ("the Company") as of 31 March 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

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

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Annexure B to the Independent Auditor's Report on the financial statements of Aequs Consumer Products Private Limited for the year ended 31 March 2024 (Continued)

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

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

Chartered Accountants

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



Sampad Guha Thakurta

Partner

Place: Chennai

Date: 20 September 2024

Membership No.: 060573

ICAI UDIN: 24060573BKFGPL4186

Balance Sheet

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

		As at March 31, 2024	As at March 31, 2023
	Notes		
ASSETS			
Non-current assets			
Property, plant and equipment	4 (i)	156,784	185,532
Right of use assets	4 (iii)	587,619	202,145
Capital work-in-progress	4 (ii)	1,722,700	6,955
Intangible assets	4 (iv)	565	695
Financial assets			
Investments	5 (i)	41,200	42,983
Other financial assets	5(vi)	58,938	31,115
Income tax assets	6A	910	-
Other non-current assets	6(i)	96,505	22,111
Total non-current assets		2,665,221	491,536
Current assets			
Inventories	7	62,877	40,925
Financial assets			
Investments	5(ii)	22,655	-
Trade receivables	5(iii)	44,541	50,333
Cash and cash equivalents	5(iv)	125,781	10,407
Other bank balances	5(v)	33,370	7,900
Other financial assets	5(vi)	57	3,200
Income tax assets	6A	-	403
Other current assets	6(ii)	718,833	67,941
Total current assets		1,008,114	181,109
Total assets		3,673,335	672,645
EQUITY AND LIABILITIES			
Equity			
Equity share capital	8	653,719	368,518
Other equity	9	1,223,172	(108,285)
Total equity		1,876,891	260,233
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	10(i)	619,295	48,946
Lease liabilities	12	572,428	176,202
Other financial liabilities	10(ii)	41,190	37,445
Employee benefit obligations	14	4,900	3,079
Total non-current liabilities		1,237,813	265,672
Current liabilities			
Financial liabilities			
Borrowings	10(i)	18,911	32,591
Lease liabilities	12	23,628	7,011
Trade payables			
(a) Total outstanding dues of micro and small enterprises	10(ii)	-	-
(b) Total outstanding dues other than (a) above	10(ii)	119,042	50,197
Other financial liabilities	10(iii)	345,365	50,374
Employee benefit obligations	14	6,636	2,507
Contract liabilities	13	38,867	1,636
Other liabilities	11	6,182	2,424
Total current liabilities		558,631	146,740
Total liabilities		1,796,444	412,412
Total equity and liabilities		3,673,335	672,645
Summary of material accounting policies	2		

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 BSR & Co. LLP

Chartered Accountants

Firm Registration Number 101248W/W-100022

Sampad Guha Thakurta

Partner

Membership No. 060573

Place: Chennai

Date: September 20, 2024

For and on behalf of the Board of Directors

Suraj Hukkeri

Director

DIN: 09536262

Place: Belagavi

Date: September 20, 2024

Dinesh Iyer

Director

DIN: 09515485

Place: Belagavi

Date: September 20, 2024

Sambhram Pise

Company Secretary

M No A31429

Place: Belagavi

Date: September 20, 2024

Aequs Consumer Products Private Limited
Statement of Profit and Loss

CIN:U28995KA2019PTC129087

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

	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
Income			
Revenue from operations	15	311,690	299,385
Other Income	16	20,815	(222)
Total income (A)		332,505	299,163
Expenses			
Cost of materials consumed	17	260,637	231,322
Purchases of stock-in-trade	17A	-	16,347
Changes in inventories of work in progress, finished goods and stock-in-trade	18	(12,833)	(5,397)
Employee benefit expenses	19	97,472	50,522
Net impairment losses on financial assets	20A	419	-
Other expenses	20B	114,481	120,981
Total expenses (B)		460,176	413,775
Earnings before interest, tax, depreciation and amortisation (A-B)		(127,671)	(114,612)
Depreciation and amortisation expense	21	57,176	36,654
Finance cost (net)	22	73,669	25,872
Loss before exceptional item and tax		(258,516)	(177,138)
Exceptional items			
Impairment loss investments	23	1,783	-
Loss before tax		(260,299)	(177,138)
Income tax expense		-	-
- Current tax		-	-
- Deferred tax		-	-
Total tax expense		-	-
Loss for the year		(260,299)	(177,138)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Remeasurements of post-employment benefit obligations	14(iii)	(503)	(837)
- Income tax relating to these items		-	-
Other comprehensive loss for the year		(503)	(837)
Total comprehensive loss for the year		(260,802)	(177,975)
Earnings per share(basic and diluted)	31	(4.65)	(6.54)
[Nominal value per share: ₹10 (March 31, 2023 ₹10)]			
Summary of material accounting policies	2		

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 BSR & Co. LLP
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Sampad Guha Thakurta
Partner
Membership No. 060573

Place: Chennai
Date: September 20, 2024

For and on behalf of the Board of Directors

Suraj Hukkeri
Director
DIN: 09536262

Place: Belagavi
Date: September 20, 2024

Dinesh Iyer
Director
DIN: 09515485

Place: Belagavi
Date: September 20, 2024

Sambhram Pise
Company Secretary
M No. A31429

Place: Belagavi
Date: September 20, 2024

Statement of Changes in Equity

(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, 2022		193,349
Changes during the year	8	175,169
Balance as at March 31, 2023		368,518
Changes during the year	8	285,201
Balance as at March 31, 2024		653,719

B. Other equity

	Reserves and surplus		Capital Reserve			Total other equity
	Retained earnings	Securities premium	Common Control Capital Reserve	Share options outstanding account	Other reserves	
Balance as at April 01, 2022	(74,650)	7,753	7,609	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)
Transactions with owners of the Company						
Premium received on shares issued during the year	-	68,814	-	-	-	68,814
Share issue expenses	-	(2,712)	-	-	-	(2,712)
Total contributions and distributions	-	66,102	-	-	-	66,102
Finance guarantee received during the year	-	-	-	-	56,386	56,386
Employee stock option expenses	-	-	-	2,117	-	2,117
Common control business combination	-	-	(870)	-	-	-870
Balance as at March 31, 2023	(252,625)	73,855	6,739	2,297	61,449	(108,285)
Loss for the year	(260,299)	-	-	-	-	(260,299)
Other comprehensive income/(loss)	(503)	-	-	-	-	(503)
Total comprehensive loss for the year	(260,802)	-	-	-	-	(260,802)
Transactions with owners of the Company						
Premium received on shares issued during the year	-	1,069,799	-	-	-	1,069,799
Share issue expenses	-	(4,424)	-	-	-	(4,424)
Total contributions and distributions	-	1,065,375	-	-	-	1,065,375
Finance guarantee received during the year	-	-	-	-	525,134	525,134
Employee stock option expenses	-	-	-	1,749	-	1,749
Balance as at March 31, 2024	(513,427)	1,139,230	6,739	4,046	586,583	1,223,172

Summary of material accounting policies (note 2).

