

Independent Auditor's Report

To the Members of Aequs Force Consumer Products Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Aequs Force 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 income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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

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

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

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

Registered Office

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

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

Independent Auditor's Report (Continued)

Aequs Force 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 20 July 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 Force Consumer Products Private Limited

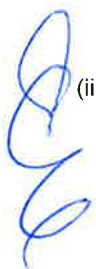
on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 36(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 36(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)

Aegus Force 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: 27 September 2024

Membership No.: 060573

ICAI UDIN:24060573BKFGQA4471

Annexure A to the Independent Auditor's Report on the Financial Statements of Aequs Force 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 has been physically verified by the management during the year. For goods-in-transit, subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company except as follows:



Annexure A to the Independent Auditor's Report on the Financial Statements of Aequs Force 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 millions)	Amount as reported in the quarterly return/statement (Rs in millions)	Amount of difference (Rs in millions)	Whether return/statement subsequently rectified
Jun-23	HDFC Bank	Inventories	274	305	(31)	No
Sep-23		Inventories	256	308	(52)	No
Dec-23		Inventories	255	297	(42)	No
Mar-24		Inventories	218	206	12	No
Jun-23		Trade receivables	167	153	14	No
Sep-23		Trade receivables	62	115	(53)	No
Dec-23		Trade receivables	24	58	(33)	No
Mar-24		Trade receivables	95	91	4	No

- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided any guarantee or security, granted any advances in the nature of loans, to companies, firms, limited liability partnership or any other parties during the year. The Company has granted loans to companies during the year in respect of which the requisite information is as below. The Company has not granted any loans to 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 given to us the Company has provided loans to any other entity as below:

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

Particulars	Loans (Rs in million)	Remarks
Aggregate amount during the year Others*	4	This loan was granted by Koppal Toys Tooling COE Private Limited, a fellow subsidiary whose business undertaking was acquired by the Company during the year.
Balance outstanding as at balance sheet date Others*	4	

*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 terms and conditions of the grant of loans provided during the year are, prima facie, not prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the unsecured loan of Rs. 4 million given to Koppal Toys Molding COE Private Limited which is repayable on demand. As informed to us, the Company has not demanded repayment of the loan during the year. Thus, there has been no default on the part of the party to whom the money has been lent. The payment of interest has been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment except for the following loans or advances in the nature of loans to its related parties as defined in Clause (76) of Section 2 of the Companies Act, 2013 ("the Act"):

	Related Parties (Rs. millions)
Aggregate of loans - Repayable on demand	4
Percentage of loans to the total loans	100%

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

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

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

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

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion 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 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) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the 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

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

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) Establishment of vigil mechanism is not mandated for the Company. As represented to us by the management, there are no whistle blower complaints received during the year under the vigil mechanism established voluntarily by the Company.
- (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 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.

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

- (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. 168 millions in the current financial year and Rs. 176 millions 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 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: 27 September 2024

Membership No.: 060573

ICAI UDIN:24060573BKFGQA4471

Annexure B to the Independent Auditor's Report on the financial statements of Aequs Force 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 Force 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 Force 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: 27 September 2024

Membership No.: 060573

ICAI UDIN:24060573BKFGQA4471

Balance Sheet

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

	Notes	As at March 31, 2024	As at March 31, 2023 (Restated)*
ASSETS			
Non-current assets			
Property, plant and equipment	4 (i)	230	281
Capital work in progress	4 (ii)	30	31
Intangible assets	5 (i)	4	5
Right of use assets	4(iii)	371	441
Financial assets			
Investments	6 (i)	-	0
Other financial assets	6 (vi)	107	95
Income tax assets	23	1	-
Other non-current assets	7(i)	8	4
Total non-current assets		751	857
Current assets			
Inventories	8	218	197
Financial assets			
Trade receivables	6 (ii)	95	76
Cash and cash equivalents	6 (iii)	2	50
Bank balances other than above	6 (iv)	4	4
Loans	6 (v)	4	-
Other financial assets	6 (vi)	0	9
Other current assets	7(ii)	15	23
Total current assets		338	359
Total assets		1,089	1,216
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	9	1,525	1,218
Instrument entirely equity in nature	9A	203	-
Other equity	10	(1,299)	(949)
Total equity		429	269
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	12 (i)	-	101
Lease liabilities	4(iii)	414	471
Other financial liabilities	12 (iii)	25	22
Employee benefit obligations	11	2	2
Total non-current liabilities		441	596
Current liabilities			
Financial liabilities			
Borrowings	12 (i)	48	70
Lease liabilities	4(iii)	58	49
Trade payables	12 (ii)		
Total outstanding dues of micro and small enterprises		0	0
Total outstanding dues of creditors other than micro and small enterprises		71	201
Other financial liabilities	12 (iii)	29	23
Employee benefit obligations	11	2	2
Contract liabilities	13	9	4
Other current liabilities	14	2	2
Total current liabilities		219	351
Total liabilities		660	947
Total equity and liabilities		1,089	1,216

Summary of material accounting policies

2

*Refer Note 26

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/W100022

For and on behalf of the Board of Directors

Aequis Force Consumer Products Private Limited

Sampad Guha Thakurta
Partner

Membership No : 060573

Place: Chennai

Date: 27-September-2024

Dinesh Iyer
Director

DIN:09515485

Place: Belagavi

Date: September 27, 2024

Suraj Hukkeri
Director

DIN:09536262

Place: Belagavi

Date: September 27, 2024

Chaitanya Vinayak Bhat
Company Secretary

M. No : A61933

Place: Bengaluru

Date: September 27, 2024

Statement of Profit and Loss

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

	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023 (Restated)*
Income			
Revenue from operations	15	623	755
Other income	16	25	28
Total income (A)		648	783
Expenses			
Cost of materials consumed	17	329	398
Changes in inventories of work in progress and finished goods	18	(42)	23
Employee benefits expense	19	105	122
Net impairment losses on financial assets	25	1	(4)
Other expenses	20	312	308
Total expenses (B)		705	847
Loss before interest, tax, depreciation and amortisation (A-B)		(57)	(64)
Depreciation and amortisation expense	21	124	138
Finance cost (net)	22	66	101
Loss before tax		(247)	(304)
Income tax expense			
- Current tax	23	-	-
- Deferred tax	23	-	-
Total tax expense		-	-
Loss for the year		(247)	(304)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Remeasurements of post-employment benefit obligations	11	0	0
- Income tax relating to these items		-	-
Other comprehensive income/(loss) for the year, net of tax		0	0
Total comprehensive loss for the year		(247)	(304)
Earnings per equity share (Basic & Diluted):	31	(1.58)	(2.95)
[Nominal value per share: INR 10 (March 31, 2023: INR 10)]			
Summary of material accounting policies	2		

*Refer Note 26

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

Firm Registration Number : 101248W/W100022

Chartered Accountants

For and on behalf of the Board of Directors

Aequs Force Consumer Products Private Limited



Sampad Guha Thakurta

Partner

Membership No : 060573

Place: Chennai

Date: 27-September-2024

Dinesh Iyer

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Chaitanya Vinayak Bhat

Company Secretary

M.No.: A61933

Place: Bengaluru

Date: September 27, 2024

Statement of Changes in Equity

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

A. Equity share capital

	Note	Amount
Balance as at April 01, 2022		783
Changes in equity share capital	9	435
Balance as at March 31, 2023		1,218
Changes in equity share capital	9	307
Balance as at March 31, 2024		1,525

B. Other equity

	Reserves and surplus		Capital Reserve		Equity component of Compulsorily Convertible Debentures	Total other equity
	Retained earnings	Securities premium	Common control capital reserve	Other reserve		
Balance as at April 01, 2022	(792)	2	-	3	108	(679)
Loss for the year	(304)	-	-	-	-	(304)
Other comprehensive income/(loss) for the year*	0	-	-	-	-	0
Total comprehensive loss for the year	(304)	-	-	-	-	(304)
Transactions with owners of the company						
Finance guarantee received during the year	-	-	-	3	-	3
Premium received on shares issued during the year	-	13	-	-	-	13
Share issue expenses	-	(3)	-	-	-	(3)
Retained earnings of KTTPL	-	-	-	-	-	-
Total contributions and distributions	-	10	-	3	-	13
Common control capital reserve (refer note 26)	-	-	21	-	-	21
Balance as at March 31, 2023 (Restated)	(1,096)	12	21	6	108	(949)
Loss for the year	(247)	-	-	-	-	(247)
Other comprehensive income/(loss)*	0	-	-	-	-	0
Total comprehensive loss for the year	(247)	-	-	-	-	(247)
Transactions with owners of the company						
Finance guarantee received during the year	-	-	-	4	-	4
Premium received on shares issued during the year	-	4	-	-	-	4
Share issue expenses	-	(3)	-	-	-	(3)
Reclassification of compulsorily convertible debentures to equity (refer note 10(iii))	-	-	-	-	(108)	(108)
Total contributions and distributions	-	1	-	4	(108)	(103)
Balance as at March 31, 2024	(1,343)	13	21	10	-	(1,299)

