Independent Auditor's Report

To the Members of Aequs Force Consumer Products Private Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Aequs Force Consumer Products Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and total comprehensive income (comprising of loss and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act . Our responsibilities under those Standards are further described in the "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.

Emphasis of Matter

4. We draw your attention to Note 38 in the financial statements regarding non-settlement of foreign currency payables amounting to Rs. 2 million as at March 31, 2023 which are due for more than three years and Rs. 41 million as at March 31, 2023 which are outstanding for more than six months but less than three years from the date of imports. This is beyond the period stipulated under the Reserve Bank of India Master Direction on Import of Goods and Services vide FED Master Direction No. 17/2016-17 dated January 1, 2016 (as amended). The Company has made necessary applications to the Authorised dealer Bank, seeking approval from AD bank/RBI (as applicable) for extension of time limit to settle the outstanding amount. Our opinion is not modified in this respect.

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Other Information

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

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

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

   We have nothing to report in this regard.

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

6. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, 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.

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

Auditor's responsibilities for the audit of the financial statements

8. 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.

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9. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism 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 management.
   - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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.

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

Report on other legal and regulatory requirements

11. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.

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(e) On the basis of the written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164(2) of the Act.

(f) 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 A".

(g) 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position.

ii. The Company was not required to recognise a provision as at March 31, 2023 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contracts. The Company did not have any derivative contracts as at March 31, 2023.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2023.

iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 35 to the financial statements);

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

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The Company has not declared or paid any dividend during the year.

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

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

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

Sharmila Ramaswamy
Partner
Membership Number: 215131
UDIN: 23215131BGYBUL8945

Place: Bengaluru
Date: July 20, 2023

Annexure A to Independent Auditor's Report

Referred to in paragraph 12(f) of the Independent Auditor's Report of even date to the members of Aequs Force Consumer Products Private Limited on the financial statements for the year ended March 31, 2023

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Aequs Force Consumer Products Private Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). 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

3. 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 deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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 was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system 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.

5. 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 system with reference to financial statements.

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Annexure A to Independent Auditor's Report

Referred to in paragraph 12(f) of the Independent Auditor's Report of even date to the members of Aequs Force Consumer Products Private Limited on the financial statements for the year ended March 31, 2023

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes 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

7. 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.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

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

Sharmila Ramaswamy
Partner
Membership Number: 215131
UDIN: 23215131BGYBUL8945

Place: Bengaluru
Date: July 20, 2023

Annexure B to Independent Auditors' Report

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

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

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

(c) According to the information and explanations given to us and the records of the Company examined by us, the Company does not own any immovable properties (Refer Note 4(i) to the financial statements). Therefore, the provisions of clause 3(i)(c) of the Order are not applicable to the Company.

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

(e) Based on the information and explanations furnished to us, no proceedings have been initiated on (or) are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise.

ii. (a) The physical verification of inventory [excluding work-in-progress] has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate except for maintenance and retention of documentation relating to counts conducted during the year. In respect of work-in-progress refer Note 8(iv) to the financial statements. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.

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(b) During the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are not in agreement with the unaudited books of account as set out below (Also refer Note 12(i)(d) to the financial statements).

(Rs. in Million)

Name of the Bank/ Financial Institution	Aggregate working capital limits sanctioned	Nature of Current Asset offered as Security	Quarter ended	Amount as per books of account	Amount disclosed as per quarterly return/ statement	Difference	Reasons for difference
HDFC Bank	130	Inventories	June 2022	199	203	(4)	1. Adjustment entries representing provisions for slow moving and obsolete inventories and inventorisation of overheads made after submission of the Statement.
			September 2022	186	194	(8)	
			December 2022	178	187	(9)	
			March 2023	197	202	(5)	
		Trade Receivables	June 2022	232	128	104	1. Adjustment entries representing Loss allowance for receivables, adjustment of customer advances after submission of the Statement. 2. Exclusion of related party balances from the Statement.
			September 2022	274	204	70	
			December 2022	173	102	71	
			March 2023	76	27	49	

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iii. The Company has not made any investments, granted secured/ unsecured loans/advances in nature of loans, or stood guarantee, or provided security to any parties. Therefore, the reporting under clause 3(iii), (iii)(a), (iii)(b),(iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable to the Company.

iv. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186. Therefore, the reporting under clause 3(iv) of the Order are not applicable to the Company.

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

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, duty of customs, duty of excise, goods and services tax, and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues referred to in sub-clause (a) which have not been deposited on account of any dispute.

viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

ix. (a) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.

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

(c) According to the records of the Company examined by us and the information and explanation given to us, the Company has not obtained any term loans.

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

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

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries. Further, the Company did not have any joint ventures or associate companies during the year.

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

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

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

(b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

(c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act and, accordingly, to this extent, the reporting under clause 3(xiii) of the Order is not applicable to the Company.

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xiv. (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.

(b) The reports of the Internal Auditor for the period under audit have been considered by us.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations provided by the management of the Company, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) has one CIC as part of the Group as detailed in Note 35 to the financial statements. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.

xvii. The Company has incurred cash losses of Rs. 176 million in the financial year and of Rs. 222 million in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause (xviii) is not applicable.

xix. According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 34 to the financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.

xx. The provisions relating to Corporate Social Responsibility under Section 135 of the Act are not applicable to the Company. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

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Bengaluru

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xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

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

Sharmila Ramaswamy
Partner
Membership Number: 215131
UDIN: 23215131BGYBUL8945

Place: Bengaluru
Date: July 20, 2023

Aequs Force Consumer Products Private Limited
CIN:U33100KA2018PTC114901
Balance Sheet
(All amounts are in ₹ (in million) unless otherwise stated)

	Notes	As at March 31, 2023	As at March 31, 2022
Assets			
Non-current assets			
Property, plant and equipment	4 (i)	281	324
Capital work in progress	4 (ii)	2	2
Intangible assets	5 (i)	5	7
Right of use assets	5 (ii)	441	600
Financial assets			
Investments	6 (i)	0	0
Other financial assets	6 (v)	95	90
Other non-current assets	7	4	7
		828	**1030**
Current assets			
Inventories	8	197	175
Financial assets			
Trade receivables	6 (ii)	76	139
Cash and cash equivalents	6 (iii)	31	1
Other bank balances	6 (iv)	4	8
Other financial assets	6 (v)	9	7
Other current assets	7	22	8
		339	**338**
Total assets		**1167**	**1368**
Equity and liabilities			
Equity			
Equity share capital	9	1218	783
Other equity			
Reserves and surplus	10 (i)	(1,078)	(790)
Other reserves	10 (ii)	114	111
Total equity		**254**	**104**
Non-current liabilities			
Financial liabilities			
Borrowings	12 (i)	101	92
Lease liabilities	12 (ii)	471	618
Employee benefit obligations	11	2	1
		574	**711**
Current liabilities			
Financial liabilities			
Borrowings	12 (i)	61	240
Lease liabilities	12 (ii)	49	47
Trade payables	12 (iii)		
Total outstanding dues of micro and small enterprises		-	1
Total outstanding dues of creditors other than micro and small enterprises		199	200
Other financial liabilities	12 (iv)	22	52
Employee benefit obligations	11	2	2
Contract liabilities	13	4	6
Other current liabilities	14	2	5
		339	**553**
Total liabilities		**913**	**1264**
Total equity and liabilities		**1167**	**1368**

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

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

Sharmila Ramaswamy
Partner
Membership No.: 215131
Place: Bengaluru
Date: July 20, 2023

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

Dinesh Iyer
Director
DIN:09515485
Place: Belagavi
Date: July 20, 2023

Suraj Hukkeri
Director
DIN:09536262
Place: Belagavi
Date: July 20, 2023

Sahil Moghe
Company secretary
M.No:A65200
Place: Belagavi
Date: July 20, 2023

Aequs Force Consumer Products Private Limited
CIN U33100KA2018PTC114901
Statement of Profit and Loss
(All amounts are in ₹ (in million) unless otherwise stated)

	Notes	Year ended March 31, 2023	Year ended March 31, 2022
Income			
Revenue from operations	15	755	957
Other income	16	27	15
Total income (A)		**782**	**972**
Expenses			
Cost of raw materials consumed	17	398	609
Changes in inventories of work in progress and finished goods	18	23	(19)
Employee benefits expense	19	120	105
Other expenses	20	301	376
Total cost (B)		**842**	**1,071**
Loss before interest, tax, depreciation and amortisation (A-B)		**(60)**	**(99)**
Depreciation and amortisation expense	21	138	144
Finance income	22	(5)	(5)
Finance cost	23	105	100
Loss before tax		**(298)**	**(338)**
Income tax expense			
- Current tax	24	-	-
- Deferred tax	25	-	(17)
Total tax expense		-	**(17)**
Loss for the year		**(298)**	**(321)**
Other comprehensive income/(loss)			
Items that will not reclassified to profit or loss in subsequent period			
- Remeasurements (loss)/gain on defined benefit obligations	11	0	1
- Income tax effect on these items		-	-
Other comprehensive income/(loss) for the year, net of tax		**0**	**1**
Total comprehensive income/(loss) for the year		**(298)**	**(320)**
Earnings per equity share: [Nominal value per share: ₹10 (March 31, 2022: ₹10)]			
Basic and diluted	31	(3)	(4)