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 BSR & Co. LLP

Chartered Accountants

Firm Registration Number 101248W/W-100022

Sampad Guha Thakurta
Partner

Membership No. 060573

For and on behalf of the Board of Directors

Suraj Hukkeri
Director

DIN: 09536262

Dinesh Iyer
Director

DIN: 09515485

Sambhram Pise
Company Secretary

M No. A31429

Place: Chennai

Date: September 20, 2024

Place: Belagavi

Date: September 20, 2024

Place: Belagavi

Date: September 20, 2024

Place: Belagavi

Date: September 20, 2024

Statement of Cash Flows

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

	For the year ended March 31, 2024	For the year ended March 31, 2023
Cash flow from operating activities :		
Loss before income tax from continuing operations	(260,299)	(177,138)
Profit / (Loss) before tax from discontinuing operations	-	-
(Loss) before tax	(260,299)	(177,138)
Adjustments for :		
Depreciation and amortisation expense	57,176	36,654
Employee stock compensation expense	1,748	2,117
Loss/(Profit) on disposal of property, plant and equipment / Investment property	(208)	-
Finance income	(14,512)	(2,625)
Liabilities no longer required written back	(927)	-
Loss allowance on trade receivables	419	-
Bad debts written off	131	-
Finance cost	73,669	23,192
Provision for slow moving Inventory	7,339	13,254
Finance Guarantee Expense	-	5,305
Unrealised exchange (gain) or loss	(2,181)	38
Impairment on investments	1,783	-
Balances written off	976	-
Provision for doubtful advances	1,561	-
Loss on derecognition of lease	-	1,639
Change in operating assets and liabilities		
(Increase) / Decrease in		
- trade receivables	5,318	(29,337)
- inventories	(29,291)	(29,281)
- other financial assets	24,294	(7,870)
- non current assets	(74,394)	32,983
- other current assets	(119,805)	(68,058)
Increase / (Decrease) in		
- trade payables	71,876	37,127
- employee benefit obligations	5,447	4,190
- other financial liabilities	3,896	35,907
- other liabilities	3,760	538
- contract liabilities	37,231	1,636
Cash generated / (used in) from operations	(204,993)	(119,729)
Income taxes received / (paid)	(507)	-
Net cash inflow / (outflow) from operating activities (A)	(205,500)	(119,729)
Cash flow from Investing Activities :		
Payments for property, plant and equipment	(1,473,598)	(186,656)
Proceeds from sale of investment property / PPE	1,510	-
Investment in subsidiaries	-	(40,001)
Investment in Mutual Funds	(19,077)	-
Interest received	9,305	225
Investment in Fixed Deposits	(25,470)	(4,100)
Net cash inflow / (outflow) from investing activities (B)	(1,507,330)	(230,532)

Continued...



Statement of Cash Flows

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

	Period ended March 31, 2024	Year ended March 31, 2023
Cash flow from financing activities		
Proceeds from Issue of Shares	1,340,000	241,271
Share issue expenses	(4,424)	-
Proceeds from Long term borrowing	836,654	84,826
Repayment of Long term borrowing	(314,463)	(8,979)
Loan repaid to related party	(5,000)	(46,500)
Loan availed from related party	15,000	24,000
Proceeds /(repayments) of lease liability	(8,011)	(5,652)
Proceeds /(Repayment) from short term borrowing (net)	(11,195)	12,968
Interest paid	(20,357)	(21,622)
Net cash from /(used in) financing activities (C)	1,828,204	280,312
Net increase/ (decrease) in cash and cash equivalents (A + B + C)	115,374	(69,948)
Cash and cash equivalents at the beginning of the year	10,407	80,356
Cash and cash equivalents at the end of the year	125,781	10,407
<i>Reconciliation of cash and cash equivalents as per statement of cash flows.</i>		
Cash and cash equivalents [Refer note 5(iv)]	125,781	10,407
Balance as per Statement of cash flows	125,781	10,407

Summary of material accounting policies (note 2)

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 BSR & Co. LLP

Chartered Accountants

Firm Registration Number: 101248W/W-100022

For and on behalf of the Board of Directors


Sampad Guha Thakurta
Partner

Membership No : 060573

Place: Chennai

Date: September 20, 2024


Suraj Hukkeri
Director

DIN: 09536262

Place: Belagavi

Date: September 20, 2024


Dinesh Iyer
Director

DIN: 09515485

Place: Belagavi

Date: September 20, 2024


Sambhram Pise
Company Secretary

M No: A31429

Place: Belagavi

Date: September 20, 2024

1. Background

Aequis Consumer Products Private Limited ('the Company') was incorporated on October 25, 2019 under the Companies Act 2013, in India and became a wholly subsidiary of Aequis Private Limited in December 2021. 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.

The Company is establishing a Manufacturing facility in Hubballi Durable Goods Cluster, Itigatti Dharwad, Karnataka.

During the year ended March 31, 2023, pursuant to slump sale agreement dated November 30, 2022 the Company has acquired business of its subsidiary Aequis 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. Material accounting policies:

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

(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 had vide notification dated March 31, 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and were effective April 1, 2023. The Rules predominantly amended 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 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) Operating cycle

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

(v) Accounting policy on EBITDA

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

(vi) 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. All amounts have been rounded to the nearest thousands, unless otherwise indicated.

b) Going concern assumption

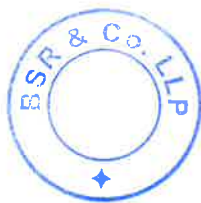
The Company has incurred loss of ₹ 260,299 for the year ended March 31, 2024 (March 31, 2023: ₹ 177,138) and has accumulated losses of ₹ 513,427 as at that date (March 31, 2023: ₹ 252,625). Notwithstanding accumulated losses, as on March 31, 2024, the net worth of the company is ₹ 1,876,891 (March 31, 2023: ₹ 260,233) and its current assets exceed its current liabilities by ₹ 449,482 (March 31, 2023: ₹ 33,966). The management of the Company believes that the Company will be able to continue to operate as a going concern for the foreseeable future and meet all its liabilities as they fall due for payment based on its future cash flow projection and support letter from the ultimate parent.

(c) Foreign currency translations transactions and balances

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 income.

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.



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

(d) 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 Incoterms. 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.

(e) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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.

(f) 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.



g) 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.

(h) 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.

(i) 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.

(j) 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.

(k) Investments in equity instruments of subsidiaries

The Company measures its investments in equity instruments of subsidiaries at cost in accordance with Ind AS 27.

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

- (i) 'fair value less cost of disposal' determined using market price information, where available, and
- (ii) 'value-in-use' estimates recoverable amounts

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

(l) 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.

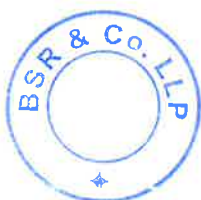
For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments (not held for trading purpose), this will depend on whether the Company has made an irrevocable election at the time of initial recognition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



(l) Investments and other financial assets (continued)

(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.

(iv) Financial Liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest rate method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(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.

(m) Property, plant and equipment:

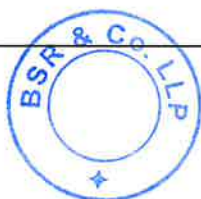
All items of property, plant and equipment are stated at historical cost applied on transition to Ind AS less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred

Depreciation methods, estimated useful lives and residual value

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

The estimated useful lives of assets are as follows:

Asset	Management assessment of useful	Useful life as per Schedule II
Leasehold improvement	10 years or lease period, whichever is lower.	Not Applicable
Plant and machinery	1 to 10 years	8 to 15 years
Computers	2 to 3 years	3 to 6 years
Furniture and fittings	1 to 5 years	10 years
Office equipment	1 to 5 years	5 years



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

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.

Other property, plant and equipment are stated at cost less accumulated depreciation and any provision for impairment. Depreciation commences when the assets are ready for their intended use. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in statement of profit and loss within other gains/losses. When significant spare parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

(n) Intangible assets

An intangible asset shall be measured initially at cost. Intangible assets include Computer software. 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	2-10 years	Not applicable

(o) 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.

(p) 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.

(q) 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.

(r) 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 Employee State Insurance (ESI).



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

Gratuity obligations:

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

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.

(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.