*Re-measurement of defined benefit obligations

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 B S R & Co. LLP

Chartered Accountants

Firm Registration Number : 101248W/W100022

For and on behalf of the Board of Directors

Aequs Force Consumer Products Private Limited




Sampad Guha Thakurta

Partner

Membership No.: 060573

Place: Chennai

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Director

DIN:09536262

Place: Belagavi

Date: September 27, 2024



Chaitanya Vinayak Bhat

Company Secretary

M.No.: A61933

Place: Bengaluru

Date: September 27, 2024

Statement of Cash Flow

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

	For the year ended March 31, 2024	For the year ended March 31, 2023 (Restated)*
Cash flow from operating activities		
Loss before income tax	(247)	(304)
Adjustments for:		
Depreciation and amortisation expense	124	138
Liabilities no longer required written back	(16)	-
Profit on disposal of property, plant and equipment (net)	-	(1)
Unrealized foreign exchange (gain)/loss (net)	(2)	3
Finance income	-	(7)
Provision for slow moving inventory	22	23
Inventory written off	-	3
Bad debts written off	0	9
Net impairment losses on financial assets	1	(4)
Finance cost	66	107
Unwinding of discount on security deposit	(5)	(5)
Gain on derecognition of lease	-	(19)
Income from sub-lease of factory building	-	(7)
	(57)	(64)
Change in operating assets and liabilities		
(Increase)/decrease in		
- trade receivables	(22)	54
- inventories	(43)	(48)
- other financial assets	4	3
- other assets	7	(9)
Increase/(decrease) in		
- trade payables	(119)	(3)
- other financial liabilities	2	(14)
- other liabilities	(0)	(3)
- contract liabilities	5	(2)
- employee benefit obligations	1	1
Cash used in operations	(222)	(85)
Income taxes (paid)/refund (net)	(1)	(0)
Net cash inflow/ (outflow) from operating activities (A)	(223)	(85)
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(2)	(61)
Proceeds from sale of property, plant and equipment	1	7
Proceeds from maturities of bank deposits	-	9
Interest received	2	0
Investments in subsidiaries and associates	0	0
Loan given to related parties	(4)	-
Net cash inflow/(outflow) from investing activities (B)	(3)	(45)
Cash flows from financing activities		
Proceeds from issue of shares	215	448
Share issue expenses	(2)	(3)
Loan from related parties	95	125
Repayments of loans from related parties	(0)	(313)
Proceeds / (repayment) from borrowings (net)	(22)	19
Principal payments of lease	(48)	(42)
Interest paid	(60)	(94)
Net cash inflow/(outflow) from financing activities (C)	178	140
Net increase / (decrease) in cash and cash equivalents(A+B+C)	(48)	10
Cash and cash equivalents at the beginning of the year	50	40
Cash and cash equivalents at end of the year (Refer Note no :6 (iii))	2	50
Reconciliation of cash and cash equivalents as per the statement of cash flows		
Cash and cash equivalents (Refer note 6(iii))	2	50
Balances per statement of cash flows	2	50

Summary of material accounting policies (Note 2)

*Refer Note 26

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 B S R & Co. LLP

Chartered Accountants

Firm Registration Number : 101248W/W100022

For and on behalf of the Board of Directors

Aequs Force Consumer Products Private Limited

Sampad Guha Thakurta
Partner

Membership No : 060573

Place: Chennai

Date:

27-September-2024

Dinesh Iyer
Director

DIN:09515485

Place: Bengaluru

Date: September 27, 2024

Suraj Hukkeri
Director

DIN:09536262

Place: Bengaluru

Date: September 27, 2024

Chaitanya Vinayak Bhat
Company Secretary

M.No.: A61933

Place: Bengaluru

Date: September 27, 2024

1. Background

Aequs Force Consumer Products Private Limited ('the Company') was incorporated on July 19, 2018 under the Companies Act 2013, in India. The Company is a wholly owned subsidiary of Aequs Private Limited (APL). The Company has its registered office in Aequs SEZ, Hattargi Village, Taluka Hukkeri, Belgaum, Karnataka and is engaged in the business of manufacturing engineered plastic products.

2. Summary of 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.

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

(ii) Historical cost convention

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

- certain financial assets and liabilities (including derivative instruments) are measured at fair value;
- share-based payments
- defined benefit obligations

(iii) The Company has incurred loss of ₹ 247 for the year ended March 31, 2024 (previous year: ₹ 304) and has accumulated losses of ₹ 1,343 as at that date (March 31, 2023: ₹ 1,096). Notwithstanding accumulated losses, as on March 31, 2024, the net worth of the Company is ₹ 429 (March 31, 2023: ₹ 269) and its current assets exceed its current liabilities by ₹ 119 (March 31, 2023: ₹ 8). 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 Holding Company.

(iv) 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.



(v) 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.

(vi) 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 income tax expense.

(b) 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 millions, unless otherwise indicated.

(c) Foreign currency 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 in respect of borrowings are presented in the statement of profit and loss, within finance costs.

All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other gains/ (losses).

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

(d) Revenue recognition

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

Revenue from the sale of services is recognised when the Company performs its obligations to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition is in the period in which such services are rendered.

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



Notes to the financial statements*(All amounts are in ₹ (in million) unless otherwise stated)*

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

A contract asset is recognised when the Company gets the right to consideration in exchange for goods or services that it has transferred to the customers and the right is conditional upon acts other than passage of time. When the payment exceeds the value of goods supplied or services rendered, a contract liability (advance from customers) is realizable.

(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 applicable adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

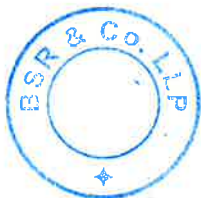
The Company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India. Accordingly, no deferred tax (asset or liability) is recognized in respect of temporary differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the year in which the temporary differences originate. However, the Company restricts recognition of deferred tax assets to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognized for MAT credit available only to the extent that it is probable that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

(f) Leases

Leases are recognized as a Right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Contracts may contain both lease and non-lease components.



Notes to the financial statements*(All amounts are in ₹ (in million) unless otherwise stated)*

The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, 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. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit and 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.

Variable lease payments that depend on sales are recognized in profit or loss in the period in which the condition that triggers those payments occurs.

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

- the amount of initial measurement of lease liability
- any lease payments made on or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs

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.

Payments associated with short-term leases and all leases of low-value assets are recognized on a straight-line basis as an expense in the statement of profit and loss. Short-term leases are leases with a term of 12 months or less.

(g) Impairment of assets

Assessment is done whenever there is an event or change in circumstances as to where there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of asset, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/ cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting



Notes to the financial statements*(All amounts are in ₹ (in million) unless otherwise stated)*

periods may no longer exist or may have decreased. 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, and bank overdrafts. Bank overdrafts are shown within borrowings in current financial liabilities in the balance sheet.

i) Inventories**Raw materials and stores, work in progress and finished goods**

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realizable value.

Cost of raw materials comprises cost of purchases net of rebates and discounts. Cost of work-in-progress and finished goods comprises direct materials, direct labor and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. 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.

The comparison of cost and net realizable value is made on an item-by-item basis. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

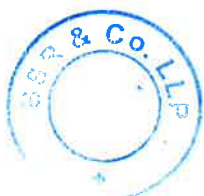
Provisions are made towards slow-moving and obsolete items based on historical experience of utilization on a product category basis, which includes the consideration of product lines and market conditions and ageing of inventory.

(j) Financial Instruments –**(i) Trade receivables**

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

(ii) Investment in subsidiary

In accordance with Ind AS 27, the Company measures its investments in equity instruments of subsidiaries at cost less accumulated impairment losses, if any.

(iii) Other financial assets

Notes to the financial statements*(All amounts are in ₹ (in million) unless otherwise stated)***(i) Classification**

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

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

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

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income.

(ii) Initial recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities 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) Financial assets measured at amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method.

(b) Financial assets measured at fair value through other comprehensive income (FVOCI):

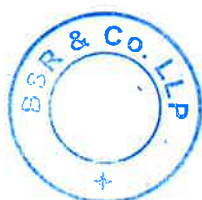
Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through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

(c) Financial assets measured at fair value through profit and loss (FVTPL):

Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit and loss. Interest income from these financial assets is included in other income.

(iv) Impairment of financial asset

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



Notes to the financial statements*(All amounts are in ₹ (in million) unless otherwise stated)*

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. Refer Note 25.