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

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

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

Sharmila Ramaswamy
Partner
Membership No.: 215131
Place: Bengaluru
Date: July 20, 2023

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

Dinesh Iyer
Director
DIN:09515485
Place: Belagavi
Date: July 20, 2023

Suraj Hukkeri
Director
DIN:09536262
Place: Belagavi
Date: July 20, 2023

Sahil Moghe
Company secretary
M.No:A65200
Place: Belagavi
Date: July 20, 2023

Aequs Force Consumer Products Private Limited
CIN:U33100KA2018PTC114901
Statement of Cash Flow
(All amounts are in ₹ (in million) unless otherwise stated)

	Year ended March 31, 2023	Year ended March 31, 2022
Cash flow from operating activities		
Loss before income tax	(298)	(338)
Adjustments for:		
Depreciation and amortisation expense	138	144
Provisions no longer required written back	-	(0)
Profit on disposal of property. plant and equipment (net)	(1)	-
Unrealized foreign exchange (gaing)/loss (net)	3	(0)
Finance income	(5)	(5)
Provision for doubtful receivables	-	1
Provision for slow moving Inventory	23	4
Inventory written off	3	-
Bad debts written off	9	-
Loss allowance on trade receivables (net)	(4)	5
Finance cost	105	100
Gain on derecognition of lease	(19)	-
Income from sub-lease of factory building	(7)	(15)
Change in working capital	**(53)**	**(104)**
(Increase)/decrease in		
- trade receivables from contracts with customers	55	(21)
- inventories	(48)	11
- other financial assets	(2)	(6)
- other bank balances	4	(8)
- other assets	(13)	64
Increase/(decrease) in		
- trade payables	(4)	(48)
- other financial liabilities	(18)	(0)
- other liabilities	(3)	3
- contract liabilities	(2)	-
- employee benefit obligations	1	1
Cash generated from/ (used in) operations	**(83)**	**(108)**
Income taxes (paid)/refund (net)	-	-
Net cash outflow from operating activities (A)	**(83)**	**(108)**
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(32)	(80)
Proceeds from sale of property, plant and equipment	7	-
Lease rentals received	7	15
Interest received	-	0
Net cash outflow from investing activities (B)	**(18)**	**(65)**
Cash flows from financing activities		
Proceeds from issue of shares	448	143
Share issue expenses	(3)	-
Loan from related parties	125	188
Repayments of Loans taken from related parties	(313)	(70)
Proceeds / (repayment) from short-term borrowings (net)	9	26
Principal payments of lease	(42)	(37)
Interest paid	(93)	(91)
Net cash inflow from financing activities (C)	**131**	**159**
Net increase (decrease) in cash and cash equivalents(A+B+C)	**30**	**(14)**
Cash and cash equivalents at the beginning of the year	1	15
Cash and cash equivalents at end of the year	**31**	**1**
Non cash financing and investing activities		
Derecognition of Lease liabilites	103	-
Cash and Bank Balances as per above comprise of the following:		
Balances with banks:		
- on current accounts	1	1
- Deposit with bank having original maturity of less than 3 months	30	-
Cash on Hand	-	0
Total	**31**	**1**

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

This is the Statement of Cash flows referred to in our report of even date.

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

Sharmila Ramaswamy
Partner
Membership No.: 215131
Place: Bengaluru
Date: July 20, 2023

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

Dinesh Iyer	Suraj Hukkeri	Sahil Moghe
Director	Director	Company secretary
DIN:09515485	DIN:09536262	M.No:A65200
Place: Belagavi	Place: Belagavi	Place: Belagavi
Date: July 20, 2023	Date: July 20, 2023	Date: July 20, 2023

Aequs Force Consumer Products Private Limited
CIN:U33100KA2018PTC114901
Statement of Changes in Equity
(All amounts are in ₹ (in million) unless otherwise stated)

A. Equity share capital

	Note	Amount
Balance as at April 01, 2021		**642**
Changes during the year	9	141
Balance as at March 31, 2022		**783**
Changes during the year	9	435
Balance as at March 31, 2023		**1,218**

B. Other equity

	Reserves and surplus		Other reserves		
	Retained earnings	**Securities premium**	**Other reserve**	**Equity component of Compulsorily Convertible Debentures**	**Total other equity**
Balance as at April 01, 2021	(472)	-	2	125	(345)
Loss for the year	(321)	-	-	-	(321)
Other comprehensive income/(loss)	1	-	-	-	1
Total comprehensive loss for the year	(320)	-	-	-	(320)
Finance guarantee received during the year	-	-	1	-	1
Premium received on shares issued during the year	-	2	-	-	2
Deferred tax liability accounted on the equity component of CCD	-	-	-	(17)	(17)
Balance as at March 31, 2022	(792)	2	3	108	(679)
Loss for the year	(298)	-	-	-	(298)
Other comprehensive income/(loss)	0	-	-	-	0
Total comprehensive loss for the year	(298)	-	-	-	(298)
Finance guarantee received during the year	-	-	3	-	3
Premium received on shares issued during the year	-	13	-	-	13
Share issue expenses	-	(3)	-	-	(3)
Balance as at March 31, 2023	(1,090)	12	6	108	(964)

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

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

Sharmila Ramaswamy
Partner
Membership No.: 215131
Place: Bengaluru
Date: July 20, 2023

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

Dinesh Iyer	Suraj Hukkeri	Sahil Moghe
Director	Director	Company secretary
DIN:09515485	DIN:09536262	M.No:A65200
Place: Belagavi	Place: Belagavi	Place: Belagavi
Date: July 20, 2023	Date: July 20, 2023	Date: July 20, 2023

1. Background

Aequs Force Consumer Products Private Limited ('the Company') was incorporated on July 19, 2018 (Corporate Identity Number (CIN): U33100KA2018PTC114901) under the Companies Act 2013, in India, in pursuant to agreement between Aequs Engineered Plastics Private Limited, India and Mr. Ching Yan Chao, Hong Kong. As on December 07, 2019 the shares of Mr. Ching Yan Chau (Hong Kong) were transferred to Sky Power Industrial Limited, British Virgin Islands. Pursuant to agreements executed during the year ended March 31, 2021, 27,497,365 equity shares are transferred from Aequs Engineered Plastics Private Limited to AIGF Investments II Private Limited.

Pursuant to agreements executed during previous year, the Company is now a subsidiary of Aequs Private Limited. Also refer note 9.

On November 13, 2018 the Company obtained approval from Office of the Cochin Special Economic Zone, Development Commissioner, Government of India to carry on the operations relating to Contract manufacture and export of engineered plastics products under SEZ unit. The Company is engaged in the business of manufacturing engineered plastic products, being carried out from Aequs Special Economic Zone ('Aequs SEZ') at Hattargi, Belagavi. The commercial operations of the Company started on January 17, 2020.

2. Summary of significant accounting policies

a) Basis of preparation

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

(ii) Historical cost convention
The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities are measured at fair value;

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

(iv) New and amended standards issued but not effective
The Ministry of Corporate Affairs has vide notification dated 31 March 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are effective 1 April 2023.

The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

These amendments are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the Company's accounting policy already complies with the now mandatory treatment.

(v) Going concern assumption
The company has incurred a total comprehensive loss of INR 298 (March 31, 2022: Rs 320) for the year ended March 31, 2023. The company's accumulated loss and net worth are INR 1,078 (March 31, 2022: 790) and INR 254 (March 31, 2022: 104) respectively. These financial statements have been prepared on the assumption that the Company will continue as a going concern based on business plans approved by the Board of Directors for the year ended March 31, 2023 and a letter of continuing financial support received from its holding company.

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Aequs Force Consumer Products Private Limited

(vi) Rounding off norms adopted by the Company
All amounts disclosed in the financial statements and notes have been rounded to nearest millions as per the requirement of Schedule III of Companies Act, 2013, unless otherwise stated. Amount mentioned as "0" in the financial statements denote amounts rounded-off, being less than ₹ 5 lakhs.

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

The Company's Chief Operating Decision Maker (CODM) is identified to be The Managing Director ("MD") and Chief Operating Officer ("COO") of the Holding Company to which the Company belongs. The CODM evaluates the Company's performance as a whole. Accordingly, the entire Company is identified as one segment. The Company is engaged in business of contract manufacturing of engineered plastic toys. Refer Note 30 for segment information presented.

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

(ii) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. Foreign exchange differences 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 income.

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

d) Revenue from contract with customers
Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements.

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

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

A contract asset is recognized when the Company gets the right to consideration in exchange for goods or services that it has transferred to the customers and the right is conditional upon acts other than passage of time.

When the payment exceeds the value of goods supplied or services rendered, a contract liability (advance from customer) is recognized.

