Price Waterhouse Chartered Accountants LLP

Independent Auditor's Report

To the Members of Aequs Toys Private Limited

Report on the audit of the financial statements

Opinion

1. We have audited the accompanying financial statements of Aequs Toys Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, 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.

Other Information

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

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

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

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

Auditor's responsibilities for the audit of the financial statements

7. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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.

8. As part of an audit in accordance with SAs, we exercise professional judgment 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; but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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- 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.

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

Other Matter

10. The financial statements of the Company for the year ended March 31, 2022, were audited by another firm of chartered accountants under the Act who, vide their report dated September 22, 2022, expressed an unmodified opinion on those financial statements.

    Our opinion is not modified in respect of above matter.

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 A", 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.

    (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.

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(f) Clause (i) of Section 143(3) on internal financial controls with reference to financial statements is not applicable pursuant to notification G.S.R 583(E) dated 13 June 2017.

(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 does 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 36 (vi) (a) to the financial statements);

(b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 36 (vi) (b) to the financial statements); and

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

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

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

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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

Prashant

Prashant Kabra
Partner
Membership Number: 217667
UDIN: 23217667BGZBCZ8245

Place: Bengaluru
Date: August 10, 2023

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 three 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 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. No discrepancies noticed on physical verification of inventory as compared to book records were 10% or more in aggregate for each class of inventory.

(b) During the year, the Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate from banks and financial institutions (on the basis of security of current assets) and accordingly, the question of our commenting on whether the quarterly returns or statements are in agreement with the unaudited books of account of the Company does not arise.

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

Particulars	**Investments (Amounts in thousands)**
Aggregate amount invested during the year - Subsidiary	194,900
Balance outstanding as a balance sheet date in respect of such investment during the year - Subsidiary	275,000

(Also refer Note 6 (i) to the financial statements)

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

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of the investments made by it. The Company has not provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act.

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. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, professional tax and goods and services tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including employees' state insurance and income tax 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) as at March 31, 2023, which have not been deposited on account of any dispute.

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

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

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

(c) In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained. Also, refer Note 12(i) to the financial statements.

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

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

xiv. The Company is not mandated to have an internal audit system during the year.

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 36 (xiv) to the financial statements. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.

xvii. The Company has incurred cash losses of Rs. 88,392 thousands in the financial year and of Rs. 5,831 thousands in the immediately preceding financial year.

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

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xix. According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 32 and Note 2 (a) (iii) to the financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.

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

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

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

Prashant

Prashant Kabra
Partner
Membership Number: 217667
UDIN: 23217667BGZBCZ8245

Place: Bengaluru
Date: August 10, 2023

Aequs Toys Private Limited
Balance Sheet as at March 31, 2023
(All amounts are in ₹ thousand, except share data, unless otherwise stated)

CIN: U36999KA2021PTC150503

	Notes	As at March 31, 2023	As at March 31, 2022
Assets			
Non-current assets			
Property, plant and equipment	4(i)	227,886	-
Capital work in progress	4(ii)	5,865	-
Intangible assets	5(i)	317	-
Right of use assets	5(ii)	418,336	-
Financial assets			
Investments	6 (i)	315,174	120,274
Other financial assets	6 (v)	39,125	36,720
Income tax assets	7	48	-
Other non-current assets	8	23,482	28,849
Total Non-current assets		**1,030,233**	**185,843**
Current assets			
Inventories	9	17,446	-
Financial assets			
Trade receivables	6 (ii)	31,964	-
Cash and cash equivalents	6 (iii)	41,744	19,080
Other bank balances	6 (iv)	14,200	-
Other financial assets	6 (v)	1,354	-
Other current assets	8	45,692	-
Total Current assets		**152,400**	**19,080**
Total assets		**1,182,633**	**204,923**
Equity and liabilities			
Equity			
Equity share capital	10	632,028	210,100
Other equity			
Reserves and surplus	11 (i)	(114,597)	(5,831)
Other reserves	11 (ii)	38,220	-
Total equity		**555,651**	**204,269**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	12 (i)	71,590	-
Lease liabilities	12 (ii)	344,283	-
Employee benefit obligations	13	868	-
Total non-current liabilities		**416,741**	**-**
Current liabilities			
Financial liabilities			
Borrowings	12 (i)	1,176	-
Lease liabilities	12 (ii)	53,547	-
Trade payables	12 (iii)		
(a) total outstanding dues of micro and small enterprises		-	-
(b) total outstanding dues of creditors other than (a) above		61,420	354
Other financial liabilities	12 (iv)	85,806	133
Employee benefit obligations	13	1,325	26
Contract liabilities	14	2,828	-
Other current liabilities	15	4,139	141
Total current liabilities		**210,241**	**654**
Total liabilities		**626,982**	**654**
Total equity and liabilities		**1,182,633**	**204,923**