(v) Derecognition of financial assets

A financial asset is derecognized only when

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

Where the 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 derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

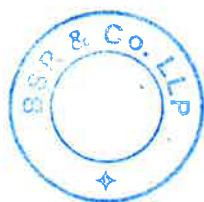
Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset,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

(vi) Income recognition**Interest income**

Interest income from financial assets at fair value through profit and loss is disclosed as interest income within other income. Interest income from financial assets at amortized cost is calculated using the effective interest method and is recognised in the statement of profit and loss as part of finance income.

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.

(iv) Financial liabilities

Notes to the financial statements*(All amounts are in ₹ (in million) unless otherwise stated)*

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.

(v) Borrowings

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

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

(vi) Borrowing costs

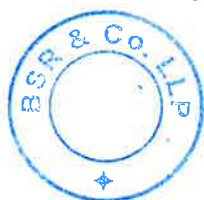
General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily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

(vii) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported 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 realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(vii) Financial guarantee contracts

Financial guarantee contracts are recognized 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 recognized less, where appropriate, cumulative amount of income recognized in accordance with the principles Ind AS 115. The fair value of financial guarantees is determined as the present value of the difference in net cash flows



Notes to the financial statements*(All amounts are in ₹ (in million) unless otherwise stated)*

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 recognized as part of the cost of the investments.

(viii) Compound financial instruments

In non-derivative compound instruments, the Company classifies the liability and equity components of the instrument separately as a financial liability and equity. The Company first determines the fair value of the liability component, and allocates to the equity component the residual amount after deducting the fair value of the financial liability component from the fair value of the entire compound instrument. Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequently

(k) Property, plant and equipment

All items of property, plant and equipment are stated at historical cost 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.

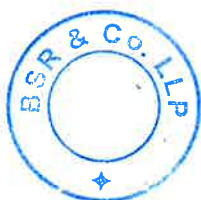
Depreciation methods, estimated useful lives and residual value

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	Useful life adopted by the Company (in years)	Useful life as per Schedule II (in years)
Office Equipment	1 year to 10 years	5 years
Leasehold Improvements	10 years or lease period, whichever is lower	Not applicable
Plant and Machinery	1 year to 10 years	8 to 15 years
Computers	3 years	3 to 6 years

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



Notes to the financial statements*(All amounts are in ₹ (in million) unless otherwise stated)*

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

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.

(l) Intangible assets

An intangible asset shall be measured initially at cost. Intangible assets include Computer software. Costs associated with maintaining software programmes are capitalized as an expense as incurred.

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

Computer software	1-10 years
-------------------	------------

(m) 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.

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

Liabilities for salaries wages, bonus, accumulated leaves 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

The liability recognised in the balance sheet in respect of leave obligations is the present value of the obligation at the end of the reporting period. The liability is calculated annually by independent actuaries using the projected unit credit method. 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 i.e. gratuity; and
- (b) defined contribution plans i.e. provident fund and Employee state insurance (ESI).

(a) Gratuity obligations

The liability or asset recognised in the balance sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

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

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

(b) Defined Contribution Plans:

The Company pays provident fund contributions to Employees' Provident Fund Organization and ESI contributions to Employees' State Insurance Corporation 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

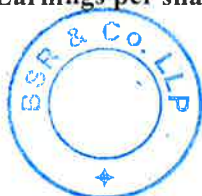
Share-based compensation benefits ("options") are provided to employees through the Aequs Private Limited Employee Stock Option Plan ("plan"). This plan is assessed, managed and administered by Aequs Private Limited.

The fair value of the options granted under the Plan given to the employees of the Company are recognised under employee benefits expense with a corresponding credit to share option outstanding reserve. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g., the entity's share price), and
- including the impact of any service and non-market performance vesting conditions.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

(o) Earnings per share



Notes to the financial statements*(All amounts are in ₹ (in million) unless otherwise stated)*

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

(p) Exceptional items

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

Note: 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.



4 (i) Property, plant and equipment

Particulars	Office equipment	Leasehold improvements	Plant and machinery	Computers	Total
Gross Block					
As at April 01, 2022	9	8	440	8	465
Additions	0	2	20	2	24
Disposals	-	-	(8)	-	(8)
As at March 31, 2023 (Restated)	9	10	452	10	481
Additions	0	-	5	-	5
Disposals	-	-	(1)	-	(1)
As at March 31, 2024	9	10	455	10	485
Accumulated Depreciation					
As at April 01, 2022	5	1	130	5	141
Depreciation for the year	1	1	57	2	61
Disposals	-	-	(2)	-	(2)
As at March 31, 2023 (Restated)	6	2	185	7	200
Depreciation for the year	1	1	52	1	55
Disposals	-	-	(1)	-	(1)
As at March 31, 2024	7	3	237	8	255
Net Block :					
As at March 31, 2023 (Restated)	3	8	267	2	281
As at March 31, 2024	2	7	219	1	230

Refer to Note 34 for information on property, plant and equipment pledged as security.

4 (ii) Capital work in progress (CWIP)

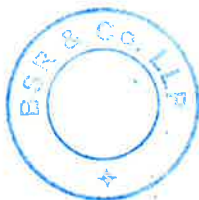
Particulars	Amount
As at April 01, 2022	2
Additions	31
Capitalisations	(2)
As at March 31, 2023 (Restated)	31
Additions	1
Capitalisations	(2)
As at March 31, 2024	30

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

Particulars	Amounts in Capital work in progress				Total
	Less than one year	1-2 years	2-3 years	More than 3 years	
Project In Progress	-	30	-	-	30

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

Particulars	Amounts in Capital work in progress				Total
	Less than one year	1-2 years	2-3 years	More than 3 years	
Project In Progress	31	-	-	-	31



4(iii) Right of use assets

Particulars	Building	Total
As at April 01, 2022	800	800
Additions	-	-
Disposals	(120)	(120)
As at March 31, 2023 (Restated)	680	680
Additions	-	-
Disposals	(1)	(1)
As at March 31, 2024	679	679
Accumulated depreciation		
As at April 01, 2022	200	200
Additions	74	74
Disposals	(36)	(36)
As at March 31, 2023 (Restated)	239	239
Additions	69	69
Disposals	-	-
As at March 31, 2024	308	308
Net block		
As at March 31, 2023 (Restated)	441	441
As at March 31, 2024	371	371

Note:

The Company has entered into agreements with lessors for taking factory and office premises on lease. The lease term is for a period of 10 years with escalation clauses in the lease agreements of premises.

Lease liabilities

Particulars	As at March 31, 2024	As at March 31, 2023 (Restated)
Current	58	49
Non-current	414	471
Total	472	520

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

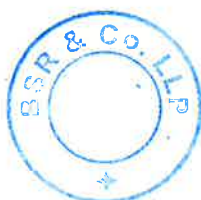
Particulars	As at March 31, 2024	As at March 31, 2023 (Restated)
Less than one year	103	98
Between one and five years	492	441
After five years	25	178
Total minimum lease payments	620	717
Less: imputed interest	148	198
Present value of lease payments	472	520

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

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023 (Restated)
Depreciation of right-of-use assets	69	75
Interest expense on lease liabilities	50	60
Expense relating to leases of low-value assets (included in other expenses)	1	0

Amount recognized in statement of cash flows

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023 (Restated)
Total cash outflow on leases	98	102



Notes to the financial statements

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

5 (i) Intangible assets

Particulars	Computer Software	Total
Gross Block		
As at April 01, 2022	10	10
Additions	-	-
Disposals	-	-
As at March 31, 2023 (Restated)	10	10
Additions	-	-
Disposals	-	-
As at March 31, 2024	10	10
Accumulated Amortization		
As at April 01, 2022	3	3
Charge for the year	2	2
Disposals	-	-
As at March 31, 2023 (Restated)	5	5
Charge for the year	0	0
Disposals	-	-
As at March 31, 2024	5	5
Net Block		
As at March 31, 2023 (Restated)	5	5
As at March 31, 2024	4	4

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Notes to the financial statements

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

	As at March 31, 2024	As at March 31, 2023 (Restated)
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6 Financial assets

(i) Investments

Unquoted

Investment in subsidiary at cost

Aequus Force Technology Company Limited, Hong Kong - [10,000 (March 31, 2023:10,000) equity shares of HKD 1 each fully paid up]

0 0

Aggregate amount of unquoted investments

0 0

Aggregate amount of impairment in the value of investments

(0)

Total non-current investments

- 0

(ii) Trade receivables - unsecured considered good.