Sale of services
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 in the period in which such services are rendered.

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Aequs Force Consumer Products Private Limited

Sale of equipment
The Company supplies mould tooling, used in the manufacture of plastic toys, against tooling purchase orders placed by its customers. Revenue from supply of such moulds is recognised upon acceptance of tool by the customer.

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

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

Current income tax
Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment.

Deferred tax
Deferred income tax is provided, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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 concerned entity'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 utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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Aequs Force Consumer Products Private Limited

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Minimum alternate tax (MAT)
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 recognised 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.

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

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Company under residual value guarantees
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the company's incremental borrowing rate. To determine the incremental borrowing rate, the company uses recent third-party financing received by the company as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.

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.

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. If the company, is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

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

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h) Impairment of non-financial assets

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

i) 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 liabilities in the balance sheet.

j) Trade receivables

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

k) 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 realisable value. Cost of raw materials comprises cost of purchase and other costs incurred in bringing the inventories to their present location and condition, net of rebates and discount, if any. The cost of raw materials are assigned to individual items on the basis of weighted average cost. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Finished goods and work in progress are valued at standard cost. Periodically, variances are calculated based on the difference between the absorption of costs (at standard) and the actual costs incurred. The variances are recorded as adjustments to increase/decrease inventory. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Provisions are made for potential obsolescence based on management assessment of aged inventory items.

l) Investment in subsidiary

The Company measures its investments in equity instruments of subsidiaries, joint ventures and associates at cost in accordance with IndAS 27. Equity investments in subsidiaries are carried at cost less accumulated impairment losses, if any.

m) Investments and other financial assets

(i) Classification

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

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

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

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

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

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

(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 derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other expenses and impairment expenses in other expenses

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

(iii) Impairment of financial assets
The Company assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 26 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach required by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(iv) Derecognition

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

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

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

(v) Income recognition
Interest income from financial assets at amortized cost is recognized in the statement of profit or loss using effective interest method.

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Aequs Force Consumer Products Private Limited

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

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

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

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

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

Depreciation methods, estimated useful lives and residual value
Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives. The estimated useful lives of assets are as follows:

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

The useful lives have been determined based on technical evaluation done by the management which are 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 assets' residual values, useful lives and depreciation methods are reviewed and adjusted prospectively if appropriate, at the end of each reporting period.

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.

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

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

Class of Assets	**Useful lives estimated by Management (years)**
Computer Software	3 to 10 years

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p) 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 income, finance costs and tax expense.

q) Trade and other payables

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

r) Borrowings

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

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

s) Borrowing costs

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

t) Financial guarantee contracts

Financial guarantees provided for no compensation by the holding company or other group companies to banks on behalf of the company against the credit facilities availed are recognised at fair value akin to a prepaid asset when such guarantees are issued to the bank, with a corresponding increase in equity.

The asset is amortized in the statement of profit and loss, within finance costs, over the term of the underlying credit facility starting from the date when amounts from such facility are first drawn. The unamortised balance of the asset at the end of the financial year is set off against the respective outstanding credit facilities.

u) 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 the provision due to the passage of time is recognised as interest expense.

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v) Employee benefits

(i) Short-term obligations

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

(b) defined contribution plans such as provident fund.

Gratuity obligations

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

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

Defined contribution plans

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

(iv) Bonus

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

w) Contributed equity

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

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x) Earnings per share

Basic earnings per share is calculated by dividing:

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

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

3. Significant accounting judgements, estimates and assumptions

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

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

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

The areas involving critical estimates or judgements are as below:

- Provision for slow moving inventory- Note 8

- Estimation of deferred tax expense/credit - Note 24

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

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4 (i) Property, plant and equipment

	Office equipment	Leasehold improvements	Plant and machinery	Computers	Total
Gross Block					
As at April 01, 2021	7	5	422	7	441
Additions	2	3	18	1	24
Disposals	-	-	-	-	-
As at March 31, 2022	9	8	440	8	465
Additions	0	2	20	2	24
Disposals	-	-	(8)	-	(8)
As at March 31, 2023	9	10	452	10	481
Accumulated Depreciation					
As at April 01, 2021	3	0	74	3	80
Charge for the year	2	1	56	2	61
Disposals	-	-	-	-	-
As at March 31, 2022	5	1	130	5	141
Charge for the year	1	1	57	2	61
Disposals	-	-	(2)	-	(2)
As at March 31, 2023	6	2	185	7	200
Net Block					
As at March 31, 2022	4	7	310	3	324
As at March 31, 2023	3	8	267	3	281

4 (ii) Capital work in progress (CWIP)

	Capital work in progress	Total
As at April 01, 2021	-	-
Additions	2	2
Capitalisations	(0)	(0)
As at March 31, 2022	2	2
Additions	2	2
Capitalisations	(2)	(2)
As at March 31, 2023	2	2

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

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

		Amounts in Capital work in progress				
		Less Than one year	1-2 years	2-3 years	More than 3 years	Total
(i)	Project In Progress	2	-	-	-	2
(ii)	Projects Temporarily suspended	-	-	-	-	-

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

		Amounts in Capital work in progress				
		Less Than one year	1-2 years	2-3 years	More than 3 years	Total
(i)	Project In Progress	2	0	-	-	2
(ii)	Projects Temporarily suspended	-	-	-	-	-

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

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5 (i) Intangible assets

	Computer software	Total
Gross Block		
As at April 01, 2021	**10**	**10**
Additions	-	-
Disposals	-	-
As at March 31, 2022	**10**	**10**
Additions	-	-
Disposals	-	-
As at March 31, 2023	**10**	**10**
Accumulated Amortization		
As at April 01, 2021	**2**	**2**
Charge for the year	1	1
Disposals	-	-
As at March 31, 2022	**3**	**3**
Charge for the year	2	2
Disposals	-	-
As at March 31, 2023	**5**	**5**
Net Block		
As at March 31, 2022	**7**	**7**
As at March 31, 2023	**5**	**5**

5 (ii) Right of use assets

	Factory Building	Total
Gross Block		
As at April 01, 2021	**800**	**800**
Additions	-	-
Derecognition	-	-
As at March 31, 2022	**800**	**800**
Additions	-	-
Derecognition	(120)	(120)
As at March 31, 2023	**680**	**680**
Accumulated Depreciation		
As at April 01, 2021	**118**	**118**
Charge for the year	82	82
Derecognition	-	-
As at March 31, 2022	**200**	**200**
Charge for the year	75	75
Derecognition	(36)	(36)
As at March 31, 2023	**239**	**239**
Net Block		
As at March 31, 2022	**600**	**600**
As at March 31, 2023	**441**	**441**

Note:
(a) The company had subleased part of the Factory building to Aequs Engineered Plastics Private Limited for the period April 01, 2021 to September 18, 2022. The income from such arrangement is recognised under other income (Refer note 16). On September 19, 2022. this portion of the factory building was surrendered to the lessor. Accordingly, the related right of use asset and lease liability were partially derecognised resulting in gain on derecognition which has been disclosed as part of other income (Refer note 16).

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	March 31, 2023	March 31, 2022
6 Financial assets		
(i) Non-current investments		
Investment in equity instruments (Unquoted, at cost)		
Investment in subsidiary		
Aequs Force Technology Private Limited, India - [Nil (March 31, 2022 9,900) equity shares of ₹10 each fully paid up]	-	0
Aequs Force Technology Company Limited, Hong Kong - [10,000 (March 31, 2022 10,000) equity shares of HKD 1 each fully paid up]	0	0
	0	**0**

Notes:

(a) The Board of Directors of Aequs Force Technology Private Limited (the "subsidiary") in their meeting held on July 04, 2022 approved winding up of the company which was further approved by shareholders in their meeting held on July 05, 2022 Consequent to relevant filings being made by the subsidiary with the Registrar of Companies (RoC), the subsidiary was struck off from the records on April 28, 2023

(b) Refer note 36 for details of interests held by the Company

	March 31, 2023	March 31, 2022
(ii) Trade receivables		
Trade receivables from contract with customers - billed	18	75
Trade receivables from contract with customers - unbilled	-	9
Trade receivables from contract with customers- related parties (Refer note 29 and note below)	59	60
Less Loss allowance	(1)	(5)
Total receivables	**76**	**139**
Break up of security details		
Trade receivables considered good - unsecured	76	139
Trade receivables which have significant increase in credit risk	-	-
Trade Receivables - credit impaired	1	5
Total	77	144
Loss allowance	(1)	(5)
Total trade receivables	**76**	**139**

Note:

(i) The Company has entered into factoring agreement with Bank of America for collection of its receivables without recourse The above balances are net of factored receivables that have been derecognised on receipt of funds from the bank

(ii) Trade receivables include dues from private companies in which the Company's director is a director amouting to ₹ 59 (March 31, 2022 ₹ 60) Also refer note 29