(s) 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. Estimates and judgements

The preparation of financial statements in conformity with Ind AS requires estimates and judgements that affect the reported amounts of assets and liabilities, revenues and expenses, and related disclosures of contingent liabilities in the financial statements and accompanying notes. Estimates are used for, but not limited to useful lives of property, plant and equipment and intangible assets, share-based compensation, defined benefit obligations, Impairment of investments in subsidiaries and Estimation of deferred tax expenses/benefits. Actual results could differ materially from these estimates



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

4 (i) Property, plant and equipment

Particulars	Leasehold Improvement	Plant and machinery	Computer equipment	Office equipment	Furniture & Fixtures	Total
Cost						
As at April 01, 2022	740	63,079	1,177	1,352	101	66,449
Additions	1,001	141,644	1,560	2,280	92	146,577
Disposals	-	-	-	-	-	-
As at March 31, 2023	1,741	204,723	2,737	3,632	193	213,026
Additions	-	9,262	-	103	-	9,365
Disposals	-	(1,574)	-	(209)	-	(1,783)
As at March 31, 2024	1,741	212,411	2,737	3,526	193	220,608
Accumulated Depreciation						
As at April 01, 2022	87	6,344	343	460	53	7,287
Charge for the year	210	18,776	546	624	51	20,207
Disposals	-	-	-	-	-	-
As at March 31, 2023	297	25,120	889	1,084	104	27,494
Charge for the year	319	34,801	833	787	71	36,811
Disposals	-	(414)	-	(67)	-	(481)
As at March 31, 2024	616	59,507	1,722	1,804	175	63,824
Net Block						
As at March 31, 2023	1,444	179,603	1,848	2,548	89	185,532
As at March 31, 2024	1,125	152,904	1,015	1,722	18	156,784

4 (ii) Capital work in progress (CWIP)

Particulars	Total
As at April 01, 2022	3,834
Additions	6,955
Transfers	(3,834)
As at March 31, 2023	6,955
Additions	1,715,745
Transfers	-
As at March 31, 2024	1,722,700

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

(a) Ageing of Capital work in progress as at March 31, 2024

Particulars	Amounts in CWIP for the period of				Total
	Less Than one year	1-2 years	2-3 years	More than 3 years	
(I) Project In Progress	1,722,700	-	-	-	1,722,700
Total	1,722,700	-	-	-	1,722,700

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

Particulars	Amounts in CWIP for the period of				Total
	Less Than one year	1-2 years	2-3 years	More than 3 years	
(I) Project In Progress	6,955	-	-	-	6,955
Total	6,955	-	-	-	6,955

Notes:

- 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.
- The Company is setting up new manufacturing facility and capitalised borrowing costs amounting to ₹ 72,655 thousands during the year.



4 (iii) Right of use assets

Particulars	Factory Building	Total
Gross Block		
As at April 01, 2022	11,476	11,476
Additions	213,994	213,994
Disposals	(11,476)	(11,476)
As at March 31, 2023	213,994	213,994
Additions	427,399	427,399
Disposals	-	-
As at March 31, 2024	641,393	641,393
Accumulated Depreciation		
As at April 01, 2022	3,687	3,687
Charge for the year	16,310	16,310
Disposals	(8,148)	(8,148)
As at March 31, 2023	11,849	11,849
*Charge for the year	41,925	41,925
Disposals	-	-
As at March 31, 2024	53,774	53,774
Net Block		
As at March 31, 2023	202,145	202,145
As at March 31, 2024	587,619	587,619

* Depreciation of right-of-use assets includes an amount of ₹ 21,722 (March 31, 2023: ₹Nil) which has been capitalized and taken to CWIP.

(a) Lease liability

Particulars	March 31, 2024	March 31, 2023
Current	23,628	7,011
Non-current	572,428	176,202
Total	596,056	183,213

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

Particulars	March 31, 2024	March 31, 2023
Less than one year	85,592	24,824
Between one and five years	387,359	144,028
After five years	497,238	123,736
Total minimum lease payments	970,189	292,588
Less: imputed interest	374,132	109,375
Present value of lease payments	596,057	183,213

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

Particulars	March 31, 2024	March 31, 2023
*Depreciation of right-of-use assets	20,202	16,310
Interest expense on lease liabilities	12,599	9,723
Expense relating to leases of low-value assets (included in other expenses)	478	2,126
Cash outflow for leases (principal and interest)	20,610	15,375

Note:

* Depreciation of right-of-use assets excludes an amount of ₹ 21,722 (March 31, 2023: ₹Nil) which has been capitalized and taken to CWIP.

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

4 (iv) Intangible assets

Particulars	Computer software	Total
Gross Block		
As at April 01, 2022	750	750
Additions	220	220
Disposals	-	-
As at March 31, 2023	970	970
Additions	-	-
Disposals	-	-
As at March 31, 2024	970	970
Accumulated Depreciation		
As at April 01, 2022	138	138
Charge for the year	137	137
Disposals	-	-
As at March 31, 2023	275	275
Charge for the year	163	163
Disposals	(33)	(33)
As at March 31, 2024	405	405
Net Block		
As at March 31, 2023	695	695
As at March 31, 2024	565	565



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5 Financial assets**(i) Non-current investments****Investment in equity instruments (Unquoted, at cost)****Investment in subsidiary**

Aeque Home Appliances Private Limited

[5,010,000 (March 31, 2023: 5,010,000) equity shares of ₹10 each fully paid up]

Less: Provision for impairment

	As at March 31, 2024	As at March 31, 2023
	50,100	50,100
	(8,900)	(7,117)
	41,200	42,983

Total Non - Current investments

Aggregate amount of unquoted investments

Aggregate amount of impairment in the value of investments

41,200	42,983
8,900	7,117

Current:**(ii) Current investments**

Investment in Mutual Funds

Quoted

58,743, 786 Units (March 31, 2023: ₹ Nil) in ABSL Liquid Fund - Growth plan

22,655	-
22,655	-

Total Current investments

Aggregate amount of quoted investments and market value thereof

22,655	-
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(iii) Trade receivables (unsecured, considered good)

Trade receivables from contracts with customers - other than related parties

Less: Loss allowance

Total receivables

44,960	50,333
(419)	-
44,541	50,333

Note: a) Refer note 34 for information on lien/charge against trade receivables.

Aging of Trade receivables as on March 31, 2024

Particulars	Unbilled	Outstanding for following periods from the due date						Total
		Not due	Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables considered good	385	27,609	14,886	1,661	400	19	-	44,960
Less: Loss allowance	-	-	-	-	(400)	(19)	-	(419)
Total trade receivables	385	27,609	14,886	1,661	-	-	-	44,541

Aging of Trade receivables as on March 31, 2023

Particulars	Unbilled	Outstanding for following periods from the due date						Total
		Not due	Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables considered good	-	29,644	19,395	1,294	-	-	-	50,333
Total trade receivables	-	29,644	19,395	1,294	-	-	-	50,333

(iv) Cash and cash equivalents

Balances with banks:

- in current accounts

- Deposits with original maturity of less than three months

Cash on hand

18,252	10,398
107,526	-
3	9
125,781	10,407

Note:

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

	As at March 31, 2024	As at March 31, 2023
	22,950	7,900
	10,000	-
	420	-
	33,370	7,900

(v) Other bank balances

Margin money deposits

Deposits with original maturity of more than three months but less than one year

Interest accrued

Note:

Margin money deposits are against Letters of Credit issued in favour of vendors for purchased materials.



(vi) Other financial assets (unsecured, considered good unless otherwise specified)**Non current**

Security deposits (Refer note below)

58,938	31,115
58,938	31,115

Current

Receivable from related parties (refer Note 27)

57	2,780
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Interest accrued

-	420
57	3,200

Note:

Security Deposit includes deposit given to Hubballi Durable Goods Cluster Private Limited(HDGCPL) against leasehold building ₹ 99,329 (March 31, 2023: ₹ 54,430) which is the gross value of the deposit.

6 Other assets**(i) Non current**

Capital advances

73,386	17,362
--------	--------

Prepaid expenses

23,119	4,749
96,505	22,111

(ii) Current

Advance to suppliers

7,630	1,247
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Advances to employees

64	91
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Unamortized financial guarantee expenses

489,692	-
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Prepaid expenses

10,053	3,611
--------	-------

Balances with statutory authorities

212,955	62,992
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720,394	67,941
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Less : Provision for advances to suppliers considered doubtful

(1,561)	-
718,833	67,941

6A Income tax assets

Advance tax [net of provision for tax: ₹ Nil (March 31, 2023: ₹ Nil)]

910	403
910	403

7 Inventories

Raw materials

43,866	35,342
--------	--------

Work-in-progress

9,602	12,165
-------	--------

Finished goods

12,846	2,136
--------	-------

Stock-in-Trade

-	244
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Stores and spares

2,478	4,292
-------	-------

68,792	54,179
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Less: Provision for slow moving inventories

(5,915)	(13,254)
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62,877	40,925
---------------	---------------

Notes:

(i) Raw material includes goods in transit amounting ₹ 87 (March 31, 2023: ₹ 840)

(ii) Raw materials includes packing material amounting ₹ 1,265 [March 31, 2023: ₹ 1,193]

(iii) Stores and spares includes goods in transit amounting ₹ Nil [March 31, 2023: ₹ 32]

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

Raw materials

4,505	4,909
-------	-------

Work-in-progress

15	5,678
----	-------

Finished goods

759	27
-----	----

Stores and spares

635	2,640
-----	-------

5,914	13,254
--------------	---------------

(v) Write- down of inventories to net realizable value amounted to ₹ 1,039 (March 31, 2023: ₹ 658). 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 34 for information on lien/charge against inventories.