Current, unsecured

Trade receivables from contract with customers - billed

86 18

Trade receivables from contract with customers - unbilled

3 -

Trade receivables from contract with customers- related parties (Refer note 29)

8 59

Less: Loss allowance

(2) (1)

Total receivables

95 76

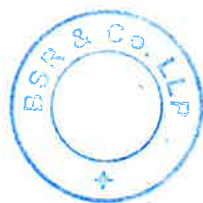
Aging of trade receivables as at March 31, 2024

Particulars	Unbilled	Not due	Outstanding for following periods from due date					Total
			Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables								
Considered good	3	69	22	1	1	1	-	97
Total	3	69	22	1	1	1	-	97
Less: Loss allowance	-	-	-	-	-	(2)	-	(2)
Total trade receivables	3	69	22	1	1	(1)	-	95

Aging of trade receivables as at March 31, 2023

Particulars	Unbilled	Not due	Outstanding for following periods from due date					Total
			Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables								
Considered good	-	15	30	26	6	0	-	77
Total	-	15	30	26	7	0	-	77
Less: Loss allowance	-	-	-	-	(1)	(0)	-	(1)
Total trade receivables	-	15	30	26	6	-	-	76

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Notes to the financial statements

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

	As at March 31, 2024	As at March 31, 2023 (Restated)
(iii) Cash and cash equivalents		
Balances with banks:		
-On current accounts	1	15
-Deposits with original maturity of 3 months or less	1	35
Cash on hand	0	-
	2	50
(iv) Other bank balances		
Margin money deposits	4	4
	4	4
Note: Margin Money deposits are against 'Letters of Credit,' issued in favor of vendors for import of materials.		
(v) Loans		
Current		
Loan to related parties (refer note below)	4	-
	4	0
Note :		
Loan provided to Koppal Toys Molding COE Private Limited, which is repayable on demand. Refer note 29		
(vi) Other financial assets		
Non-current		
Security deposits	107	95
	107	95
Current		
Dues from related parties (refer note 29)	0	9
	0	9
7 Other assets		
(i) Non-current		
(Unsecured , considered good)		
Capital advances	5	1
Prepaid expenses	3	3
	8	4
(ii) Current		
(Unsecured , considered good)		
Advance to suppliers	11	19
Advance to employees	0	-
Prepaid expenses	4	4
Balances with government authorities	0	-
	15	23
8 Inventories		
Raw materials (includes Goods in transit :₹4 (March 31,2023:₹3))	153	156
Work-in-progress	67	30
Finished goods	42	35
Stores and spares (includes Goods in transit :₹2 (March 31,2023:₹1))	5	3
	267	224
Less: Provision for slow moving stock (refer note (iii) below)	(49)	(27)
	218	197
Note:		
(i) Write-down of inventories to net realizable value amounted to ₹3 (March 31, 2023: ₹1). These were recognized as an expense during the year and included in 'changes in inventories of work-in-progress and finished goods in statement of profit and loss		
(ii) For lien/charge against inventory refer note no. 34		
(iii) The following is the break-up for amount of provision for slow-moving stock:		
Raw materials	45	23
Finished goods	4	3
Stores and spares	0	1
	49	27

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Notes to the financial statements

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

9 Equity share capital

(i) Authorised equity share capital

	No of shares	Amount
As at April 01, 2022	88,500,000	885
Increase during the year	35,500,000	355
As at March 31, 2023	124,000,000	1,240
Increase during the year	34,000,000	340
As at March 31, 2024	158,000,000	1,580

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

	March 31, 2024	March 31, 2023
152,545,187 (March 31, 2023 : 121,795,662) equity shares of INR 10 each fully paid up	1,525	1,218
	1,525	1,218

(a) Movement equity share capital

	March 31, 2024		March 31, 2023	
	No of shares	Amount (₹)	No of shares	Amount (₹)
At the beginning of the year	121,795,662	1,218	78,310,612	783
Add: Issued during the year *	30,749,525	307	43,485,050	435
Outstanding at the end of the year	152,545,187	1,525	121,795,662	1,218

* Includes 9,223,300 equity shares issued on conversion of unsecured loan of ₹ 95 received from the holding company during the year ended 31 March 2024.

(b) Terms & rights attached to equity shares

The Company has only one class of equity shares having par value of INR 10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed, if any by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. 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 or its subsidiaries or associates

	March 31, 2024	March 31, 2023
Aequus Private Limited, the holding company	1,525	897
Aequus Engineered Plastic Private Limited (subsidiary of holding company)	0	-
Aequus Manufacturing Investments Private Limited (subsidiary of ultimate holding company)	-	321
	1,525	1,218

(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		
Aequus Private Limited	152,545,087	100.00%
As at March 31, 2023		
Aequus Private Limited	89,708,106	73.65%
Aequus Manufacturing Investments Private Limited	32,087,456	26.34%

(e) There are no shares which are reserved for issue under options and no shares which were issued for consideration other than cash except as disclosed in (a) above.

(f) Details of shareholding of promoters:

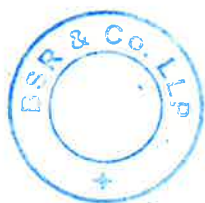
Name of the promoter	Number of shares		Percentage of number of shares		Percentage change during the year
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	
Aequus Private Limited	152,545,087	89,708,106	100.00%	73.65%	26.35%
Aequus Manufacturing Investments Private Limited	-	32,087,456	0.00%	26.35%	-26.35%
Aequus Engineered Plastics Private Limited	100	100	0.00%	0.00%	-

9A Instruments entirely equity in nature

Zero coupon unsecured compulsorily convertible debentures

	March 31, 2024		March 31, 2023	
	No of shares	Amount (₹)	No of shares	Amount (₹)
Aequus Private Limited *	20,325,300	203	-	-

*Refer note 10(iii) and note 12(i)



Notes to the financial statements

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

10 Other equity

(i) Reserves and surplus

Retained earnings	(1,343)	(1,096)
Securities premium	13	12

(ii) Capital Reserve

Common Control Capital Reserve	21	21
Other reserve	10	6

(iii) Equity component of Compulsory Convertible Debentures

	(1,299)	(949)
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Notes:

(i) Reserves and surplus

(a) Retained earnings

Retained earnings comprises of prior and current year's accumulated losses.

(b) Securities premium reserve

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

(ii) Capital Reserve

(a) Common Control Capital Reserve

Refer note 26

(b) Other reserves

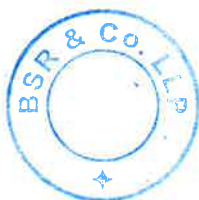
Includes the fair value of the financial guarantee received from Aequis Private Limited (holding company) against the borrowings obtained from bank.

(iii) Equity component of Compulsory Convertible Debentures

As at 31 March 2023, the Company had 20,325,300 zero coupon unsecured Compulsorily Convertible Debentures (CCD) of ₹10 each outstanding. These CCDs are convertible at any time at the option of holder, subject to the approval of the Board of Directors of the Company or upon expiry of 10 years from the date of allotment, if not converted earlier. Based on the terms of the contract that, inter-alia, required conversion of the CCD into a variable number of equity shares, the CCD was accounted for as a compound instrument with liability and equity components.

However, as at 31 March 2024, pursuant to an amendment of the contractual terms, these CCDs are convertible into a fixed number of equity shares, i.e., on a 1:1 ratio. Consequently, these have been now been reclassified as an instrument entirely equity in nature.

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Notes to the financial statements

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

	As at March 31, 2024	As at March 31, 2023 (Restated)
11 Employee benefit obligations		
Non-current		
Gratuity obligations	2	2
	<u>2</u>	<u>2</u>
Current		
Gratuity obligations	0	-
Leave obligations	2	2
	<u>2</u>	<u>2</u>

(i) Leave obligations

The entire amount of the provision of ₹ 2 (March 31, 2023: ₹ 2) is presented as current since the Company does not have an unconditional right to defer settlement for any of these obligations.

(ii) Defined contribution plans

The Company has 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% of basic salary 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 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 as follow:

	For the year ended March 31, 2024	For the year ended March 31, 2023 (Restated)
Provident Fund	4	6
Employees State	0	0
	<u>4</u>	<u>6</u>

(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 a non-funded plan.

A. Reconciliation of the projected benefit obligations

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023 (Restated)
(a) Total expenses recognised in the statement of profit and loss account (Note 19)		
Current service cost	1	1
Interest on defined benefit obligation	0	0
Total amount recognised in statement of profit and loss	<u>1</u>	<u>1</u>
(b) Amounts recognised in other comprehensive Income		
(Gains)/losses arising from changes in		
- demographic assumptions	0	(0)
- financial assumptions	0	(0)
- experience adjustments	(0)	(0)
Total amount recognised in other comprehensive income	<u>(0)</u>	<u>(0)</u>
Total amount recognised in statement of profit and loss and other comprehensive income (a+b)	<u>1</u>	<u>1</u>



Notes to the financial statements

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

	As at March 31, 2024	As at March 31, 2023 (Restated)
(c) Changes in the defined benefit obligation during the year		
Obligations at the beginning of the year	2	2
Current service cost	1	1
Interest on defined benefit obligation	0	0
Liabilities assumed	(0)	-
Benefits paid	(0)	(0)
Remeasurement (gains)/ losses		
- arising from change in demographic Assumptions	0	(0)
- arising from change in financial assumptions	0	(0)
- arising from change in experience adjustments	(0)	(0)
Closing defined benefit obligation	2	2
Current	0	0
Non-current	2	2

B. Actuarial assumptions

Discount rate per annum	7.20%	7.45%
Salary escalation rate per annum	10%	10%
Demographic assumptions		
Attrition rate		
21 to 30 years	25%	18%
31 to 40 years	7%	10%
41 to 50 years	3%	6%
51 to 57 years	1%	4%
Retirement age	58 Years	58 Years

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion other relevant factors such as supply and demand in the employment market.