Aging of trade receivables as at March 31, 2023

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables								
considered good	-	14	30	26	6	-	-	76
which have significant increase in credit risk	-	-	-	-	-	-	-	-
credit impaired	-	-	-	-	1	-	-	1
Disputed trade receivables	-	-	-	-	-	-	-	-
Considered good	-	-	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	-	-
Total	-	14	30	26	7	-	-	77
Loss allowance	-	-	-	-	(1)	-	-	(1)
Total trade receivables	-	14	30	26	6	-	-	76

Aging of trade receivables as at March 31, 2022

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables								
Considered good	9	78	52	-	-	0	-	139
which have significant increase in credit risk	-	-	-	-	-	-	-	-
credit impaired	-	-	-	-	5	-	-	5
Disputed trade receivables	-	-	-	-	-	-	-	-
Considered good	-	-	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	-	-
Total	9	78	52	-	5	0	-	144
Less Loss allowance	-	-	-	-	(5)	(0)	-	(5)
Total trade receivables	9	78	52	-	(0)	-	-	139

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	March 31, 2023	March 31, 2022
(iii) Cash and cash equivalents		
Balances with banks		
-On current accounts	1	1
-Deposits with original maturity of less than 3 months	30	-
Cash on hand	-	0
	31	**1**
(iv) Other bank balances		
Margin money deposits	4	8
	4	**8**

Note Margin Money deposits are against 'Letters of Credit,' issued in favor of vendors for import of materials

	March 31, 2023	March 31, 2022
(v) Other financial assets		
Non-current		
(Unsecured, Considered good)		
Security deposits	95	90
	95	**90**
Current		
(Unsecured, Considered good)		
Dues from related parties (refer note 29)	9	7
	9	7
7 Other assets		
Non-current		
(Unsecured , considered good)		
Capital advances	1	3
Prepaid expenses	3	4
Balances with government authorities	-	0
	4	**7**
(Unsecured, considered doubtful)		
Balances with government authorities	1	1
Less Provision for doubtful balances	(1)	(1)
	4	7
Current (unsecured , considered good)		
Advance to suppliers	18	4
Advance to employees	-	0
Prepaid expenses	4	4
Balances with government authorities	-	0
	22	**8**
8 Inventories		
Raw materials (refer note (i) and (ii) below)	156	92
Work-in-progress	30	19
Finished goods	35	66
Stores and spares (refer note (iii) below)	3	2
	224	179
Less: Provision for slow moving stock (refer note (v) below)	(27)	(4)
	197	**175**

Note:

(i) Raw material includes goods in transit amounting to ₹ 3 (March 31, 2022: Nil)

(ii) Raw materials includes packing material amounting to ₹ 36 (March 31, 2022 ₹ 35)

(iii) Stores and spares includes goods in transit amounting to ₹ 1 (March 31, 2022 ₹ 1)

(iv) Owing to the voluminous nature of materials used in manufacture of the finished products and considering the short duration of the manufacturing process, rather than physically verifying inventory classified as work-in-progress, management

a) reconciles such items to the open work orders in the accounting application and

b) tracks the subsequent conversion of such work-in-progress to finished goods

Management has also considered the past history of low discrepancies in stock quantities available as compared to book records and believes the above process to be adequate to confirm the existence of such work-in-progress as at year-end

(v) An amount of ₹ 3 (March 31, 2022: Nil) was written off during the year on account of differences identified on physical verification of inventories

(vi) The following is the break-up for amount of provision for slow-moving stock:

Raw materials	23	3
Finished goods	3	-
Stores and spares	1	1
	27	4

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	March 31, 2023	March 31, 2022

9 Equity share capital

(i) Authorised equity share capital

	No of shares	Amount
As at April 01, 2021	88,500,000	885
Increase during the year	-	-
As at March 31, 2022	**88,500,000**	**885**
Increase during the year	35,500,000	355
As at March 31, 2023	**124,000,000**	**1,240**

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

121,795,662 (March 31, 2022 :78,310,612) equity shares of ₹10 each fully paid up	1,218	783
	1,218	**783**

(a) Movement equity share capital

	March 31, 2023		March 31, 2022	
	Numbers	**Amount (₹)**	**Numbers**	**Amount (₹)**
At the beginning of the year	78,310,612	783	64,174,912	642
Add: Issued during the year	43,485,050	435	14,135,700	141
Outstanding at the end of the year	**121,795,662**	**1,218**	**78,310,612**	**783**

(b)Terms & rights attached to equity shares

The Company has only one class of equity shares having par value of ₹10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuring 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, 2023	March 31, 2022
Aequs Private Limited (holding company) (refer note below)	897	462
Aequs Engineered Plastic Private Limited (subsidiary of holding company)	0	0
Aequs Manufacturing Investments Private Limited (subsidiary of ultimate holding company)	321	-
	1218	**462**

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

Name of the shareholder	Number of equity shares	% holding
As at March 31, 2023		
Aequs Private Limited	89,708,106	73.65%
Aequs Manufacturing Investments Private Limited	32,087,456	26.34%
As at March 31, 2022		
Aequs Private Limited	46,223,055	59.02%
Sky Power Industrial Limited	32,087,456	40.97%

(e) There are no shares which are reserved for issue under options and no shares were bought back or issued as bonus shares since incorporation.

(f) During the year ended March 31, 2020, the Company borrowed a loan of ₹ 17.50 from Aequs Engineered Plastics Private Limited. Pursuant to Board meeting dated August 29, 2019 the loan is converted into 1,750,000 equity shares of ₹ 10 each at face value.

(g) Details of shareholding of promoters:

Name of the promoter	Number of shares		Percentage of number of shares		Percentage change during the year
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	
Aequs Private Limited	89,708,106	46,223,055	73.65%	59.02%	14.63%
Aequs Manufacturing Investments Private Limited	32,087,456	-	26.35%	0.00%	26.35%
Sky Power Industrial Limited	-	32,087,456	0.00%	40.97%	-40.97%
Aequs Engineered Plastics Private Limited	100	100	0.01%	0.01%	0.00%

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	March 31, 2023	March 31, 2022
10 Other equity		
(i) Reserves and surplus		
Retained earnings	(1090)	(792)
Securities premium	12	2
	(1078)	**(790)**
(ii) Other Reserves		
Equity component of Compulsory Convertible Debentures	108	108
Other reserve	6	3
	114	**111**
Retained earnings		
Opening balance	(792)	(472)
Loss for the year	(298)	(321)
Items of other comprehensive income/ (loss) recognised directly in retained earnings		
- Remeasurement of post employment benefit	0	1
Closing Balance	**(1090)**	**(792)**
Securities premium		
Opening balance	2	-
Premium received on shares issued during the year	13	2
Less:Share issue expenses	(3)	-
Closing Balance	**12**	**2**
Equity component of Compulsory Convertible Debentures		
Opening balance	108	125
Deferred tax liability thereon	-	(17)
Closing Balance	**108**	**108**
Other reserves		
Opening balance	3	2
Finance guarantee received during the year	3	1
Closing Balance	**6**	**3**

Nature and purpose of other reserves

Equity component of Compulsory Convertible Debentures

Equity component of compulsory convertible debentures represents the residual value in the instruments issued by the Company by deducting the fair value of the financial liability from the fair value of the compound financial instrument.

Other reserves

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

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	March 31, 2023	March 31, 2022
11 Employee benefit obligations		
Non-current		
Gratuity	2	1
	2	**1**
Current		
Gratuity	-	0
Leave obligations	2	2
	2	**2**

(i) Leave obligations

The leave obligations cover the Company's liability for earned leave which are classified as other long term benefits.

The amount of the provision of ₹ 2 (March 31, 2022: ₹ 2) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

Leave obligation not expected to settled within next 12 months ₹ 2 (March 31, 2022: ₹ 1)

Post employment obligations

Gratuity

The Company provides for gratuity for employees in India as per Payment of Gratuity Act,1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on termination/retirement is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is unfunded.

A. Changes in the defined benefit obligation during the year

	March 31, 2023	March 31, 2022
Opening defined benefit obligation	1	1
Current service cost	1	1
Interest on defined benefit obligation	0	0
Actuarial (gain)/losses	(0)	(1)
Liabilities assumed	-	-
Benefits paid	(0)	(0)
Closing defined benefit obligation	**2**	**1**
Current	0	0
Non-current	2	1

B. Expenses recognised in Statement of Profit and Loss

Current service cost	1	1
Interest on defined benefit obligation	0	0
	1	**1**

C. Amounts recognised in other comprehensive income (OCI)

Actuarial (gain) /losses from changes in demographic assumptions	(0)	0
Actuarial (gains)/losses from changes in financial assumptions	(0)	(0)
Actuarial experience (gain)/losses	(0)	(1)
	(0)	**(1)**

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	March 31, 2023	March 31, 2022
11 Employee benefit obligations - contd.		
D. Amount recognised in total comprehensive income		
Expenses recognised in Statement of profit and loss	1	1
Remeasurements effects recognised in OCI	(0)	(1)
Total expenses recognised in total comprehensive income/(loss)	**1**	**0**
E.Significant actuarial assumptions		
Discount rate per annum	7.45%	7.25%
Salary escalation rate per annum	10.00%	10.00%
Attrition rate		
21 to 30 years	18.00%	13.00%
31 to 40 years	10.00%	7.00%
41 to 50 years	6.00%	4.00%
51 to 57 years	4.00%	3.00%
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.