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

8 Equity share capital

(i) Authorised equity share capital

	Number of shares	Amount
As at April 01, 2021	7,500,000.00	75,000
Increase during the year	18,500,000.00	185,000
As at April 01, 2022	26,000,000.00	260,000
Increase during the year	15,000,000.00	150,000
As at March 31, 2023	41,000,000.00	410,000
Increase during the year	719,000,000.00	7,190,000
As at March 31, 2024	760,000,000.00	7,600,000

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

	45,382.00	March 31, 2023
Balance at the beginning of the year		
36,851,763 (March 31, 2023 : 19,334,873) equity shares of ₹10 each fully paid up	368,518.00	193,349
Issue of shares during the year		
28,520,090 (March 31, 2023: 17,516,890) equity shares of ₹10 each fully paid up	285,201.00	175,169
65,371,853 (March 31, 2023: 36,851,763) equity shares of ₹10 each fully paid up	653,719.00	368,518

(a) Movement in equity share capital

Particulars	March 31, 2024		March 31, 2023	
	Number of shares	Amount (₹)	Number of shares	Amount (₹)
At the beginning of the year	36,851,763	368,518	19,334,873.00	193,349
Add: Issued during the year	28,520,090	285,201	17,516,890.00	175,169
Outstanding at the end of the year	65,371,853	653,719	36,851,763.00	368,518

(b) Terms & rights attached to equity shares

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

Particulars	45,382.00	March 31, 2023
Aequis Private Limited	65,371,853.00	36,851,763
Total	65,371,853.00	36,851,763

(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, 2024		
Aequis Private Limited (APL)	65,371,853.00	100%
As at March 31, 2023		
Aequis Private Limited (APL)	36,851,763.00	100%

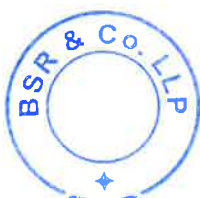
(e) There are no instances of shares allotted as fully paid by way of bonus shares and shares bought back during the current and previous reporting periods.

(f) In May 2023, unsecured loan from APL was converted into equity. Allotment of 810,810 shares pursuant to conversion of loan of ₹ 1,49,99,985 received from APL. issue price is ₹ 18.50 per share.

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

(g) Details of shareholding of promoters:

Name of the promoter	Number of shares		Percentage of number of shares		Percentage change during
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	
Aequis Private Limited	65,371,853	36,851,763	100%	1.00	0%



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

	As at March 31, 2024	As at March 31, 2023
9 Other Equity		
(i) Reserves and Surplus		
Retained earnings	(513,427)	(252,625)
Securities premium	1,139,230	73,855
	625,803	(178,770)
(ii) Capital Reserve		
Common control capital reserve	6,739	6,739
Share options outstanding account	4,046	2,297
Other reserves	586,584	61,449
	597,369	70,485
Total Other Equity	1,223,172	(108,285)

(a) Retained earnings

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

(b) Securities premium

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

(c) Capital reserve

(i) Common Control Capital reserve

This represents the excess of net assets acquired by the Company over the fair value consideration payable on common control acquisition.

(ii) 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.

(iii) Other reserves

Other reserve comprises of amount towards fair value of financial guarantee received from MFRE Private Trust ₹ 7,013 (March 31, 2023: ₹ 6,113), Aequs Private Limited ₹ 490,504 (March 31, 2023: ₹ 27,668) and Aequs SEZ Private Limited : ₹ 89,067 (March 31, 2023: ₹ 27,668).

Other reserve comprises of amount towards fair value of financial guarantee received from various entities within the group (including entities under common control) against borrowings of the Company for which no consideration is being paid by the Company.

Note: For movement in reserves, please refer 'Statement of changes in equity'.



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Notes to the standalone financial statements

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

	As at March 31, 2024	As at March 31, 2023
10 Financial liabilities		
(i) Borrowings		
Non current:		
Term Loan (Secured)	631,943	59,079
Total non-current borrowings	631,943	59,079
Less: Interest accrued but not due on borrowings	2,884	369
Less: Current maturities of term loans included in current borrowings	9,764	9,764
Non-current borrowings	619,295	48,946
Current		
Working capital facilities from banks (Secured)	6,263	17,458
Loan from related parties (Unsecured)	-	5,000
Current maturities of term loans from banks	9,764	9,764
Interest accrued but not due on borrowings	2,884	369
	18,911	32,591

Note:

(a) HDFC Bank: Term loan taken by the Company carries an interest at 1YRS 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 Aequs Private Limited and corporate guarantee given by M/s. MFRE Private Trust. AN amount of ₹ 87 (March 31, 2023: ₹ Nil) has been adjusted against the loan on account of unamortized loan processing charges.

(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/equipment, miscellaneous Assets and electrical installation, collateral security over parcel of land & building owned by M/s Aequs SEZ private limited , the personal guarantee of Mr.Aravind Melligeri, Director of Aequs private limited and corporate guarantee given by M/S Aequs SEZ Private Limited and M/S Aequs Private Limited. This term loan facility closed during the year 23-24.

(c) HDFC Bank: Term loan of ₹ 2000 million taken by the Company carries an interest 8.95% p.a. (linked to T-bill 3 months). and is repayable in RTL: Door to Door tenor of [78 months] from the date of first disbursement, moratorium period of [18 months] and repayment period of [21 quarterly repayments], commencing from March'2025 and ending in March'2030. and is secured by hypothecation of plant & machinery, collateral security over parcel of land & building owned by M/S Aequs SEZ Private Limited (to the extent of value of Land provided as Collateral), the personal guarantee of Mr. Aravind Melligeri, Director of Aequs Private Limited and corporate guarantee given by M/S Aequs SEZ Private Limited (to the extent of value of Land provided as Collateral) and M/S Aequs Private Limited. An amount of ₹ 11,408 (March 31, 2023: ₹ Nil) has been adjusted against the loan on account of unamortized loan processing charges.

(d) Karnataka Bank: Term loan of ₹ 983.74 million taken by the Company carries an interest at 6 M T-bill+2.77% p.a and i is repayable in RTL: Door to Door tenor of [78 months] from the date of first disbursement, moratorium period of [18 months] and repayment period of [21 quarterly repayments], commencing from March'2025 and ending in March'2030 and is secured by hypothecation of plant & machinery, collateral security over parcel of land & building owned by M/S Aequs SEZ Private Limited (to the extent of value of Land provided as Collateral), the personal guarantee of Mr. Aravind Melligeri, Director of Aequs Private Limited and corporate guarantee given by M/S Aequs SEZ Private Limited (to the extent of value of Land provided as Collateral) and M/S Aequs Private Limited. An amount of ₹ 2,367 (March 31, 2023: ₹ Nil) has been adjusted against the loan on account of unamortized loan processing charges.

(e)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 @ 3T-Bill 3 Months 7.03% + Spread 4.01% p.a.

(f) 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 Aequs SEZ Private Limited and M/S Aequs Private Limited. These working capital facilities are closed during year 23-24.

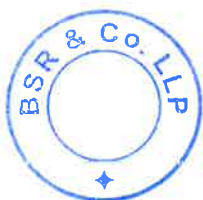
(g) Loan from related party pertains to unsecured loan availed by the Company from Aequs Private Limited ₹Nil (March 31, 2023: ₹5,000) with interest @ 12% p.a. These loans are repayable on demand. Loan has been fully repaid during year FY 23-24.