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

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

Prashant Kabra
Partner
Membership No.: 217667
Place: Bengaluru
Date: August 10, 2023

For and on behalf of the Board of Directors

Suraj Hukkeri
Director
DIN-09536262
Place: Belagavi
Date: August 10, 2023

Harish Bang
Director
DIN-08383723
Place: Belagavi
Date: August 10, 2023

Smita H Bang
Company Secretary
M No- A45081
Place: Belagavi
Date: August 10, 2023

Aequs Toys Private Limited CIN: U36999KA2021PTC150503

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

(All amounts are in ₹ thousand, except share data, unless otherwise stated)

	Notes	Year ended March 31, 2023	Period from August 06, 2021 to March 31, 2022
Income			
Revenue from operations	16	43,238	-
Other gains/(losses) - net	17	232	-
Total income (A)		**43,470**	-
Expenses			
Cost of materials consumed	18	28,573	-
Changes in inventories of work-in-progress and finished goods	19	(2,273)	-
Employee benefits expense	20	33,974	1,088
Other expenses	21	52,302	4,834
Total direct cost (B)		**112,576**	**5,922**
Loss before interest, tax, depreciation and amortisation (A-B)		**(69,106)**	**(5,922)**
Depreciation and amortisation expense	22	23,157	-
Finance income	23	(1,443)	(91)
Finance costs	24	23,528	-
Total		**45,242**	**(91)**
Loss before tax		**(114,348)**	**(5,831)**
Income tax expense			
- Current tax		-	-
- Deferred tax	35	-	-
Total tax expense		-	-
Loss for the year/period		**(114,348)**	**(5,831)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Remeasurements (gain)/loss on defined benefit obligations	13	-	-
- Income tax effect to these items		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year/period		**(114,348)**	**(5,831)**
Earnings per equity share - Basic [Nominal value per share: ₹ 10 (March 31, 2022: ₹10)]	31	(2.63)	(3.22)

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

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

Prashant

Prashant Kabra
Partner
Membership No.: 217667
Place: Bengaluru
Date: August 10, 2023

For and on behalf of the Board of Directors

Suraj Hukkeri	Harish Bang	Smita H Bang
Director	Director	Company Secretary
DIN-09536262	DIN-08383723	M No- A45081
Place: Belagavi	Place: Belagavi	Place: Belagavi
Date: August 10, 2023	Date: August 10, 2023	Date: August 10, 2023

Aequs Toys Private Limited CIN: U36999KA2021PTC150503
Statement of Cashflows for the year ended March 31, 2023
(All amounts are in ₹ thousand, except share data, unless otherwise stated)

	Year ended March 31, 2023	Period from August 06, 2021 to March 31, 2022
Cash flow from operating activities		
Loss before tax	(114,348)	(5,831)
Adjustments for:		
Depreciation and amortisation expense	23,157	-
Provision for slow-moving inventory	525	-
Finance income	(1,443)	(91)
Finance costs	23,528	-
Unrealized foreign exchange (gain)/loss (net)	(85)	-
(Increase)/ decrease in		
- trade receivables	(31,885)	-
- inventories	(17,971)	-
- other financial assets	(2,496)	(36,629)
- other assets	(24,110)	(28,849)
Increase/ (decrease) in		
- trade payables	61,072	354
- other financial liabilities	25,060	133
- other liabilities	3,998	141
- contract liabilities	2,828	-
- employee benefit obligations	2,167	26
Cash generated from/(used in) operations	**(50,003)**	**(70,746)**
Income taxes paid (net of refunds)	48	-
Net cash outflow from operating activities (A)	**(49,955)**	**(70,746)**
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets and capital work-in-progress	(233,930)	-
Investment in margin money deposit	(14,200)	-
Interest received	180	-
Investment in subsidiaries	(194,900)	(120,200)
Investment in joint venture company	-	(74)
Net cash outflow from investing activities (B)	**(442,850)**	**(120,274)**
Cash flows from financing activities		
Proceeds from issue of shares (net of share issue expenses)	427,510	210,100
Proceeds from long-term external borrowings	108,724	-
Proceeds/(repayment) of short-term borrowings (refer Note 33)	-	-
Principal repayment of lease liabilities (including interest)	(17,520)	-
Interest paid	(3,245)	-
Net cash inflow from financing activities (C)	**515,469**	**210,100**