F. Sensitivity analysis

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

	March 31, 2023	March 31, 2022
Changes in assumption		
Discount rate		
Defined benefit obligation (DBO) on increase in 50 bps	2.00	1.33
Impact of increase in 50 bps on DBO	(5.45%)	(6.67%)
Defined benefit obligation (DBO) on decrease in 50 bps	2.00	1.53
Impact of decrease in 50 bps on DBO	5.94%	7.37%
Salary increase rate		
Defined benefit obligation (DBO) on increase in 50 bps	2.00	1.52
Impact of increase in 50 bps on DBO	5.77%	7.15%
Defined benefit obligation (DBO) on decrease in 50 bps	2.00	1.33
Impact of decrease in 50 bps on DBO	(5.35%)	(6.54%)

Sensitivity analysis for each significant actuarial assumptions namely discount rate and salary assumptions have been shown in the table above at the end of the reporting period, showing how the defined benefit obligation would have been affected by the changes. The method used to calculate the liability in these scenarios is by keeping all the other parameters and the data same as in the base liability calculation except the parameters to be stressed. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analyses.

The mortality and attrition does not have a significant impact on the liability hence are not considered as significant actuarial assumption for the purpose of sensitivity analysis.

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	March 31, 2023	March 31, 2022
11 Employee benefit obligations - contd.		
G. Expected future cashflows[Undiscounted]		
Year 1	0.06	0.02
Year 2	0.12	0.04
Year 3	0.12	0.08
Year 4	0.15	0.08
Year 5	0.17	0.09
Year 6 to 9	0.86	0.53
10 years and above	4.29	4.15
Weighted average duration of the defined benefit obligation in years	11.37 years	14.02 years

Risk exposure

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

(i) Market risk (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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	March 31, 2023	March 31, 2022
12 Financial liabilities		
(i) Borrowings		
Non current:		
Compulsorily Convertible Debentures(CCD) (Unsecured) (a)	101	92
Non-current borrowings	**101**	**92**
Current:		
Loans repayable on demand		
Working capital facilities from banks (secured) (b)	61	52
Loans from related party (unsecured) (c)	-	188
Total current borrowings	**61**	**240**

(a) The Company had issued 20,325,300 zero coupon unsecured Compulsorily Convertible Debentures (CCD) to AIGF Investments II Pvt Ltd, Mauritius (AIGF) at ₹10 per debenture in five tranches during the previous year on June 03, 2020, July 06, 2020, August 18, 2020, September 14, 2020 and October 28, 2020. AIGF Investments II Private Limited merged with Aequs Manufacturing Investments Private Limited, Mauritius (AMIPL) on October 27, 2021 and hence CCDs were transmitted to AMIPL and later AMIPL has transferred CCDs to APL on February 26, 2022 at the same terms and conditions. These CCDs are compulsorily convertible, based on the fair value of shares as on date of conversion (i.e. number of shares to be issued are not fixed), into equity shares at any time at the option of APL subject to approval by Board of Directors of the Company or upon expiry of 10 years from date of allotment, if not converted earlier. Accordingly, these CCDs have been classified as a financial liability as per Ind As 32- Financial Instruments: Presentation.

(b)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 @ 9.50% p.a. The loan is also secured by a Corporate guarantee provided by Aequs Private Limited. The working capital loan is reduced unamortised financial guarantee received amounting to ₹2 (March 31, 2022 - ₹1).

(c) Loan from related party are unsecured and repayable on demand availed from Aequs SEZ Private Limited amounting to ₹Nil (March 31, 2022 : ₹118) and Aequs Private Limited by the Company amounting to ₹Nil (March 31, 2022 : ₹70). These loans carry an interest rate of 12% p.a. payable monthly. Loan availed from Aequs Private Limited during the previous year was convertible into equity shares at the option of the lender. This loan has been repaid during the current year.

(d) Details of quarterly statements of current assets filed by the Company with the bank and reconciliation with the books of account for the year ended March 31, 2023

1. Inventories

For the quarter ended	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-22	HDFC Bank	Inventories	199	203	(4)	Refer note (i) and (ii) below
Sep-22			186	194	(8)	
Dec-22			178	187	(9)	
Mar-23			197	202	(5)	Refer note (i) and (iii) below

Notes:
(i) As per the sanction letter, the Company needs to exclude obsolete inventories and those inventories aged more than 90 days. However, the Company has not excluded such inventories in the statements submitted.
(ii)Amount reported quarterly to a bank is excluding the provision for slow moving inventory.
(iii) Valuation related adjustments and provision for slow moving inventory recorded after submission of data to the bank.

2. Trade Receivables

For the quarter ended	Name of bank	Particulars of Securities Provided	Amount as per books of account	Amount as reported in the quarterly return/ statements	Amount of difference	Reason for discrepancies
Jun-22	HDFC Bank	Trade receivables	232	128	104	Refer note (i) below
Sep-22			274	204	70	
Dec-22			173	102	71	
Mar-23			76	27	49	

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

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	March 31, 2023	March 31, 2022

12 Financial liabilities - contd.

(i) Borrowings - contd.

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, 2022:

1. Inventories

For the quarter ended	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-21	HDFC Bank	Inventories	266	284	(18)	Refer note (i) and (ii) below
Sep-21			238	257	(19)	
Dec-21			216	244	(29)	
Mar-22			175	176	(1)	Refer note (i) and (iii) below

Notes:

(i) As per the sanction letter, the Company needs to exclude obsolete inventories and those inventories aged more than 90 days. However, the Company has not excluded such inventories in the statements submitted.

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

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

2. Trade Receivables

For the quarter ended	Name of bank	Particulars of Securities Provided	Amount as per books of account	Amount as reported in the quarterly return/ statements	Amount of difference	Reason for discrepancies
Jun-21	HDFC Bank	Trade receivables	117	110	7	Refer note (i) below
Sep-21			193	183	10	
Dec-21			146	132	14	
Mar-22			139	87	52	

Note:

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

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	March 31, 2023	March 31, 2022

12 Financial liabilities - contd.

(i) Borrowings - contd.

(e) Net debt reconciliation:

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

	March 31, 2023	March 31, 2022
Cash and cash equivalents	31	1
Current borrowings	(61)	(240)
Non-current borrowings	(101)	(92)
Lease Liabilities	(520)	(665)
Net debt	(651)	**(996)**

	Other assets	Liabilities from financing activities				
	Cash and cash equivalents	Lease liabilities	Non-current borrowings	Current borrowings (Working capital loans)	Other Borrowings (Related Party)	Total
Net debt as on April 01, 2021	**15**	**(702)**	**(84)**	**(28)**	**(70)**	**(869)**
Cashflows	(14)	-	-	(26)	(188)	(228)
Acquisition of leases	-	-	-	-	-	-
Repayments	-	37	-	-	70	107
Interest expense	-	(69)	(8)	(3)	(19)	(99)
Interest paid	-	69	-	3	19	91
Other non-cash adjustments	-	-	-	2	-	2
Net debt as on March 31, 2022	**1**	**(665)**	**(92)**	**(52)**	**(188)**	**(996)**
Cashflows/ (loans availed)	30	-	-	(9)	(125)	(104)
Repayments	-	42	-	-	313	355
Derecognition of lease	-	103	-	-	-	103
Interest expense	-	(60)	(9)	(4)	(29)	(102)
Interest paid	-	60	-	4	29	93
Other non-cash adjustments	-	-	-	-	-	-
Net debt as on March 31, 2023	**31**	**(520)**	**(101)**	**(61)**	**-**	**(651)**

(ii) Lease liabilities

(a) Lease commitments as lessee

The Company has entered into agreements with lessors for taking factory and office premises on lease. The lease term is for a period ranging from 5 to 10 years with escalation clauses in the lease agreements of premises. Measurement of right-of-use assets and lease liabilities are calculated based on the fixed lease rentals payable under the lease agreements.