11 Employee benefit obligations**C. Sensitivity analysis**

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

Changes in assumption**Discount rate**

Defined benefit obligation (DBO) on increase in 50 bps	2	2
Impact of increase in 50 bps on DBO	-6%	-5%
Defined benefit obligation (DBO) on decrease in 50 bps	3	2
Impact of decrease in 50 bps on DBO	7%	6%

Salary increase rate

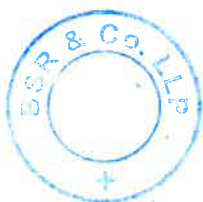
Defined benefit obligation (DBO) on increase in 50 bps	3	2
Impact of increase in 50 bps on DBO	7%	6%
Defined benefit obligation (DBO) on decrease in 50 bps	2	2
Impact of decrease in 50 bps on DBO	-6%	-5%

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 obligation**D. Expected future cashflows (in million) [Undiscounted]**

Particulars	March 31, 2024	March 31, 2023
Less than one year	0	0
Between one and five years	1	1
After five years	8	5

Weighted average duration of the defined benefit liability is 13.26 years as of March 31, 2024 (March 31, 2023: 11.37 years)



Notes to the financial statements

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

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

(i) Market risk (discount rate)

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

(ii) Longevity risk

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

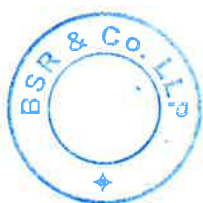
(iii) Annual risk**Salary increase assumption**

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

Attrition/withdrawal assumption

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

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Notes to the financial statements

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

	As at March 31, 2024	As at March 31, 2023 (Restated)
12 Financial liabilities		
(i) Borrowings		
Non current:		
Compulsorily Convertible Debentures(CCD) (Unsecured) (Note 10(iii))	-	101
Term loan Bank (Secured)	-	9
	-	110
Less: Current maturities of term loans	-	(9)
Non-current borrowings	-	101
Current:		
Loans repayable on demand		
Working capital facilities from banks (secured) (a)	48	61
Current maturities of long-term borrowings	-	9
Interest accrued but not due on borrowings	-	0
Total current borrowings	48	70

(a) Working capital facilities availed during the year by the Company are repayable on demand and include Export Packing Credit (EPC) and Pre-shipment Credit in Foreign Currency (PCFC) and Cash Credit (CC). Working capital facilities are secured by hypothecation of inventories, existing and future receivables and other current assets and exclusive charge on plant and machineries of the Company with interest T-Bill 3 Months 6.87% + Spread 3.97%. The loan is also secured by a Corporate guarantee provided by Aequs Private Limited. The working capital loan is reduced by unamortised financial guarantee received amounting to ₹2 (March 31, 2023 - ₹2).

(b) Details of quarterly statements of current assets filed by the Company with the bank and reconciliation with the books of account for the year ended March 31, 2024:

1. Inventories

Quarter	Name of bank	Particulars of Securities Provided	Amount as per books of account (net of provision)	Amount as reported in the quarterly return/statements	Amount of difference	Reason for discrepancies
Jun-23	HDFC Bank	Inventories	274	305	(31)	Refer note (i) below
Sep-23			256	308	(52)	
Dec-23			255	297	(42)	
Mar-24			218	206	12	

Notes:

(i) Amount reported quarterly to a bank is excluding the provision for slow moving inventory.

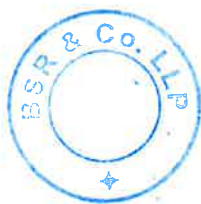
(ii) Valuation related adjustments and provision for slow moving inventory recorded after submission of data to the bank.

2. Trade Receivables

Quarter	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	167	153	14	Refer note (i) below
Sep-23			62	115	(53)	
Dec-23			24	58	(33)	
Mar-24			95	91	4	

Note:

(i) Amounts reported to banks are excluding balances with related parties, foreign exchange adjustments and net of advances.



Notes to the financial statements

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

	As at March 31, 2024	As at March 31, 2023 (Restated)
12 Financial liabilities - Continued		
(ii) Trade payables		
Current:		
Trade payables		
-Dues to micro enterprises and small enterprises (Refer Note no 33)	0	0
- Others*	71	201
	<u>71</u>	<u>201</u>

Note:

* Others includes payable to related parties amounting to ₹ 11 (31 March 2023: ₹ 128). Refer Note 29 for further details.

Aging of Trade payables as at March 31, 2024

Particulars	Unbilled	Not Due	Outstanding for following periods from due date				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i)MSME	-	-	-	-	-	-	-
(ii)Others	33	-	30	4	2	1	71
Total	33	-	30	4	2	1	71

Aging of Trade payables as at March 31, 2023

Particulars	Unbilled	Not Due	Outstanding for following periods from due date				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i)MSME	-	-	-	-	-	-	-
(ii)Others	40	-	83	63	13	2	201
Total	40	-	83	63	13	2	201

Notes:

(a) Refer Note 25 for details of foreign currency payables.

(iii) Other financial liabilities

Non current:

Deferred consideration payable

25	22
<u>25</u>	<u>22</u>

Current:

Capital creditors

6 7

Employee benefits payable

4 4

Dues to related parties(Refer Note no 29)

19	12
<u>29</u>	<u>23</u>

13 Contract liabilities

Current:

Advance from Customers

9	4
<u>9</u>	<u>4</u>

Note:

Revenue recognised that was included in contract liabilities as at the beginning of the period

4 6

14 Other liabilities

Current:

Statutory dues payable

2	2
<u>2</u>	<u>2</u>



Notes to the financial statements

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

	For the year ended March 31, 2024	For the year ended March 31, 2023 (Restated)
15 Revenue from operations		
Revenue from contracts with customers		
- Sale of products	598	720
- Sale of services	21	30
	<u>619</u>	<u>750</u>
Other operating revenue		
- Scrap sales	4	5
	<u>4</u>	<u>5</u>
	<u>623</u>	<u>755</u>
16 Other income		
Net gain on disposal of property, plant and equipment	0	1
Income from sub-lease of factory building	0	7
Gain on derecognition of lease	-	19
Liabilities no longer required written back	16	1
Interest income	2	-
Unwinding of discount on security deposit	5	-
Net foreign exchange (loss)/gain	2	-
Miscellaneous income	0	-
	<u>25</u>	<u>28</u>
17 Cost of materials consumed		
Raw material consumed		
Opening stock	156	92
Less: Provision for slow moving inventory	(23)	(3)
Opening stock (net) (a)	<u>133</u>	<u>89</u>
Add: Purchases during the year (b)	304	442
Closing stock	153	156
Less: Provision for slow moving inventory	(45)	(23)
Closing stock (net) (c)	<u>108</u>	<u>133</u>
Cost of raw materials consumed	<u>329</u>	<u>398</u>
18 Changes in inventories of work in progress and finished goods		
Inventory at the end of the year (a)		
Work-in-progress	67	30
Finished goods	42	35
Provision for slow moving inventory	(4)	(3)
	<u>105</u>	<u>62</u>
Inventory at the beginning of the year (b)		
Work-in-progress	30	19
Finished goods	35	66
Provision for slow moving inventory	(3)	-
	<u>62</u>	<u>85</u>
Change in inventories of work in progress and finished goods (b-a)	<u>(42)</u>	<u>23</u>
19 Employee benefits expense		
Salaries, wages and bonus	89	100
Contribution to provident and other funds	4	6
Gratuity (refer note 11)	1	1
Staff welfare expenses	10	14
	<u>105</u>	<u>122</u>