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Bangalore

AEQUS TOYS PRIVATE LIMITED

Aequs Toys Private Limited CIN: U36999KA2021PTC150503

Statement of Cashflows for the year ended March 31, 2023

(All amounts are in ₹ thousand, except share data, unless otherwise stated)

	Year ended March 31, 2023	Period from August 06, 2021 to March 31, 2022
Net increase (decrease) in cash and cash equivalents [(A)+(B)+(C)]	**22,664**	**19,080**
Cash and cash equivalents at the beginning of the year	19,080	-
Cash and cash equivalents at end of the year (Refer Note no :6 (iii))	**41,744**	**19,080**

Non cash investing activities		
Additions to Right of Use assets (Buildings)	436,318	-
Non cash financing activities		
Unamortized loan processing fees	1,457	-
Unamortized financial guarantee expense	35,336	-
Cash and Bank Balances as per above comprise of the following:		
Balances with banks:		
- on current accounts	21,744	19,080
- Deposit with bank having original maturity of less than 3 months	20,000	-
Cash on Hand	-	-
Total	**41,744**	**19,080**

The accompanying notes are integral part of these financial statements

This is the Statement of Cash Flows referred to in our

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

Prashant Kabra
Partner
Membership No.: 217667
Place: Bengaluru
Date: August 10, 2023

For and on behalf of the Board of Directors

Suraj Hukkeri
Director
DIN-09536262
Place: Belagavi
Date: August 10, 2023

Harish Bang
Director
DIN-08383723
Place: Belagavi
Date: August 10, 2023

Smita H Bang
Company Secretary
M No- A45081
Place: Belagavi
Date: August 10, 2023

Aequus Toys Private Limited CIN: U36999KA2021PTC150503

Statement of changes in equity for the year ended March 31, 2023

(All amounts are in ₹ thousand, except share data, unless otherwise stated)

A. Equity share capital

	Note	Amount
Balance as at August 06, 2021		-
Changes during the period	10	210,100
Balance as at March 31, 2022		**210,100**
Changes during the year	10	421,928
Balance as at March 31, 2023		**632,028**

B. Other equity

	Reserves and surplus		Other reserves	Total other equity
	Retained earnings	Securities premium		
Balance as at August 06, 2021	-	-	-	-
Loss for the period	(5,831)	-	-	(5,831)
Other comprehensive income/(loss) for the period	-	-	-	-
Total comprehensive loss for the period	**(5,831)**	-	-	**(5,831)**
Balance as at March 31, 2022	**(5,831)**	-	-	**(5,831)**
Loss for the year	(114,348)	-	-	(114,348)
Other comprehensive income/(loss) for the year	-	-	-	-
Total comprehensive loss for the year	**(114,348)**	-	-	**(114,348)**
Premium received on shares issued during the year	-	8,073	-	8,073
Share issue expenses	-	(2,491)	-	(2,491)
Finance guarantee received during the year	-	-	38,220	38,220
Balance as at March 31, 2023	**(120,179)**	**5,582**	**38,220**	**(76,377)**

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

Prashant

Prashant Kabra
Partner
Membership No.: 217667
Place: Bengaluru
Date: August 10, 2023

For and on behalf of the Board of Directors

Suraj Hukkeri	Harish Bang	Smita H Bang
Director	Director	Company Secretary
DIN-09536262	DIN-08383723	M No- A45081
Place: Belagavi	Place: Belagavi	Place: Belagavi
Date: August 10, 2023	Date: August 10, 2023	Date: August 10, 2023

1. Background

Aequs Toys Private Limited ('the Company') was incorporated on August 6, 2021 (Corporate Identity Number (CIN): U36999KA2021PTC50503) under the Companies Act 2013, in India, as a wholly owned subsidiary of Aequs Private Limited ('APL'). The Company is engaged in the business of contract manufacturing plastic products, being carried out from Aequs Special Economic Zone ('Aequs SEZ') at Kukanoor, Koppal.

On January 10, 2022, the Company obtained approval from Office of the Cochin Special Economic Zone, Development Commissioner, Government of India to carry on the operations relating to manufacture and export of engineered plastics products under SEZ unit. The commercial operations of the Company started on January 3, 2023.