Particulars	**Total**
At April 01, 2021	702
Additions	-
Interest expense on lease liabilities	69
Payments	(106)
At March 31, 2022	**665**
Additions	-
Interest expense on lease liabilities	60
Derecognition of lease	(103)
Payments	(102)
At March 31, 2023	**520**

	March 31, 2023	March 31, 2022
Current	49	47
Non-current	471	618
Total	**520**	**665**

(b) The following are the amounts recognised in the Statement of Profit and Loss :

Particulars	**March 31, 2023**	**March 31, 2022**
Depreciation of right-of-use assets (refer note 20)	75	82
Interest expense on lease liabilities (refer note 22)	60	69
Income from sub-lease of factory building	7	15
Expenses related to lease of low value asset and short term leases (refer note 19)	-	2
Gain on derecognition of lease	19	-

(c) The total cash outflow for leases, including interest, for the year was ₹ 102 (March 31,2022 : ₹ 108)

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	March 31, 2023	March 31, 2022
12 Financial liabilities - contd.		
(iii) Trade payables		
Current:		
Trade payables		
-Dues to micro enterprises and small enterprises	-	1
-Dues to related parties	127	118
- Others	72	82
	199	**201**

Note:

Aging of Trade payables as at March 31, 2023

Particulars	Unbilled	Not Due	Outstanding for following periods from transaction date				Total
			Less than 1 year	1-2 years	2-3 years	more than 3 years	
(i)MSME	-	-	-	-	-	-	-
(ii)Others	40	-	81	63	13	2	199
(iii)Disputed dues - MSME	-	-	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-	-	-
Total	**40**	**-**	**81**	**63**	**13**	**2**	**199**

Aging of Trade payables as at March 31, 2022

Particulars	Unbilled	Not Due	Outstanding for following periods from transaction date				Total
			Less than 1 year	1-2 years	2-3 years	more than 3 years	
(i)MSME	-	-	1	-	-	-	**1**
(ii)Others	11	-	157	31	1	-	**200**
(iii)Disputed dues - MSME	-	-	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-	-	-
Total	**11**	**-**	**158**	**31**	**1**	**-**	**201**

Notes:

(a) Trade Payables include dues to private companies in which the Company's director is a director amounting to ₹ 43 (March 31, 2022 : ₹ 29)

(b) Due to the inherent functionality of the accounting application used by the company, the above ageing disclosures have been made based on the information available with the management.

(c) Refer Note 38 for details of aged foreign currency payables.

	March 31, 2023	March 31, 2022
(iv) Other financial liabilities		
Current:		
Interest accrued but not due on borrowings	-	2
Capital creditors	7	17
Employee benefits payable	4	2
Dues to related parties	11	31
	22	**52**
13 Contract Liabilities		
Current:		
Payable for customer claim	-	6
Unearned revenue	4	-
	4	**6**

Note: The performance obligation against the above unearned revenue is expected to be fulfilled in coming 12 months.

	March 31, 2023	March 31, 2022
14 Other liabilities		
Current:		
Statutory dues payable	2	5
	2	**5**

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	March 31, 2023	March 31, 2022
15 Revenue from operations		
Revenue from contracts with customers		
- Sale of products	581	872
- Sale of services	30	11
- Sale of raw material	126	69
- Sale of mould	13	0
	750	**952**
Other operating income		
- Scrap sales	5	5
	5	**5**
	755	**957**
16 Other income		
Net gain on disposal of property, plant and equipment	1	-
Income from sub-lease of factory building	7	15
Gain on derecognition of lease	19	-
Provisions no longer required written back	-	0
	27	**15**
17 Cost of materials consumed		
Raw material consumed		
Opening stock	92	125
Less: Provision for slow moving inventory	(3)	-
Add: Purchases during the year	442	573
	531	698
Less: Closing stock	156	92
Less: Provision for slow moving inventory	(23)	(3)
Cost of raw materials consumed*	**398**	**609**

Note:
a) Includes packing material consumed amounting to ₹ 99 (March 31, 2022: ₹ 195)
b) Includes an amount of ₹ 126 (March 31, 2022: ₹ 69) cost of raw material sold to related parties.

	March 31, 2023	March 31, 2022
18 Changes in inventories of work in progress and finished goods		
Inventory at the end of the year (a)		
Work-in-progress	30	19
Finished goods	35	66
Provision for slow moving inventory	(3)	-
	62	85
Inventory at the beginning of the year (b)		
Work-in-progress	19	38
Finished goods	66	29
Provision for slow moving inventory	-	(1)
	85	66
Change in inventories of work in progress and finished goods (b-a)	**23**	**(19)**
19 Employee benefits expense		
Salaries, wages and bonus (refer note (b) below)	99	83
Contribution to provident and other funds (refer note (a) below)	6	3
Gratuity (refer note 11)	1	1
Staff welfare expenses	14	18
	120	**105**

Notes:
a) 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% 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 ₹6 (March 31, 2022 : ₹3).

b) Includes an amount of ₹ 33 (March 31, 2022: ₹ 30) reimbursed to related parties for cost of shared services received.

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	March 31, 2023	March 31, 2022
20 Other expenses		
Consumption of stores and spares	19	24
Outsourced manpower cost	134	198
Power and fuel	34	33
Subcontracting expenses	5	26
Subcontracting mould development cost	11	-
Testing charges	4	3
Freight and forwarding	2	7
Repairs and maintenance :		
Machinery	2	1
Building	27	25
Others	6	4
Legal and professional fees	7	19
Payment to auditors [refer note (i) below]	1	1
Rental charges	-	2
Insurance	3	3
Printing and stationery	1	1
Rates and taxes	1	1
Travelling and conveyance	3	4
Communication	3	2
Advertising and sales promotion	35	11
(Gain)/Loss allowance on trade receivables (net)	(4)	5
Provision for doubtful receivables	-	1
Bad debts written off	9	0
Net foreign exchange (gain)/loss (other than borrowings)	(5)	2
Bank charges	2	2
Non-current investments written off [Refer note (ii) below]	0	-
Miscellaneous expenses	1	1
	301	**376**

Notes:

(i) Payments to auditors

	March 31, 2023	March 31, 2022
As auditor:		
- Audit fee	1	1
	1	**1**

(ii) Investment amounting to Rs 0 made in Aequs Force Technology Private Limited (AFTPL), India is written off upon winding up of AFTPL.

	March 31, 2023	March 31, 2022
21 Depreciation and amortisation expense		
Depreciation of property, plant and equipment [refer note 4(i)]	61	61
Amortisation of intangible assets [refer note 5(i)]	2	1
Depreciation of right of use assets [refer note 5(ii)]	75	82
	138	**144**
22 Finance income		
Interest income	-	0
Unwinding of discount on security deposit	5	5
	5	**5**
23 Finance cost		
Interest expense on working capital loans	4	3
Interest expense on compulsory convertible debentures	9	8
Interest expense on intercompany loans [refer note 29]	29	19
Interest on lease liabilities [refer note 12(ii)]	60	69
Finance guarantee expense	3	1
	105	**100**

(All amounts are in ₹ (in million) unless otherwise)

24 Deferred tax asset (net)

A. 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, 2023 has been arrived as follows

Particulars	**March 31, 2023**	**March 31, 2022**
Difference between carrying amount of Property, plant and equipment in the financial statement and The Income tax Act	(14)	(19)
Notional interest on compulsory convertible debentures	(17)	(17)
Balances in the financial statement allowed as deduction in the future years under the income tax act	34	49
Unabsorbed depreciation as per income tax	68	56
Carry forward business losses as per income tax	172	136

a) Unabsorbed depreciation does not have any expiry period.
b) Carry forward business losses have an expiry ranging from 4 to 8 years as at the reporting date, refer below.
c) Tax rate considered for arriving at the above amounts is 26% (March 31, 2022: 26%)

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

Financial Year	**March 31, 2023**	**March 31, 2022**
2026-27	1	1
2027-28	163	163
2028-29	125	125
2029-30	233	233
2030-31	139	-

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

Particulars	**March 31, 2023**	**March 31, 2022**
Loss before income tax expense	(298)	(338)
Tax at the rate of 26% for 2023 and 26% for 2022	**(77)**	**(88)**
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
Expenditure not allowed as a deduction	1	0
Incomes not chargeable to tax	(1)	(1)
Deferred tax assets not recognised	77	72
Total	**-**	**(17)**

The Company has recognised a deferred tax asset to the extent of deferred tax liabilities recognised on the notional interest on the Compulsory Convertible Debentures (CCD). In view of the management, the Company will have sufficient taxable profits in future years to be able to utilise these deferred tax assets.

The company has not recognised deferred tax assets on other balances in the absence of reasonable certainty supported by convincing evidence that sufficient future taxable income will be available for set-off.

(a) Transfer pricing:

The Finance Act, 2001, has introduced, with effect from assessment year 2002-03 (effective April 1, 2001), detailed Transfer Pricing Regulations (the regulations) for computing the taxable income and expenditure from 'international transactions 'between 'associated enterprises' on an 'arm's length' basis. Further, the Finance Act, 2012 has widened the ambit of transfer pricing provisions to cover specified domestic transactions. The regulations, inter alia, also require the maintenance of prescribed documents and information including furnishing a report from an accountant within the due date of filing the return of income.

For the year ended March 31, 2022, the Company had undertaken a study to comply with the said transfer pricing regulations for which the prescribed certificate of the accountant has been obtained which does not envisage any tax liability.

For the year ended March 31, 2023, 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.