(h) The term loans are reduced by Ind AS adjustments for unamortised financial guarantee received amounting to ₹ Nil (March 31, 2023: ₹ 54,390)

(i) The term loans are reduced by Ind AS adjustments for unamortised transaction cost (loan processing charges) received amounting to ₹13,862 (March 31, 2023: ₹ 5,186)

(j) The working capital loans was reduced by Ind AS adjustments for unamortised financial guarantee received amounting to ₹ Nil (March 31, 2023: ₹581)

(k) 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 was utilised and repaid during the current year.



Notes to the standalone financial statements

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

10 Financial liabilities (continued)

1. 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-23	HDFC Bank	Inventories	40,534	53,749	(13,215)	Refer note (a)
Sep-23			84,246	102,082	(17,836)	Refer note (a)
Dec-23			99,609	114,468	(14,859)	Refer note (a)
Mar-24			62,877	58,676	4,201	Refer note (b)

Notes:

(a) Provision for inventory not considered in stock statements for the first 3 quarters as per bank requirements.

(b) Deviation due to revaluation of inventory during year end book closing process.

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
Jun-23	HDFC Bank	Trade receivables	32,871	34,638	(1,767)	Refer note (a)
Sep-23			85,501	87,269	(1,768)	
Dec-23			66,319	68,088	(1,769)	
Mar-24			44,541	47,170	(2,629)	

Note:

(a) Inter Company balances, advances to trade receivables, ECL, forex and unbilled revenue not considered in stock statement to align with the bank requirements.

(ii) Trade Payables

Current:

Trade payables

- Dues to micro and small enterprises (Refer note 32)

- Others*

As at March 31, 2024	As at March 31, 2023
-	-
119,042	50,197
119,042	50,197

* Others includes payable to related parties amounting to ₹ 18,827 (March 31, 2023: ₹ 12,145). Refer number 27 for further details.

Aging of Trade payables as at March 31, 2024

Particulars	Unbilled	Not Due	Outstanding for following periods				Total
			Less than 1 year	1-2 Years	2-3 Years	More than 3 year	
(i)Others	21,211	-	97,611	220	-	-	119,042
Total	21,211	-	97,611	220	-	-	119,042

Aging of Trade payables as at March 31, 2023

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



Notes to the standalone financial statements

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

	March 31, 2024	March 31, 2023
(iii) Other financial liabilities		
Non Current (carried at fair value)		
Deferred business consideration (Refer note 35)	41,190	37,445
	41,190	37,445
Current (carried at amortized cost)		
Capital creditors (refer note 27 for payables to related parties)	294,787	3,691
Employees related liability	11,869	2,805
Payable to related parties (refer note 27)	38,709	43,878
	345,365	50,374
11 Other liabilities		
Statutory dues payable	6,182	2,424
	6,182	2,424
12 Lease liabilities		
Non Current:		
Lease liabilities	572,428	176,202
	572,428	176,202
Current:		
Lease liabilities	23,628	7,011
	23,628	7,011
Note: Refer note 4(iii) for details relating to leases.		
13 Contract liabilities		
Advance from customers	38,867	1,636
	38,867	1,636



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

	As at March 31, 2024	As at March 31, 2023
14 Employee benefit obligations		
Non-current		
Gratuity	4,900	3,079
	4,900	3,079
Current		
Gratuity	110	67
Leave obligations	6,526	2,440
	6,636	2,507

(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 ₹ 6,526 (March 31, 2023: ₹ 2,440) is presented as current. 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.

(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, 2024	For the year ended March 31, 2023
Provident Fund	6,506	1,244
Employees State Insurance	22	25
Total	6,528	1,269

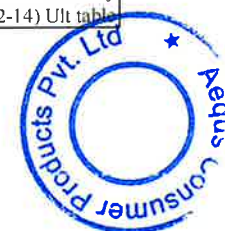
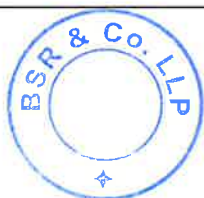
(iii) Post employment obligations

Gratuity

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

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

Particulars	March 31, 2024	March 31, 2023
Opening defined benefit obligation	3,146	140
Current service cost	1,308	281
Interest cost/(income)	233	10
(a) Total amount recognized in statement of profit or loss	1,541	291
Remeasurements		
- return on plan assets, excluding amounts included in interest expense/(income)	-	-
- (Gains)/losses from changes in demographic assumptions	(193)	367
- (Gains)/losses from changes in financial assumptions	193	(233)
- Experience (gains)/losses	503	703
(b) Total amount recognized in other comprehensive income	503	837
Total amount recognized in statement of profit and loss and other comprehensive income	2,044	1,128
Liabilities assumed/(settled)	466	1,907
Benefits paid	(646)	(29)
Closing defined benefit obligations	5,010	3,146
Current	110	67
Non current	4,900	3,079
Total	5,010	3,146
Significant estimates: actuarial assumptions	March 31, 2024	March 31, 2023
The significant actuarial assumptions are as follows:		
Discount rate per annum	7.50%	7.50%
Salary escalation rate per annum	10.00%	10.00%
Other actuarial assumptions		
Attrition rate		
21 to 30 years	8.00%	5.00%
31 to 40 years	6.00%	5.00%
41 to 50 years	4.00%	3.00%
51 to 57 years	5.00%	5.00%
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, 2024	March 31, 2023
Discount rate		
Defined benefit obligation (DBO) on increase in 50 bps	4,694	2,952
Impact of increase in 50 bps on DBO	-6.31%	-6.16%
Defined benefit obligation (DBO) on decrease in 50 bps	5,356	3,357
Impact of decrease in 50 bps on DBO	6.90%	6.71%
Salary increase rate		
Defined benefit obligation (DBO) on increase in 50 bps	5,301	3,335
Impact of increase in 50 bps on DBO	5.81%	6.02%
Defined benefit obligation (DBO) on decrease in 50 bps	4,726	2,963
Impact of decrease in 50 bps on DBO	-5.66%	-5.81%

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.

Shown below is the maturity analysis of the undiscounted benefit payments

Particulars	March 31, 2024	March 31, 2023
Less than one year	110	67
Between one and five years	784	459
After five years	14,489	9,300

The weighted average duration of defined benefit obligation is 13.19 years as of March 31, 2024 (March 31, 2023: 12.86 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.



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Notes to the standalone financial statements

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

	Year ended March 31, 2024	Year ended March 31, 2023
15 Revenue from operations		
Revenue from contracts with customers		
Sale of finished goods and materials	301,760	297,329
	301,760	297,329
Other operating revenue		
Scrap sales	9,906	2,056
Other income	24	-
	9,930	2,056
	311,690	299,385
a. There are no adjustments made to contract price.		
b. There are no unfulfilled performance obligations resulting from contracts		
c. There is no disaggregation of revenue (refer note 30)		
16 Other Income		
Liabilities no longer required write back	927	-
Net foreign exchange gain/ (loss)	5,090	1,417
Loss due to termination of lease	-	(1,639)
Gain on sale of assets	286	-
Interest income from financial asset at amortised cost	9,725	-
Gain from Mutual Funds investment	3,578	-
Unwinding of discount on security deposit	1,209	-
	20,815	(222)
17 Cost of materials consumed		
Opening stock	35,342	18,439
Provision for slow moving inventory	(4,909)	-
Opening stock (net) (a)	30,433	18,439
Add: Purchases during the year (b)	269,565	243,316
Less: Closing stock	43,866	35,342
Less: Provision for slow moving inventory	(4,505)	(4,909)
Closing stock (net) (c)	39,361	30,433
Cost of materials consumed	260,637	231,322
17A Purchase of Stock-in-trade		
Purchase of Stock-in-trade	-	16,347
	-	16,347
18 Changes in inventories of work in progress and finished goods		
Inventory at the end of the year (a)		
Work-in-progress	9,602	12,165
Finished goods	12,846	2,380
Less: Provision for slow moving inventory	(775)	(5,705)
	21,673	8,840
Inventory at the beginning of the year (b)		
Work-in-progress	12,165	3,382
Finished goods	2,380	61
Less: Provision for slow moving inventory	(5,705)	-
	8,840	3,443
Change in inventories of work in progress and finished goods [(b)-(a)]	(12,833)	(5,397)
	Year ended March 31, 2024	Year ended March 31, 2023
19 Employee benefit expenses		
Salaries, wages and bonus	76,566	46,023
Contribution to provident and other funds (refer note 14)	6,528	1,269
Gratuity (refer note 14)	1,541	291
Staff welfare expenses	11,089	822
Employee stock option expense	1,748	2,117
	97,472	50,522