Notes to the financial statements

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

	For the year ended March 31, 2024	For the year ended March 31, 2023 (Restated)
20 Other expenses		
Consumption of stores and spares	38	19
Outsourced manpower cost	128	134
Power and fuel	33	34
Subcontracting expenses	25	16
Testing charges	3	4
Freight and forwarding	5	2
Repairs and maintenance :		
Machinery	2	2
Building	30	27
Others	5	6
Legal and professional fees	25	8
Payment to auditors [refer note (i) below]	2	1
Rental charges	1	0
Insurance	3	3
Printing and stationery	1	1
Rates and taxes	1	1
Travelling and conveyance	2	3
Communication	3	3
Advertising and sales promotion	-	35
Bad debts written off	0	9
Net foreign exchange (gain)/loss (other than borrowings)	-	(5)
Bank charges	4	2
Non-current investments written off	0	0
Miscellaneous expenses	2	1
	312	308
(i) Payments to auditors		
As auditor:		
- Audit Fee	2	1
- Reimbursement of expenses	0	0
	2	1
21 Depreciation and amortisation expense		
Depreciation of property, plant and equipment [refer note 4(i)]	55	61
Amortisation of intangible assets [refer note 5(i)]	0	2
Depreciation of right of use assets [refer note 4(iii)]	69	75
	124	138
22 Finance cost (net)		
Interest expense on borrowings	10	16
Interest expense on intercompany loans [refer note 29]	2	29
Interest on lease liabilities	50	60
Finance guarantee expense	4	3
Interest income	-	(2)
Unwinding of discount on security deposit	-	(5)
	66	101



	As at March 31, 2024	As at March 31, 2023 (Restated)
--	-------------------------	---------------------------------------

23 Income taxes**A. Income tax expense**

Current tax expense

Deferred tax expense/(credit)

Income tax expense/ (income)**B. Reconciliation of tax expense and accounting profit multiplied by India's tax rate**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023 (Restated)
Loss before income tax expense	(247)	(304)
Tax at the rate of 26%	(64)	(79)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income :		
Expenses not allowed as deduction in computation of current tax	(1)	(1)
Incomes not chargeable to tax	(1)	(1)
Loss on which no DTA was recognized during the year	67	81
Total	-	-

C. Income tax assets

Advance income tax (tax deducted/collected at source)

	1	-
	1	0

D. Deferred tax asset recognition

Deferred tax asset on timing difference 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 on March 31, 2024 has been arrived as follows:

Particulars	As at March 31, 2024	As at March 31, 2023 (Restated)
Difference between carrying amount of Property, plant and equipment in the financial statement and The Income tax Act,	(9)	(14)
Notional interest on compulsory convertible debentures,	-	(17)
Balances in the financial statement allowed as deduction in the future years under the income tax act,	60	52
Unabsorbed depreciation and Carry forward business losses as per income tax	342	237

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 and Intangible asset	(19)	4	-	(14)	5	-	(9)
Right of use assets	(156)	41	-	(115)	18	-	(96)
Lease liabilities	173	(38)	-	135	(12)	-	123
Employment benefit obligations	1	0	-	2	1	-	2
Unabsorbed depreciation and loss carried forward	119	118	-	237	105	-	342
Provision on inventory	1	6	-	7	5	-	12
Other items	19	(13)	-	6	13	-	19
Net Deferred Tax Asset	139	119	-	258	135	-	393
Deferred tax (credit)/charge for the year	-	-	-	-	-	-	-
*Deferred Tax Asset recognised	-	-	-	-	-	-	-

* Deferred tax asset 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.

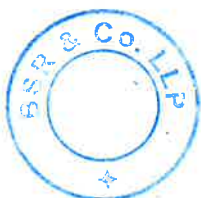
E. Carry forward business losses in respect of which deferred tax asset has not been recognised, expire as below

Financial Year	March 31, 2024	March 31, 2023
Within five years	719	661
Later than five years but less than ten years	301	-

F. The Company has unabsorbed depreciation of ₹ 295 (March 31, 2023: ₹ 261) which does not have any expiry period.

G. 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.



24 Fair value measurement**Financial instruments by category**

	Level	Category	As at March 31, 2024	As at March 31, 2023 (Restated)
Financial assets				
Investments	-	Refer Note (iv) below	-	0
Trade receivables	-	Amortised cost	95	76
Cash and cash equivalents	-	Amortised cost	2	50
Bank balances other than above	-	Amortised cost	4	4
Other financial assets	-	Amortised cost	107	104
Total financial assets			208	235
Financial liabilities				
Borrowings (including current maturities)	-	Amortised cost	48	171
Trade payables	-	Amortised cost	71	201
Lease liabilities	-	Amortised cost	472	520
Other financial liabilities	-	Amortised cost	29	23
Total financial liabilities			620	915

(i) Fair value hierarchy

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

(a) recognised and measured at fair value.

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

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

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

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

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

(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, other financial assets and liabilities are considered to be the same as their fair values, due to the short-term maturities of these instruments.

(iv) Investments

The Company accounts the investments in equity shares of subsidiary at cost in accordance with Ind AS 27. Investments in subsidiary is tested for impairment annually.



(All amounts are in INR millions, except 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 assesses for the impact on the financial performance. The below table broadly summarises the sources of financial risk to which the entity is exposed to and how the entity manages the risk.

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

	Exposure arising from	Measurement	Management
Credit Risk	Cash and cash equivalents, trade receivables, Other bank balances and financial assets measured at amortised cost.	Aging analysis Credit ratings	Diversification of bank deposits, Customers credit analysis, monitoring of credit limits and bank guarantee
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of borrowings facilities
Market risk - Foreign exchange	Future commercial transactions, recognised 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	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 deposits.

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

(i) Credit risk management

Credit Risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group usually deals with creditworthy counterparties and obtain sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The exposure is continuously monitored.

(ii) Provision for expected credit losses.

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

1) Security deposits:

Deposits are having negligible or nil risk based on past history of defaults and reasonable forward looking information. Loans and deposits comprises of mainly refundable security deposits made on buildings (leased premises) taken under operating lease. Since these are assets with nil risk, the expected probability of default is "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 for less than 12 months.

3) Investments:

It consists of investments in subsidiaries, 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. Further, receivables are expected to be collected considering the past trend of no defaults and that the balances are not significantly aged. Full provision is made for balances that management believes are credit impaired.

Reconciliation of loss allowance provision - Trade receivables

Particulars	Amount
As at April 01, 2022	5
Charge/(credit) to statement of profit and loss	(4)
Utilisation of loss allowance	-
As at March 31, 2023	1
Charge/(credit) to statement of profit and loss	1
Utilisation of loss allowance	-
As at March 31, 2024	2



Notes to the financial statements

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

25 Financial risk management (Continued)

B Liquidity risk

Liquidity risk is a risk where an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the dynamic nature of the underlying businesses, Company's treasury maintains flexibility in funding by maintaining availability of required funds.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows.

(i) Financing arrangements

The Company has access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	As at March 31, 2024	As at March 31, 2023 (Restated)
A. Expiring within one year (bank overdraft and other facilities)	82	69
	82	69

(ii) Maturities of financial liabilities

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments. 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				
Borrowings (including interest accrued)	48	-	-	48
Trade payables	71	-	-	71
Other financial liabilities	29	-	-	29
Lease liabilities	103	492	25	619
Total liabilities	250	492	25	767

Contractual maturities of financial liabilities	Less than 12 months	1 to 5 years	Over 5 years	Total
As at March 31, 2023				
Borrowings (including interest accrued)	70	-	203	273
Trade payables	201	-	-	201
Other financial liabilities	23	-	-	23
Lease liabilities	98	441	178	717
Total liabilities	393	441	381	1,215

C Market risk

Market risk is a risk where the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk primarily comprises of foreign currency risk and interest rate risk as applicable to the Company.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign exchange risk primarily due to operating activities arising from foreign currency transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (INR). The risk is measured through sensitivity analysis of probable movement in exchange rate as at the reporting period.

The Company primarily imports materials which are denominated in foreign currency which exposes it to foreign currency risk. The Company has a natural hedge in terms of its receivables and payables being in USD.

(a) Foreign currency risk exposure

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

	March 31, 2024		March 31, 2023	
	HKD	USD	HKD	USD
Financial asset				
Trade receivable	0	25	0	66
Exposure to foreign currency risk (assets)	0	25	0	66
Financial liability				
Trade payables	19	29	19	65
Capital creditors	0	7	0	10
Exposure to foreign currency risk (liabilities)	19	36	19	75
Net exposure to foreign currency risk (assets - liabilities)	(19)	(11)	(19)	(9)



25 Financial risk management (Continued)

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

Impact on loss before tax	As at March 31, 2024	As at March 31, 2023 (Restated)
USD Sensitivity		
INR/USD - Increase by 5%	(1)	(0)
INR/USD - decrease by 5%	1	0
HKD Sensitivity		
INR/HKD - Increase by 5%	(1)	1
INR/HKD - decrease by 5%	1	(1)

(ii) Interest rate risk

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

(a) Interest rate risk exposure

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

Particulars	As at March 31, 2024	As at March 31, 2023 (Restated)
Variable rate borrowings	61	52
Fixed rate borrowings (including lease liabilities)	-	188
Total borrowings	61	240

(b) Sensitivity

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

Impact on loss before tax	As at March 31, 2024	As at March 31, 2023 (Restated)
Interest rates - increase by 50 basis points	0.31	0.26
Interest rates - decrease by 50 basis points	(0.31)	(0.26)

(This space is intentionally left blank)



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

26 Business Combination

Effective February 29, 2024, under the terms of the slump sale agreement entered into with its fellow-subsiary Koppal Toys Tooling COE Private Limited, the Company acquired the specified business undertaking ('business') for a consideration of ₹ 35, payable after three years.