(b) Current tax:

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

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25 Fair value measurement

Financial instruments by category

		March 31, 2023	March 31, 2022
Financial assets			
Trade receivables	Amortised cost	76	139
Cash and cash equivalents	Amortised cost	31	1
Other bank balances	Amortised cost	4	8
Other financial assets	Amortised cost	104	97
Total financial assets		**215**	**245**
Financial liabilities			
Borrowings	Amortised cost	162	332
Trade payables	Amortised cost	199	201
Lease liabilities	Amortised cost	520	665
Other financial liabilities	Amortised cost	22	52
Total financial liabilities		**903**	**1250**

(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. An explanation of each level follows underneath the table:

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

	March 31, 2023	March 31, 2022
	Level 3	Level 3
Financial assets		
Trade receivables	76	139
Other bank balances	4	8
Other financial assets	104	97
Total financial assets	**184**	**244**
Financial liabilities		
Borrowings	162	332
Trade payables	199	201
Lease liabilities	520	665
Other financial liabilities	22	52
Total financial liabilities	**903**	**1,250**

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 their short-term nature.

The fair values for interest free security deposits were calculated based on cash flows discounted using a risk free rate of interest. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

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

(iv) Investments

The Company accounts the investments in equity shares of subsidiaries at cost in accordance with Ind AS 27, other investments are recorded at fair values. Investments in subsidiaries are tested for impairment annually. Accordingly, these investments are not considered for categorization.

(v) Significant estimates

The fair value of financial instruments that are not traded in an active market is determined using valuation technique. The Company uses its judgement to select a variety of methods and makes assumptions that are mainly based on market conditions existing at the end of each reporting period.

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FRN 012754N/N500016
Bengaluru

Aequs Force Consumer Products Private Limited

26 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.

(i) Credit risk management

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

A : High-quality assets, negligible credit risk
B : Low quality assets, high credit risk
C : Doubtful assets, credit-impaired

The Company considers the probability of defaults upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the entity compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward looking information especially :
1. Internal credit rating
2. External credit rating (to extent available)
3. Any significant change in business, financial or economic conditions that are expected to cause a significant change in the payer's ability to meet its obligations, including changes in operating results and payment status.

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

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26 Financial risk management (Contd.)

(ii) Provision for expected credit losses.

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

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

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

1)Deposits :

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

2) Deposits with bank :

They are considered to be having negligible risk or nil risk, as they are maintained with high rated banks and the deposits are due to be realized within 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 dues from related parties

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

Reconciliation of loss allowance provision - Trade receivables

Particulars	Amount
As on April 01, 2021	**0**
Charge/(credit) to statement of profit and loss	5
Utilisation of loss allowance	-
As at March 31, 2022	**5**
Charge/(credit) to statement of profit and loss	(4)
Utilisation of loss allowance	-
As at March 31, 2023	**1**

B Liquidity risk

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

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

(i) Financing arrangements

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

Particulars	March 31, 2023	March 31, 2022
A. Expiring within one year (bank overdraft and other facilities)	69	47
B. Expiring beyond one year (bank loans)	-	-
	69	**47**

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26 Financial risk management (Contd.)

(ii) Maturities of financial liabilities

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

Contractual maturities of financial liabilities	Less than 12 months	More than 12 months	Total
As at March 31, 2023			
Non-derivatives			
Borrowings	61	203	264
Trade payables	199	-	199
Other financial liability	22	-	22
Lease liabilities	49	619	668
Total non derivative liabilities	**331**	**822**	**1,153**

Contractual maturities of financial liabilities	Less than 12 months	More than 12 months	Total
As at March 31, 2022			
Non-derivatives			
Borrowings	240	203	443
Trade payables	201	-	201
Other financial liability	52	-	52
Lease liabilities	47	854	901
Total non derivative liabilities	**540**	**1,057**	**1,597**

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 comprises three types of risk: foreign currency risk, interest rate risk, and other price risk such as equity price risk and commodity risk.

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

(a) Foreign currency risk exposure

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

	March 31, 2023		March 31, 2022	
	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**

(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	March 31, 2023	March 31, 2022
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	March 31, 2023	March 31, 2022
Variable rate borrowings	61	52
Fixed rate borrowings	-	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	March 31, 2023	March 31, 2022
Interest rates - increase by 50 basis points	0	0
Interest rates - decrease by 50 basis points	(0)	(0)

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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 Company's objectives when managing capital are to:

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

(ii Maintain an optimal capital structure to reduce the cost of capital.

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

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

	March 31, 2023	March 31, 2022
Borrowings	162	332
Lease liabilities	520	665
Cash and cash equivalents	(31)	(1)
Net debt	651	996
Total equity	254	104
Net debt to equity ratio	**3**	**10**

Net debt to equity ratio is improved on following reason,

a Inter company loan is repaid during the year.

b Lease liabilty is decreased on partial derecogntion of lease during the year.

(ii) Loan covenants

Under the terms of the Borrowing facilities with HDFC Bank, the Company is required to comply with following financial covenants :

(i) Total Net Worth > 400

(ii) Total Outstanding Liabilities (TOL) / Total Net Worth < 3x.

During the year, the Company has defaulted in complying with the debt covenants in respect of the above.. Breaches in complying with the financial covenants would permit the bank to call back the loans. However, the loans are short term in nature and are repayable on demand, resulting in no impact on classification in these financial statement.

28 Commitments and Contingent liabilities

	March 31, 2023	March 31, 2022
(a) Capital commitments		
Estimated amount of contracts remaining to be executed on capital account net of advances and not provided for:		
(i) Property, plant and equipment	8	11
	8	**11**
(b) Contingent liabilities	-	-

The company does not have any contingent liabilities as at March 31, 2023 and March 31, 2022

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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	: Aequs Inc , Cayman Islands (with effect from March 31, 2022)
Holding company	: Aequs Private Limited (APL), India (with effect from March 31, 2022)
Investor with significant influence	: Sky Power Industrial Limited (SPIL), Hong Kong (from March 31, 2022 to September 27, 2022)*
Joint Venturers	: Aequs Manufacturing Investments Private Limited (AMIPL), Mauritius (with effect from October 27, 2021 upto December 05, 2021) : Aequs Private Limited (APL), India (with effect from December 06, 2021 upto March 30, 2022) : AIGF Investments II Private Limited (AIGF), Mauritius (upto October 26, 2021)* : Sky Power Industrial Limited (SPIL), Hong Kong (upto March 30, 2022)* : Aequs Engineered Plastics Private Limited (AEPPL), India (upto March 30, 2022)
Subsidiaries	: Aequs Force Technology Company Limited (AFTCL), Hong Kong : Aequs Force Technology Private Limited (AFTPL), India
(ii) Names of other related parties with whom transactions have taken place during the year.	
Fellow subsidiaries	: Aequs Engineered Plastics Private Limited (AEPPL), India (with effect from March 31, 2022) : Aerostructures Manufacturing India Private Limited (ASMIPL), India (with effect from March 31, 2022) : Aequs Consumer Products Private Limited (ACPPL), India (with effect from March 31, 2022) : Aerostructure Assemblies India Private Limited (AAIPL), India (with effect from March 31, 2022) : Aequs Toys Private Limited (ATPL), India (with effect from March 31, 2022)
Enterprises in which individuals owning interest in the holding/ultimate holding company/erstwhile joint venturers, or their relatives have control or significant influence	: Aequs SEZ Private Limited (ASEZ), India : Industrial Knowledge Centre (IKC), India : Aequs Private Limited (APL), India (upto December 05, 2021) : Aerostructures Manufacturing India Private Limited (ASMIPL), India (upto March 30, 2022) : Aequs Consumer Products Private Limited (ACPPL), India (upto March 30, 2022)
Downstream investment of fellow subsidiaries	: Aequs Toys Hong Kong Private Limited (ATHPL), Hong Kong (with effect from March 31, 2022) : Koppal Toys Tooling COE Private Limited (KTTPL), India (with effect from March 31, 2022) : Koppal Toys Molding COE Private Limited (KTMPL), India (with effect from March 31, 2022)
(iii) Key managerial personnel :	
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)*
Director	: Rajeev Kaul (From September 11, 2021 to April 27, 2022)*
Director	: Dinesh Iyer (From December 30, 2022)*
Director	: Suraj Hukkeri (From December 30 2022)*
(iv) Company in which Director is interested	: Zenfiniti Partners Limited (ZPL), Hong Kong*

(*) No transactions during the year

B. Transactions with related parties

Name	Nature of transactions	Year ended March 31, 2023	Year ended March 31, 2022
AEPPL	Sale of raw materials	122	69
	Sale of services	30	10
	Sale of Asset	2	-
	Purchase of raw materials	24	3
	Reimbursement of expenses paid	20	32
	Reimbursements received	2	3
	Income from sub-lease of factory building	7	15
AIGF	Fair value of financial guarantee received	-	2
	Financial guarantee expense	-	2
AFTPL	Reimbursement of expenses paid	0	0
AFTCL	Legal and professional fee	21	14
ASEZ	Reimbursement of expenses paid	0	72
	Interest on borrowings	9	14
	Interest expenses on lease liabilty	60	-
	Repayment of lease liabilty	42	106
	Services received	69	-
	Borrowings availed	-	118
	Borrowings repaid	118	70
	Sale of asset	1	-
	Sale of scrap	0	-
APL	Reimbursement of expenses paid	17	1
	Services received	6	4
	Borrowings availed	125	70
	Interest on borrowings	20	5
	Repayment of loan taken	195	-
	Fair value of financial guarantee received	4	-
	Financial guarantee expense	3	-

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29 Related party disclosures (Contd.)