20A Net impairment losses on financial assets

Loss allowance on trade receivables (Refer note 25)

419

419

20B Other Expenses

Consumption of Stores and Spares

Opening Stock (net of provision)

Purchases

1,652

725

9,484

10,654

11,136

11,379

Less: Closing Stock (net of provision)

1,843

1,652

Consumption of stores and spares

9,293

9,727

Contract manpower

24,071

22,768

Power and fuel

17,592

17,972

Subcontracting expenses

2,593

9,193

Repairs and maintenance

Plant & Machinery

1,213

1,604

Buildings

4,186

1,393

Others

10,590

6,202

Legal and professional fees

15,717

7,053

Payment to auditors [refer note (i) below]

750

625

Plant relocation charges

-

5,735

Freight and forwarding

1,201

604

Management Fee

-

21,712

Rental charges [refer note 4(iii)]

478

2,126

Printing and stationery

1,015

161

Insurance

1,882

783

Rates and taxes

3,481

2,491

Travelling and conveyance

6,586

7,662

Communication

6,649

1,131

Bank charges

1,291

1,910

Loss on sale of assets

78

-

Provision for doubtful vendor advances

1,561

-

Balances written-off

976

-

Advertisement and Business Promotion

2,125

-

Miscellaneous expenses

1,153

129

114,481

120,981

(i) Payments to auditors

As statutory auditor:

Remuneration to auditor

750

500

750

500

21 Depreciation and amortisation expense

Depreciation on property, plant and equipment [refer note 4 (i)]

36,811

20,207

Amortisation on intangible assets [refer note 4(iv)]

163

137

*Depreciation on Right-of-use assets [refer note 4(iii)]

20,202

16,310

57,176

36,654

* Depreciation of right-of-use assets includes an amount of ₹ 21,722 (March 31, 2023: ₹Nil) which has been capitalized and taken to CWIP.

Year ended
March 31, 2024Year ended
March 31, 2023**22 Finance cost**

Interest expense on borrowings

10,272

12,268

Interest expense on deferred business consideration

3,745

1,201

Finance guarantee expense

47,053

5,305

Interest on loan liability

12,500

9,773

Interest income from financial asset at amortised cost

-

(645)

Unwinding of discount on security deposit

-

(1,980)

73,669

25,872

23 Investment impairment

Impairment loss on investments

1,783

-

1,783

-



24 Fair value measurement

Financial instruments by category

Particulars	Level	Category	March 31, 2024	March 31, 2023
Financial assets				
Non Current Investments	-	Cost	41,200	42,983
Current Investments	-	FVTPL	22,655	
Trade receivables	-	Amortised cost	44,541	50,333
Cash and cash equivalents	-	Amortised cost	125,781	10,407
Other bank balances	-	Amortised cost	33,370	7,900
Other financial assets	-	Amortised cost	58,995	34,315
Total financial assets			326,542	145,938
Financial liabilities				
Borrowings	-	Amortised cost	638,206	81,537
Trade payables	-	Amortised cost	119,042	50,197
Other financial liabilities	-	Amortised cost	386,555	87,819
Lease liabilities	-	Amortised cost	596,056	183,213
Total financial liabilities			1,739,859	402,766

(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:

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.

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.



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Notes to the financial statements

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

25 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.

(i) Provision for expected credit losses

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.

Reconciliation of loss allowance provision - Trade receivables

Particulars	Total
As at April 01, 2022	-
Charge/(credit) to statement of profit	-
Utilisation of loss allowance	-
As at March 31, 2023	-
Charge/(credit) to statement of profit	419
Utilisation of loss allowance	-
As at March 31, 2024	419

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, 2024	March 31, 2023
A. Expiring within one year (bank overdraft and other facilities)	42,527	72,542
B. Expiring beyond one year (bank loans)	2,362,557	291,157
	2,405,084	363,699



Notes to the financial statements

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

25 Financial risk management (continued)

(ii) Maturities of financial liabilities

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

Contractual maturities of financial liabilities	Less than 12 months	1 to 5 years	Over 5 years	Total
As at March 31, 2024				
Non-derivatives				
Borrowings*	18,911	619,295	-	638,206
Trade payables	118,822	220	-	119,042
Other financial liabilities	345,365	41,190	-	386,555
Lease liabilities	85,592	387,359	497,238	970,189
Total non derivative liabilities	568,690	1,048,064	497,238	2,113,992

Contractual maturities of financial liabilities	Less than 12 months	1 to 5 years	Over 5 years	Total
As at March 31, 2023				
Non-derivatives				
Borrowings	33,172	103,336	-	136,508
Interest on borrowings (term loans)	20,114	65,706	-	85,820
Trade payables	50,089	108	-	50,197
Other financial liabilities	50,374	37,445	-	87,819
Lease liabilities	24,824	144,028	123,736	292,588
Total non derivative liabilities	178,573	350,623	123,736	652,932

*The amount of borrowings includes interest accrued 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:

Particulars	March 31, 2024	March 31, 2023
	USD	USD
Financial assets		
Trade receivables	48,839	11,978
Other current assets	-	-
Cash and bank balances	-	-
Advances from Vendors	2,730	-
Advances from Capital Creditors	24,298	-
Exposure to foreign currency risk (assets)	75,867	11,978
Financial liabilities		
Trade payables	26,357	179
Term loans (Including Interest)	-	-
Capital creditors	145,510	-
Advance from Trade Receivable	43,631	-
Exposure to foreign currency risk (liabilities)	215,498	179
Net exposure to foreign currency risk (assets - liabilities)	(139,631)	11,799

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

Particulars	Impact on profit after tax	
	March 31, 2024	March 31, 2023
USD Sensitivity		
INR/USD - Increase by 5%	(5,784)	489
INR/USD - decrease by 5%	5,784	(489)

(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.



Notes to the financial statements*(All amounts are in ₹ thousands, except share and per share data, unless otherwise stated)***(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, 2024	March 31, 2023
Variable rate borrowings	638,206	76,537
Fixed rate borrowings (including lease liabilities)	596,056	5,000
Total borrowings	1,234,262	81,537

(b) Sensitivity

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

Particulars	Impact on profit after tax	
	March 31, 2024	March 31, 2023
Interest rates - increase by 50 basis points	(3,191)	(383)
Interest rates - decrease by 50 basis points	3,191	383

(iii) Price risk

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

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Notes to financial statements

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

26 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, 2024 has been arrived at as follows:

Particulars	March 31, 2024	March 31, 2023
Difference between carrying amount of Property, Plant and Equipment in the financial statement and the income tax return	1,179	(329)
Expense charged in the financial statement but allowable as deduction in the future years under Income Tax Act, 1961	7,426	893
Unabsorbed depreciation / carry forward of business losses as per Income tax	67,003	35,617
	75,608	36,181

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

Particulars	As at April 1, 2022	Movement	Charge/(credit) to the statement of profit and loss	As at March 31, 2023	Movement	Charge/(credit) to the statement of profit and loss	As at March 31, 2024
Deferred Tax Asset/(Liabilities):							
Property, plant & equipment, Intangible Asset	(115)	(214)	-	(329)	1,508	-	1,179
Right of use assets	(1,337)	(33,351)	-	(34,688)	(66,147)	-	(100,835)
Lease liabilities	1,091	30,348	-	31,439	70,844	-	102,283
Employee Benefit Obligations	218	1,178	-	1,396	2,456	-	3,852
Unabsorbed Depreciation and loss carried forward	11,648	23,969	-	35,617	31,386	-	67,003
Provision on inventory	-	2,274	-	2,274	(1,259)	-	1,015
Other Items	77	395	-	472	639	-	1,111
Net Deferred Tax Asset	11,582	24,599	-	36,181	39,427	-	75,608
Deferred Tax Asset Recognised				-			-
Deferred tax (credit)/charge for the year *			-			-	

* 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.