In accordance with the requirements of Appendix C to Ind AS 103 Business Combinations (Ind AS 103), this acquisition (being a common control transaction) has been accounted for using the 'pooling of interests method'. Under this method, the assets and liabilities taken over have been recorded at their carrying amounts and no adjustments were made to reflect fair values or recognise any new assets or liabilities. Further, an amount of ₹ 21 being the difference between the book value of net assets taken over (₹ 40) and the fair value consideration (₹ 19) has been accounted for in the common control capital reserve account within other equity.

Additionally, in accordance with Ind AS 103, the financial information in these financial statements in respect of the period from 1 April 2022 (earliest date presented) has been restated as if the business combination had occurred from that date.

A table showing the effect of above business combination on Balance Sheet is given below:

Particulars	31 March 2023 (as reported previously)	Effect of above transaction	31 March 2023 (restated)
ASSETS			
Non-current assets			
Property, plant and equipment	281	-	281
Capital work in progress	2	29	31
Intangible assets	5	-	5
Right of use assets	441	-	441
Financial assets			
Investments	0	-	0
Loans	-	-	-
Other financial assets	95	-	95
Other non-current assets	4	0	4
Total non-current assets	828	30	857
Current assets			
Inventories	197	-	197
Financial assets			
Trade receivables	76	-	76
Cash and cash equivalents	31	19	50
Bank balances other than above	4	-	4
Other financial assets	9	0	9
Other current assets	22	-	22
Total current assets	339	20	359
Total assets	1,167	50	1,216
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	1,218	-	1,218
Other equity	(964)	15	(949)
Total equity	254	15	269
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	101	-	101
Lease liabilities	471	-	471
Other financial liabilities	-	22	22
Employee benefit obligations	2	-	2
Total non-current liabilities	574	22	596
Current liabilities			
Financial liabilities			
Borrowings	61	9	70
Lease liabilities	49	-	49
Trade payables	-	-	0
Total outstanding dues of micro and small enterprises	-	-	0
Total outstanding dues of creditors other than micro and small enterprises	199	2	201
Other financial liabilities	22	2	24
Employee benefit obligations	2	-	2
Contract liabilities	4	-	4
Other current liabilities	2	-	2
Total current liabilities	339	13	351
Total liabilities	913	35	947
Total equity and liabilities	1,167	50	1,216



A table showing the effect of Scheme on Statement of Profit and loss is given below:

Particulars	31 March 2023 (as reported previously)	Effect of above transaction	31 March 2023 (restated)
Income			
Revenue from operations	755	-	755
Other income	27	0	28
Total income (A)	782	0	783
Expenses			
Cost of materials consumed	398	-	398
Changes in inventories of work in progress and finished goods	23	-	23
Employee benefits expense	120	2	122
Net impairment losses on financial assets	(4)	-	(4)
Other expenses	305	3	308
Total cost (B)	842	5	847
Loss before interest, tax, depreciation and amortisation (A-B)	(60)	(4)	(65)
Depreciation and amortisation expense	138	-	138
Finance cost (net)	100	1	101
Loss before tax	(298)	(5)	(304)
Income tax expense			
- Current tax	-	-	-
- Deferred tax	-	-	-
Total tax expense	-	-	-
Loss for the year	(298)	(5)	(304)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Remeasurements of post-employment benefit obligations	0	-	0
- Income tax relating to these items	-	-	-
Other comprehensive income/(loss) for the year, net of tax	0	-	0
Total comprehensive loss for the year	(298)	(5)	(304)
Earnings per share (Basic & Diluted)	3.11		(2.95)



Notes to the financial statements

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

27 Capital management

Risk management

For the purpose of Company's capital management, capital includes issued equity capital and all other reserves attributable to the equity holders of the Company. The 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 an optimal capital structure to reduce the cost of capital.

The Company monitors capital using gearing ratio and is measured by net debt (total borrowings net of cash and cash equivalents)

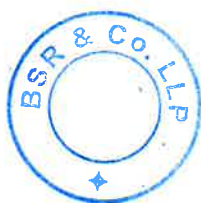
(i) The below table depicts the Company's net debt to equity ratio.

	As at March 31, 2024	As at March 31, 2023 (Restated)
Borrowings	48	171
Lease liabilities	472	520
Cash and cash equivalents	(2)	(50)
Bank balances other than above	(4)	(4)
Net debt	514	637
Total equity	429	269
Net debt to equity ratio	1.2	2.4

28 Commitments and Contingent liabilities

	As at March 31, 2024	As at March 31, 2023 (Restated)
(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	0	8
	0	8
(b) Contingent liabilities		
	-	-

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Notes to the financial statements

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

29 Related party disclosures

(A) Name of related parties and their relationship

Relationship	Name of the related party
(i) Name of related parties where control exists.	
Ultimate holding company	: Aequus Inc., Cayman Islands*
Holding company	: Aequus Private Limited (APL), India
Investor with significant influence	: Sky Power Industrial Limited (SPIL), Hong Kong (from March 31, 2022 to September 27, 2022)
Subsidiaries	: Aequus Force Technology Company Limited (AFTCL), Hong Kong : Aequus Force Technology Private Limited (AFTPL), India (struck off on April 28, 2023)
(ii) Names of other related parties with whom transactions have taken place during the year.	
Fellow subsidiaries	: Aequus Engineered Plastics Private Limited (AEPPL) : Aerostructures Manufacturing India Private Limited (ASMIPL) : Aequus Consumer Products Private Limited (ACPPL) : Aerostructure Assemblies India Private Limited (AAIPL) : Aequus Toys Private Limited (ATPL) : Aequus Toys Hong Kong Private Limited (ATHPL) : Koppal Toys Tooling COE Private Limited (KTTPL), India : Koppal Toys Molding COE Private Limited (KTMPL) : Aequus Rajas Extrusion Private Limited (AREPL), India
Enterprises in which individuals owning interest in the holding/ultimate holding company/erstwhile joint venturers, or their relatives have control or significant influence	: Aequus SEZ Private Limited (ASEZ), India : Industrial Knowledge Centre (IKC), India
(iii) Key managerial personnel** :	
Director	: Dinesh Iyer
Director	: Suraj Hukkeri
Director	: Amit Chakraborty (upto December 31, 2022)
Director	: Yan Chau Ching (upto September 27, 2022)
Director	: Radhakrishna Vuppunda (From May 24, 2022 to December 31, 2022)
Company secretary	: Chaitanya Vinayak Bhat (From July 17, 2024)

* Aequus Inc. is 100% beneficially owned and controlled by the Melligiri Foundation.

** No transactions during the year

B. Transactions with related parties

Name	Nature of transactions	For the year ended March 31, 2024	For the year ended March 31, 2023 (Restated)
AEPPL	Sale of raw materials	38	122
	Sale of services	21	30
	Sale of asset	-	2
	Purchase of raw materials	12	24
	Reimbursement of expenses paid	33	20
	Reimbursements received	1	2
	Income from sub-lease of factory building	-	7
AFTPL	Reimbursement of expenses paid	-	0
AFTCL	Legal and professional fee	-	21
	Impairment of Investments	0	-
ASEZ	Reimbursement of expenses paid	0	0
	Interest on borrowings	-	9
	Interest expenses on lease liability	50	60
	Repayment of lease liability	49	42
	Services received	65	69
	Borrowings repaid	-	118
	Sale of asset	-	1
	Sale of scrap	-	0
	Security deposit paid	4	-
APL	Reimbursement of expenses paid	15	17
	Services received	5	6
	Borrowings availed	95	125
	Interest on borrowings	2	20
	Repayment of loan taken	95	195
	Fair value of financial guarantee received	3	4
	Financial guarantee expense	3	3
	Equity shares issued	628	435



Notes to the financial statements

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

B. Transactions with related parties (continued)

Name	Nature of transactions	For the year ended March 31, 2024	For the year ended March 31, 2023
AAI	Expense incurred on behalf of related party	-	1
ATPL	Sale of asset	1	1
	Sale of raw materials	8	4
	Expense incurred on behalf of related party	0	-
	Purchase of asset	0	-
	Cost of raw materials consumed	7	-
	Expenses incurred by related party	0	-
IKC	Service received	6	13
KT MPL	Sale of asset	-	5
	Sale of raw materials	1	-
	Cost of raw materials consumed	12	-
	Transfer of loan from KTT	4	-
KTTPL	Expense incurred by related party	-	0
	Expense incurred on behalf of related party	-	0
	Acquisition of assets & Liabilities in slump sale	35	-
ASMIPL	Reimbursement of expenses paid	0	0
ATHPL	Advertisement and sales promotion expense	-	13
	Legal and professional fee	-	3
ACPPL	Expenses incurred by related party	0	-