B. Transactions with related parties (continued)

Name	Nature of transactions	Year ended 31-03-23	Year ended 31-03-22
AAI	Expense incurred on behalf of related party	1	-
ATPL	Sale of asset	1	-
	Sale of RM	4	-
IKC	Service Received	13	-
KTMPL	Sale of asset	5	-
KTTPL	Expense incurred by related party	0	-
	Expense incurred on behalf of related party	0	-
	Reimbursements received	-	0
ASMIPL	Reimbursement of expenses paid	0	1
ZPL	Advertisement and sales promotion expense	-	2
ACPPL	Sale of property, plant and equipment	-	-
	Reimbursements received	-	0
ATHPL	Advertisement and sales promotion expense	13	9
	Legal and professional fee	3	2

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C Balance as at the year end

Name	Nature of transactions	As at 31-03-23	As at 31-03-22
AEPPL	Dues to related party	6	26
	Trade payables	1	2
	Dues from related party	2	6
	Trade receivables	55	60
AFTPL	Dues from related party	-	0
ASEZ	Trade payables	84	89
	Dues to related party	0	0
	Security deposits	134	134
	Borrowings	-	118
	Interest accrued but not due on borrowings	-	1
APL	Dues to related party	5	5
	Trade payables	2	7
	Borrowings	-	70
	Interest accrued but not due on borrowings	-	1
	Unamortized financial guarantee received	2	-
ASMIPL	Dues to related party	0	0
AIGF	Unamortized financial guarantee received	-	1
AFTCL	Trade payables	40	19
ACPPL	Dues from related party	1	1
AAI	Dues from related party	1	-
ATPL	Trade receivables	4	-
IKC	Trade payables	0	-
KTMPL	Dues from related party	5	-
KTTPL	Dues from related party	0	-
	Dues to related party	0	-

Note : All transactions were made on normal commercial terms and conditions and are at arms length price.

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30 Segment information

The Managing director and Chief Operating Officer of the holding company has been identified as the Chief Operating Decision Maker ("CODM") as defined by Ind AS 108. Operating Segments. The CODM evaluates the Company's performance as a whole. Accordingly, the entire Company has been identified as one segment. Hence, no separate segment information has been presented.

The Company is engaged in business of contract manufacturing engineered plastic toys. Since the Company is predominantly engaged in manufacturing engineered plastic toys, which comprises the primary segment, hence no separate primary segment information is deemed necessary. Secondary segment reporting is performed on the basis of the geographical location of customers.

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

Particulars	March 31, 2023 Revenue from contract with customers	March 31, 2022 Revenue from contract with customers
Outside India		
Hongkong	580	869
In India	175	88
Total	**755**	**957**

The Company derives revenue from transfer of goods and services at a point of time only.

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

Particulars	March 31, 2023	March 31, 2022
EBITDA	(60)	(99)

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, 2023		March 31, 2022	
	Revenue	% of total revenue	Revenue	% of total revenue
Customer 1	452	60%	487	51%
Customer 2	123	16%	387	40%
Customer 3	152	20%	79	8%

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

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31 Earnings per share (EPS)

	March 31, 2023	March 31, 2022
Loss per share (basic and diluted) (a/b)	**(3)**	**(4)**
Loss attributable to the equity share holders (a)	**(298)**	**(321)**
Weighted average number of equity shares of ₹ 10 each	82,901,654	68,601,279
Add: Weighted average CCD convertible into equity shares [refer note (i) below]	19,926,765	19,174,528
Total weighted average number of equity shares considered for basic EPS (b)	**102,828,419**	**87,775,807**

Note

(i) The CCDs are convertible to equity shares based on the fair value of the underlying shares. For the purpose of arriving at the number of equity shares to be issued for calculation of the weighted average, the fair value of the underlying shares as at year end is considered.
(ii) There is no dilution to the Basic EPS as there no potentially dilutive equity shares outstanding.

32 Dues to micro and small enterprises

		March 31, 2023	March 31, 2022
A.	Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	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	2	-
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	0	-
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:

	March 31, 2023	March 31, 2022
Current		
A. Financial assets:		
- Trade receivables	76	139
- Other financial assets	9	7
B. Non financial assets:		
- Inventories	197	175
- Other current assets	18	4
Total current assets pledged as security	**300**	**326**
Non current		
A. Financial assets:		
- Other financial assets	95	90
B. Non financial assets:		
- Plant and machinery	267	310
- Office Equipment	3	4
- Computers	3	3
Total non-current assets pledged as security	**368**	**406**
Total assets pledged as security	**668**	**732**

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

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34 Financial Ratios

Ratios	Numerator	Denominator	March 31, 2023	March 31, 2022	% of variance	Reason for variance
Current Ratio	Current Assets	Current Liabilities	1.00	0.61	63.38%	Note 2
Debt-Equity Ratio	Total Debt	Shareholders' Equity	2.69	9.61	-72.06%	Note 3
Debt Service Coverage Ratio (DSCR)	Earnings available for Debt Service	Debt Service	(0.18)	(0.18)	-0.33%	Note 4
Return on Equity (ROE)	Profit/(Loss) after tax	Average Shareholders' Equity	-166.63%	-160.48%	3.84%	Note 1
Inventory Turnover Ratio	Turnover	Average Inventory	4.05	5.23	-22.46%	Note 1
Trade Receivables Turnover Ratio	Credit Sales	Average Accounts Receivables	7.04	7.32	-3.92%	Note 1
Trade Payables Turnover Ratio	Credit Purchases	Average Trade Payables	2.31	2.64	-12.53%	Note 1
Net Capital Turnover ratio	Turnover	Working Capital	0	(4.46)	-100.00%	Note 5
Net Profit Ratio	Net Profit/(Loss) after tax	Turnover	-39.48%	-33.55%	17.68%	Note 6
Return on Capital Employed (RoCE)	Earnings before interest and tax	Capital Employed	-20.74%	-21.74%	-4.60%	Note 1
Return on Investment	Earnings before interest and tax	Average Total Assets	-15.23%	-16.33%	-6.74%	Note 1

Notes:
1. Not given as the variance is less than 25%.
2. Current ratio has increased on account of repayment of short term borrowings during the year.
3. Debt Equity ratio has improved due to repayment of short term borrowings,and further the overall equity has reduced due to the losses incurred.
4. Debt Service coverage has increase due to addition in earnings available for debt service during the year.
5. Net Capital Turnover ratio improved due to repayment of intercompany loans resulting in a reduction of current liablities.
6. Net profit ratio has decresed due to increase in losses incurred owing to decrease in gross margins.

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35 Additional regulatory information required by Schedule III

(i) Details of benami property held: No proceedings have been initiated on or are pending against the 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:
a. 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
b. 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:
a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

(vii) 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 was taken.

(xiii) The Company was not required to recognise any provision as at March 31, 2023 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contracts. The Company did not have any derivative contracts as at March 31, 2023.

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

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(All amounts are in ₹ (in million) unless otherwise)

36. Interest in other entities

Name of entity	Place of business	Ownership held by	Nature of relationship	% of Holding and voting power either directly or indirectly through subsidiary		Nature of business
				March 31, 2023	March 31, 2022	
Aequs Force Technology Private Limited	India	Aequs Force Consumer Products Private Limited	Subsidiary	100%	100%	Closed on April 28, 2023
Aequs Force Technology Company Limited	Hong Kong	Aequs Force Consumer Products Private Limited	Subsidiary	100%	100%	Rendering marketing services

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

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

Particulars	March 31, 2023	March 31, 2022
i. Investments in subsidiaries (Refer Note 6(i))	0	0

38. Trade payables include amounts payable in foreign currency to the overseas vendor amounting to Rs 2 as at March 31, 2023 which are outstanding for more than three years and Rs. 41 as at March 31, 2023 which are outstanding for more than six months but less than three years from the date of imports which is not in compliance with Reserve Bank of India Master Direction on Import of Goods and Services vide FED Master Direction No. 17/2016-17 dated January 1, 2016 (as amended). Subsequent to the year end, the Company has made necessary application to the Authorised dealer Bank, seeking approval from AD bank/RBI (as applicable) for extension of time limit to settle the outstanding amount. Management believes that potential penalty, if any, that may arise on account of this non-compliance is not likely to be material and consequently the same has not been accounted for in these financial statements.

39. The financial statements were approved for issue by the Board of Directors on July 20, 2023.

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

Sharmila Ramaswamy
Partner
Membership No.: 215131
Place: Bengaluru
Date: July 20, 2023

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

Dinesh Iyer
Director
DIN:09515485
Place: Belagavi
Date: July 20, 2023

Suraj Hukkeri
Director
DIN:09536262
Place: Belagavi
Date: July 20, 2023

Sahil Moghe
Company secretary
M.No:A65200
Place: Belagavi
Date: July 20, 2023