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

Particulars	March 31, 2024	March 31, 2023
Profit/(Loss) before income tax expense	(260,299)	(177,138)
Tax at the rate of 17.16% for March 31, 2024 and 17.16% for March 31, 2023	(44,667)	(30,397)
Expenses not allowed as deduction in computation of current tax	8,717	1,192
Expenses on which DT not recognized in the current year	-	4,663
Loss on which no DTA was recognized during the year	35,231	23,969
Tax impact on loss incurred by Aequis Home Appliances (Refer note 35)	-	794
Others	719	(221)
* Total tax expense/(income)	-	-

* There is no liability arising on account of current tax during the year ended March 31, 2024 and March 31, 2023.

C. 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, 2024	March 31, 2023
Within five years	-	-
Later than five years but less than ten years	331,950	178,163
No expiry	58,512	29,397

D. The Company has unabsorbed depreciation of ₹ 58,512 (March 31, 2023: ₹ 29,397) which does not have any expiry period.

E. Transfer pricing:

For the year ended March 31, 2024, the Company would be carrying out a study to comply with transfer pricing regulations for which the prescribed certificate of accountant will be obtained. In the opinion of management, no adjustment is expected to arise based on completion of Transfer Pricing Study.



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Notes to the financial statements

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

27 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 (AMIPL) (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 (KTTPL), India

Key Management Personnel :

: Rajeev Kaul (Resigned w.e.f. September 29, 2023)

: Dinesh V Iyer

: Rohit Mulki Hegde (Resigned w.e.f. February 27, 2024)

: Radhakrishna Vuppunda (Appointed w.e.f. September 25, 2023 and resigned w.e.f. February 27, 2024)

: Sudheendra Dwarpalak (Appointed w.e.f. September 25, 2023 and resigned w.e.f. February 27, 2024)

: Ravi Guttal (Appointed w.e.f. September 25, 2023 and resigned w.e.f. February 27, 2024)

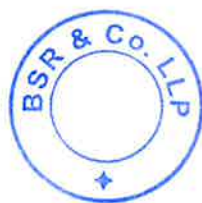
: Suraj Hukkeri (Appointed w.e.f. February 26, 2024)

: Vikas Goel (Appointed w.e.f. February 26, 2024)

: Mehul Shah (Appointed w.e.f. March 25, 2023 and resigned w.e.f. March 28, 2024)

: Sambhram Pise (Appointed w.e.f. September 20, 2024)

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



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Notes to the financial statements

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

27 Related party disclosures (Continued)

A. Transactions with related party

Name	Nature of transactions	March 31, 2024	March 31, 2023
APL	: Service received	4,900	637
	: Unsecured borrowing	15,000	24,000
	: Repayment of unsecured loan	20,000	39,000
	: Interest expense on loan borrowed	155	2,570
	: Expenses incurred on behalf of the Company	28,214	46,785
	: Expenses incurred on behalf of related party	367	117
	: Financial guarantee Received	460,666	27,668
	: Financial guarantee expense	57,333	1,961
AFCPPL	: Expenses incurred on behalf of related party	43	-
ASEZ	: Service received	5,737	839
	: Repayment of unsecured loan	-	7,500
	: Interest expense on loan borrowed	-	567
	: Expenses incurred on behalf of the Company	-	480
	: Expenses incurred on behalf of related party	21	30
	: Financial guarantee Received	59,229	27,668
	: Financial guarantee expense	31,432	1,961
AHAPL	: Investment in equity share capital	-	40,001
	: Impairment in investment in equity share capital	1,783	-
	: Acquisition of business of AHAPL	-	36,244
	: Deferred business consideration	3,745	1,201
	: Expenses incurred on behalf of related party	-	114
ASMIPL	: Expenses incurred on behalf of the Company	1,463	2,940
	: Expenses incurred on behalf of related party	-	956
	: Cost of raw materials consumed	623	-
HDGCPL	: Service received	231,486	8,931
	: Repayment of lease liability	8,234	985
	: Expenses incurred on behalf of related party	21	-
	: Interest expenses on lease liability	12,599	9,148
	: Security Deposits given	44,899	54,430
ATPL	: Purchase of Asset	92	-
	: Cost of raw materials consumed	32	-
KTTPL	: Expenses incurred on behalf of related party	-	53
MFRE Private Trust	: Fair value of the guarantee financial received	900	1,050
	: Financial guarantee expense	1,650	1,383
AAI	: Expenses incurred on behalf of related party	-	779
Rohit Mulki Hegde	: Service received	2,128	1,200
	: Expenses reimbursed	-	230
IKC	: Expenses incurred on behalf of related party	15	-

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Notes to the financial statements

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

27 Related party disclosures (Continued)

B. Balance as at the year end

Name	Nature of transactions	March 31, 2024	March 31, 2023
AEPPL	: Dues to related parties	-	11
	: Capital creditors	-	801
	: Dues from related parties	-	759
	: Trade payables	-	12
AHAPL	: Investment in equity share capital	41,200	42,983
	: Dues from related parties	-	114
	: Deferred business consideration payable	41,190	37,445
APL	: Unsecured borrowings	-	5,000
	: Interest accrued but not due on borrowings	-	4
	: Dues to related parties	34,459	40,692
	: Trade payables	4,485	616
	: Dues from related parties	-	117
	: Unamortized fair value of the financial guarantee	430,961	25,706
AFCPPL	: Capital creditors	-	533
	: Dues to related parties	-	388
	: Dues from related parties	-	1
HDGCPL	: Security deposit paid	99,329	54,430
	: Dues from related parties	21	-
	: Trade payables	12,735	10,375
	: Capital Creditors	18,534	-
ASEZ	: Dues from related parties	21	-
	: Capital advance	-	64
	: Trade payables	984	666
	: Unamortized fair value of the financial guarantee	55,426	25,706
ASMIPL	: Dues to related parties	4,250	2,787
	: Dues from related parties	-	956
	: Trade payables	623	-
KTTPPL	: Dues from related parties	-	54
AAI	: Dues from related parties	-	779
IKC	: Dues from related parties	15	-
MFRE Private Trust	: Unamortized fair value of the financial guarantee	3,305	3,558
Rohit Mulki Hegde	: Trade payables	-	476

Notes:

- All transactions were made on normal commercial terms and conditions.
- Please refer SOCIE 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 Aequs 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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Notes to the financial statements

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

28 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'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)

The below table depicts the Company's net debt to equity ratio.

Particulars	March 31, 2024	March 31, 2023
Net debt	1,108,481	254,343
Total equity	1,876,891	260,233
Net debt to equity ratio	0.59	0.98

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 36. 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.

29 Commitments and contingent liabilities.

Particulars	March 31, 2024	March 31, 2023
(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	70,510	10,751
Total	70,510	10,751

(b) Contingent liabilities

There are no reportable contingent liabilities.

30 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. The Chief Operating Decision Maker (CODM) is identified to be the Director 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, 2024	March 31, 2023
<u>Revenue from operations</u>		
In India	298,631	285,295
Overseas	13,059	12,034
Total	311,690	297,329

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

	March 31, 2024	March 31, 2023
Segment results	(127,671)	(114,612)

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, 2024		March 31, 2023	
	Revenue	% of total revenue	Revenue	% of total revenue
Customer I	177,773	57%	242,204	81%

Note:

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

31 Earnings per share

Particulars	March 31, 2024	March 31, 2023
Total basic earnings per share attributable to equity share holders of the Company	(4.65)	(6.54)
Loss attributable to the equity share holders	(260,299)	(177,138)
<u>Weighted average number of equity shares used as the denominator in calculating basic</u>	<u>56,022,063</u>	<u>97,630,330</u>

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

32 Dues to micro and small enterprises

There are no MSME vendors in ACPPL in the current year or the previous year.