C Balance as at the year end

Name	Nature of transactions	As at March 31, 2024	As at March 31, 2023 (Restated)
AEPL	Dues to related party	2	6
	Trade payables	0	1
	Dues from related party	-	2
	Trade receivables	1	55
ASEZ	Trade payables	5	84
	Dues to related party	0	0
	Security deposits	139	134
APL	Dues to related party	17	5
	Trade payables	6	2
	Unamortized financial guarantee	2	2
ASMIPL	Dues to related party	0	0
AFTCL	Trade payables	-	40
	Investment in equity shares	0	0
	Impairment of investment	0	-
ACPPL	Dues from related party	-	1
AAI	Dues from related party	-	1
ATPL	Trade receivables	8	4
	Dues from related party	0	-
	Trade payables	0	-
IKC	Trade payables	0	0
KT MPL	Dues from related party	-	5
	Trade payables	0	-
	Loan receivable	4	-
KTTPL	Dues from related party	-	0
	Dues to related Parties	-	0
	Consideration payable on acquisition	35	-



Notes to the financial statements

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

30 Segment information

The Company is primarily engaged in a single line of business of manufacturing engineered toys. The Company's 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 Company as a whole, hence the operating segment is the Company as one single segment.

The Company is domiciled and principally operates in India. The amount of its revenue from customers specified by location of customers are presented in the below table:

Revenue from contract with customers

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023 (Restated)
Outside India		
Hongkong	545	580
In India	78	175
Total	623	755

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

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023 (Restated)
Segment results	(57)	(64)

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

Revenue from major customers are as follows:

Customers	March 31, 2024		March 31, 2023	
	Revenue	% of total revenue	Revenue	% of total revenue
Customer 1	470	76%	452	60%
Customer 2	105	17%	123	16%

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

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31 Earnings per share (EPS)

	For the year ended March 31, 2024	For the year ended March 31, 2023 (Restated)
Loss per share (basic and diluted) (a/b)	(1.58)	(2.95)
Loss attributable to the equity share holders (a)	(247)	(304)
Weighted average number of equity shares of ₹ 10 each	135,775,672	82,901,654
Add: Weighted average CCD convertible into equity shares considered (Refer note (i))	20,325,300	19,926,756
Total weighted average number of equity shares considered for basic EPS (b)	156,100,972	102,828,410

Note :

- (i) Ordinary shares to be issued under a mandatorily convertible instrument has been considered for computing basis EPS for the year.
- (ii) There is no dilution to the Basic EPS as there no potentially dilutive equity shares outstanding.

32 Dues to micro and small enterprises

	As at March 31, 2024	As at March 31, 2023 (Restated)
A. Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	0	1
B. Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	0	-
C. Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	1	-
D. Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
E. Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	0	0
F. Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond	-	-
G. Interest accrued and remaining unpaid at the end of the accounting year	-	-
H. Amount of further interest remaining due and payable even in the succeeding years, until such date when the	-	-

33 Assets pledged as security

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

	As at March 31, 2024	As at March 31, 2023 (Restated)
Current		
A. Financial assets:		
- Trade receivables	95	76
- Other financial assets	0	9
B. Non financial assets:		
- Inventories	218	197
- Other current assets	11	19
Total current assets pledged as security	324	301
Non current		
A. Financial assets:		
- Other financial assets	107	95
B. Non financial assets:		
- Plant and machinery	219	267
- Office Equipment	2	3
- Computers	1	2
Total non-current assets pledged as security	329	367
Total assets pledged as security	653	668

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



Notes to the financial statements

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

34 Financial ratios

Ratios	Numerator	Denominator	As at March 31, 2024	As at March 31, 2023 (Restated)	% of variance	Reason for variance
Current ratio	Current Assets	Current Liabilities	1.54	1.02	51.15%	Note 2
Debt-equity ratio	Total Debt	Shareholders' Equity	1.21	2.57	-52.82%	Note 3
Debt service coverage ratio (DSCR)	Earnings available for Debt Service	Debt Service	(0.30)	(0.18)	69.29%	Note 4
Return on equity (ROE)	Profit/(Loss) after tax	Average Shareholders' Equity	-70.70%	-162.78%	-56.57%	Note 6
Inventory turnover ratio	Turnover	Average Inventory	2.99	4.05	-26.11%	Note 7
Trade receivables turnover ratio	Credit Sales	Average Accounts Receivables	7.30	7.04	3.67%	Note 1
Trade payables turnover ratio	Credit Purchases	Average Trade Payables	4.56	3.74	21.83%	Note 1
Net capital turnover ratio	Turnover	Working Capital	5.22	97.59	-94.66%	Note 5
Net profit ratio	Net Profit/(Loss) after tax	Turnover	-39.67%	-40.19%	-1.30%	Note 1
Return on capital employed (RoCE)	Earnings before interest and tax	Capital Employed	-19.16%	-21.16%	-9.45%	Note 1
Return on investment	Earnings before interest and tax	Average Total Assets	-15.70%	-15.65%	0.35%	Note 1

Notes:

- Reason for variances less than 25% is not required to be provided, as exempted by schedule III of the Act.
- Current ratio has increased on account of repayment of short term borrowings during the year.
- Debt Equity ratio has improved due to repayment of short term borrowings, and further the overall equity has reduced due to the losses incurred.
- Debt Service coverage has increase due to addition in earnings available for debt service during the year.
- Net Capital Turnover ratio improved due to repayment of intercompany loans resulting in a reduction of current liabilities.
- ROE has improved due to reduction in losses incurred and on account of increase in the equity share capital.
- Reduction in inventory turnover is on account of reduced sales for the year.



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Notes to the financial statements

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

35. Net debt reconciliation:

Particulars	As at March 31, 2024	As at March 31, 2023 (Restated)
Cash and cash equivalents	2	50
Bank balances other than above	4	4
Current borrowings	(48)	(70)
Non-current borrowings	-	(101)
Lease liabilities	(472)	(520)
Net debt	(514)	(637)

Particulars	Liabilities from financing activities				Total
	Lease liabilities	Non-current borrowings (CCD)	Current borrowings (Working capital loans)	Current borrowings (related party loans)	
Net debt as on April 01, 2022	(665)	(92)	(52)	(188)	(997)
Acquisition of leases/ borrowings	42	-	(20)	(125)	(103)
Repayments	103	-	1	313	417
Interest expense	(60)	(9)	(5)	(29)	(104)
Interest paid	60	-	5	29	94
Other non-cash adjustments	-	-	2	-	2
Net debt as on March 31, 2023 (restated)	(520)	(101)	(70)	-	(691)
Net debt as on April 01, 2023	(520)	(101)	(70)	-	(691)
Acquisition of leases/ borrowings	-	-	-	(95)	(95)
Repayments	48	-	22	-	70
Interest expense	(50)	(2)	(8)	(2)	(62)
Interest paid	50	-	8	2	60
Conversion to equity (refer note 9)	-	-	-	95	95
Reclassification to equity (refer note 10(iii))	-	103	-	-	103
Net debt as on March 31, 2024	(472)	-	(48)	-	(520)

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

36. Additional regulatory information required by Schedule III

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

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

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

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

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

(vi) Utilisation of borrowed funds and share premium

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Company has not received any fund 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:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- provide any guarantee, security or the like on behalf of the ultimate beneficiaries

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

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

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

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

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

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

(xiii) The Company was not required to recognise any provision as at March 31, 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., Aequis Manufacturing Holdings Private Limited, India which is not required to be registered with the Reserve Bank of India.

37. Events occurring after balance sheet date

The Company, vide its board resolution dated July 17, 2024, has approved a scheme of amalgamation (the scheme) with its Holding Company, Aequis Private Limited. As of the date of adoption of these financial statements, the Scheme and the related petition are yet to be filed with requisite authorities, and necessary approvals are still pending.

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

38. The financial statements were approved for issue by the Board of Directors on September 27, 2024.

For B S R & Co. LLP
Chartered Accountants
Firm Registration Number : 101248W/W100022

For and on behalf of the Board of Directors
Aequis Force Consumer Products Private Limited

Sampad Guha Thakurta
Partner

Membership No.: 060573

Place: Chennai

Date: 27-September-2024

Dinesh Iyer
Director

DIN: 09515485

Place: Belagavi

Date: September 27, 2024

Suraj Hukkeri
Director

DIN: 09536262

Place: Belagavi

Date: September 27, 2024

Chaitanya Vinayak Bhat
Company Secretary

M.No.: A61933

Place: Bengaluru

Date: September 27, 2024