Notes to financial statements

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

33 Net Debt Reconciliation

Particulars	March 31, 2024	March 31, 2023
Cash and cash equivalents	125,781	10,407
Current borrowings (Working capital loans)	(6,263)	(17,458)
Current borrowings (Inter-Company loans)	-	(5,000)
Non-current borrowings (including current maturities)	(631,943)	(59,079)
Lease liabilities	(596,056)	(183,213)
Net debt	(1,108,481)	(254,343)

Particulars	Other assets	Liabilities from financing activities			Total
		Lease liabilities	Non-current borrowings	Current borrowings (Working capital loans)	
Net debt as at 1 April 2022	80,356	(6,356)	(33,526)	(5,071)	7,903
Cashflows	(69,949)	-	-	0	(69,949)
Foreign exchange adjustments	-	-	-	-	-
Acquisition of borrowings/lease	-	(184,197)	(84,826)	(12,968)	(305,991)
Repayments	-	5,652	8,979	-	61,131
Interest expense	-	(9,723)	(7,449)	(1,674)	(21,991)
Lease derecognition	-	1,688	-	-	1,688
Interest paid	-	9,723	7,080	1,674	21,622
Other Non-cash adjustments:	-	-	50,663	581	51,244
Net debt as at March 31, 2023	10,407	(183,213)	(59,079)	(17,458)	(254,343)
Cashflows	115,374	-	-	11,195	126,569
Acquisition of borrowings/lease	-	(420,853)	(836,654)	-	(1,272,507)
Repayments	-	8,010	314,463	-	327,473
Loan converted into equity	-	-	-	-	5,000
Interest expense	-	(12,399)	(8,675)	(1,443)	(22,872)
Interest paid	-	12,399	6,160	1,443	20,357
Other Non-cash adjustments:	-	-	(48,158)	-	(48,158)
Net debt as at March 31, 2024	125,781	(596,056)	(631,943)	(6,263)	(1,108,481)

34 Assets pledged as security

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

Particulars	March 31, 2024	March 31, 2023
Current		
A. Financial assets:		
- Trade receivables	44,541	50,333
- Other bank balances	33,370	-
- Cash and cash equivalents	125,781	-
B. Non financial assets:		
- Inventories (net of provisions)	62,877	40,925
Total current assets pledged as security	266,569	91,258
Non current		
A. Non financial assets:		
Property Plant and Equipment	156,784	185,532
Capital work-in-progress	1,722,700	-
Intangible Assets	565	-
Total non-current assets pledged as security	1,880,049	185,532
Total assets pledged as security	2,146,618	276,790

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



35 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:

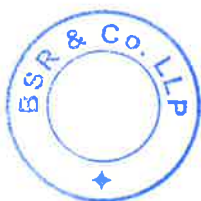
- the carrying value of assets and liabilities, income and expenditure of AHAPL from earliest date of common control i.e., AHAPL August 9, 2021 till the date of actual business transfer i.e., November 30, 2022.

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
Capital work-in-progress	-
Other intangible assets	187
Financial assets	-
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
Net Assets	42,983

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
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)	-
Movement during the year		870	(7,609)
Closing balance debit/ (credit)		(6,739)	(7,609)



Aequus Consumer Products Private Limited
Notes to the financial statements

CIN:U28995KA2019PTC129087

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

36 Financial Ratios

Ratios	Numerator	Denominator	March 31, 2024	March 31, 2023	% of variance	Reason for variance
Current Ratio (times)	Current Assets	Current Liabilities	1.80	1.23	47%	Note-1
Debt-Equity Ratio (times)	Total Debt	Shareholders' Equity	0.66	1.02	-36%	Note-2
Debt Service Coverage Ratio (DSCR) (times)	Earnings available for Debt Service	Debt Service	(0.37)	(1.41)	-74%	Note-3
Return on Equity (ROE) (%)	Profit/(Loss) after tax	Average Shareholders' Equity	(0.24)	(0.89)	-73%	Note-4
Inventory Turnover Ratio (times)	Revenue from operations	Average Inventory	6.01	9.36	-36%	Note-5
Trade Receivables Turnover Ratio (times)	Credit Sales	Average Accounts Receivables	6.57	8.55	-23%	Note-6
Net Capital Turnover ratio (times)	Revenue from operations	Working Capital	0.69	8.71	-92%	Note-7
Trade Payables Turnover Ratio (times)	Purchase of goods and other expenses	Average Trade Payables	4.54	8.42	-46%	Note-8
Net Profit Ratio (%)	Net Profit/(Loss) after tax	Revenue from operations	(0.84)	(0.59)	42%	Note-9
Return on Capital Employed (RoCE) (%)	Earnings before interest and tax	Capital Employed	(0.08)	(0.31)	-75%	Note-10
Return on Investment (%)	Earnings before interest and tax	Average Total Assets	(0.11)	(0.35)	-69%	Note-11

Notes:

1. Increase through equity infusion in the current year has caused the variation in current ratio.
2. Debt equity ratio has increased due to reduced due to increased equity inflow in the current year as compared to previous year.
3. Debt Service coverage has improved due to reduction in earnings available for debt service during the year.
4. Increase in loss has reduced the return on equity.
5. Increase in inventory with growth in revenue during the year has resulted in reduction of inventory turnover ratio.
6. Increase in receivables during the year resulted in lower turnover of receivables.
7. Decrease in net capital turnover ratio is mainly due to greater increase working capital than the increase in sales as compared to previous year.
8. The increase in trade payables in greater than the increase in purchase and this has resulted in decrease in trade payable turnover ratio.
9. Increase in losses is greater than the increase in sales and hence the ratio has decreased.
10. Increase in losses has resulted in reduced RoCE.
11. Increase in losses has resulted in reduced return on investment.



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

37. Additional regulatory information required by Schedule III

(i) Details of benami property held:

No proceedings have been initiated on or are pending against the Company 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.

(ii) Willful 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 does not have any subsidiaries and hence compliance with Section 2(87) of the Companies Act, 2013 read with Companies (Restriction on Number of Layers Rules, 2017) ('Layering Rules') is not applicable.

(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) Intermediary transactions:

(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:

- a. 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
- b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

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

- a. 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
- b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

(vii) Details of crypto currency or virtual currency:

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

(viii) Valuation of property, plant and equipment and intangible asset :

The Company has not revalued its Property, plant and equipment or intangible assets during the current or previous year.

(ix) Undisclosed income :

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.

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

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

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

(xii) The Company has borrowings from banks and financial institutions on the basis of security of current assets. Refer Note 10 for details of quarterly statements of current assets filed by the Company with the bank and reconciliation with the books of account for the year ended March 31, 2024.

(xiii) The Company was not required to recognize any provision as at March 31, 2024 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, 2024.

(xiv) The Company has one Core Investment Company (CIC) as part of the Group, viz., Aequus Manufacturing Holdings Private Limited, India which is not required to be registered with the Reserve Bank of India.

38. Corporate Social Responsibility

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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Notes to the financial statements*(All amounts are in ₹ thousands, except share and per share data, unless otherwise stated)***39 Subsequent events**

- a. The Company has approved a slump sale of its business of contract manufacturing of kitchen and home appliances to a newly formed Company namely "Aequs Cookware Private Limited" vide an agreement dated July 11, 2024. As on the date of the financial statements, the transactions has not yet been consummated.
- b. The Board has increased an increase in authorized share capital to ₹ 960,000,000 from ₹ 760,000,000 in its meeting held on May 16, 2024 and the Company has received equity capital infusion of ₹ 150,001,230 on April 22, 2024 and ₹ 1,000,008,200 on May 21, 2024 from its holding Company

40 Disclosure as required under section 136(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, 2024	March 31, 2023	
Acqus Home Appliances Private Limited	Honaga, India	Acqus Consumer Products Private Limited	Subsidiary	100%	100%	Manufacturing Kitchen and Home Appliances

41. 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.

42. The financial statements were approved for issue by Board of Directors on September 20, 2024.

For BSR & Co. LLP

Chartered Accountants

Firm Registration Number: 101248W/W-100022

For and on behalf of the Board of Directors
Sampad Guptha Thakurta

Partner

Membership No.: 060573

Place: Chennai

Date: September 20, 2024


Suraj Hukkeri

Director

DIN: 09536262

Place: Belagavi

Date: September 20, 2024


Dinesh Iyer

Director

DIN: 09515485

Place: Belagavi

Date: September 20, 2024


Sambhram Pise

Company Secretary

M.No. A31429

Place: Belagavi

Date: September 20, 2024