2. Summary of significant accounting policies

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

a) Basis of preparation

(i) Compliance with Ind AS

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

(ii) Historical cost convention

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

- certain financial assets and liabilities are measured at fair value;
- share based payments.

(iii) Going concern assumption

The company has incurred a total comprehensive loss of ₹ 114,348 (March 31, 2022: ₹ 5831) for the year ended March 31, 2023. The company's accumulated loss and net worth are ₹ 120,179 (March 31, 2022: ₹ 5831) and ₹ 555,651 (March 31, 2022: ₹ 204,269) 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.

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

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

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

The Ministry of Corporate Affairs has vide notification dated March 31, 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are effective April 1, 2023. The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications. These amendments are not expected to have a material impact on the group 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.

(vi) Reclassification:

The Company has reclassified comparative amounts to conform with current year presentation as per the requirements of Ind AS 1. The impact of such classifications is summarised below:

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Particulars	March 31,2022 (as previously reported)	Increase/(Decrease)	March 31,2022 (restated)
Balance Sheet (extract)			
Trade Payables	-	354	354
Other financial liabilities	366	(233)	133
Other current liabilities	262	(121)	141
Statement of Profit and Loss (extract)			
Other Income	91	(91)	-
Finance Income	-	91	91
Statement of Cash flows (extract)			
Finance Income	-	(91)	(91)
Other financial assets	(36,720)	91	(36,629)
Trade payables	-	354	354
Other financial liabilities	366	(233)	133
Other current liabilities	262	(121)	141
Investment in subsidiaries and joint venture	(120,274)	-	-
Investment in subsidiaries	-	(120,200)	(120,200)
Investment in joint venture	-	(74)	(74)

(vii) 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 ₹ 5000 and amount mentioned as "-"in the financial statements denotes ₹ Nil amount.

(viii) Operating cycle

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

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

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and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. Foreign exchange differences in respect of borrowings are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/(losses).

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

d) Revenue 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 transaction price of goods sold is net of variable consideration, if any. The Company does not expect to have any contracts where the period between the transfer of goods or services to the customer and payment by the customer exceeds one year. Accordingly, the Company does not adjust any of the transaction prices for time value of money.

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

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

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

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

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) Finance income

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

e) 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.

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.

f) 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.

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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.

g) Impairment of non-financial assets

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

h) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

i) Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised at transaction price initially at the amount of consideration that is unconditional unless they contain significant 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.

j) 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 purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items on weighted average basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Provisions are made for potential obsolescence based on management assessment of aged inventory items.

k) Investment in subsidiaries and joint venture

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

l) Investments and other financial assets

(i) Classification

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

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

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

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

(ii) Initial recognition

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

(iii) Subsequent measurement

(a) 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.

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(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.

(iv) 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.

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

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

m) 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	2 to 5 years	5 years
Leasehold Improvements	10 years	Not applicable
Plant and Machinery	2 to 10 years	8 to 15 years
Computers	2 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.

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

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

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

o) 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.

p) 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.

q) Borrowings
Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.
Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or

before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

r) 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.

s) 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.

t) 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.

u) 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.

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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 and ESI contributions to relevant statutory authorities 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 bonus. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

v) 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.

w) 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 are as below:

- Estimation of defined benefit obligation - Note 13
- Estimation of useful lives of assets - Note 4(i)

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. There are no critical estimates / judgements, other than disclosed above, made by the Management while preparing these financial statements that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

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4(i) Property, plant and equipment

	Office equipment	Leasehold improvements	Plant and machinery	Computers	Total
Gross carrying amount					
As at August 6, 2021					
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
As at March 31, 2022	-	-	-	-	-
Additions	1,948	1,710	227,330	2,045	233,033
Disposals	-	-	-	-	-
As at March 31, 2023	**1,948**	**1,710**	**227,330**	**2,045**	**233,033**
Accumulated depreciation					
As at August 6, 2021					
Depreciation charge for the period	-	-	-	-	-
Disposals	-	-	-	-	-
As at March 31, 2022	-	-	-	-	-
Depreciation charge for the year	153	32	4,833	129	5,147
Disposals	-	-	-	-	-
As at March 31, 2023	**153**	**32**	**4,833**	**129**	**5,147**
Net carrying amount					
As at March 31, 2022	-	-	-	-	-
As at March 31, 2023	**1,795**	**1,678**	**222,497**	**1,916**	**227,886**

a. Refer Note 28 for disclosure of contractual commitments for the acquisition of property, plant and equipment.
b. Refer Note 34 for information on property, plant and equipment (excluding leasehold improvements) pledged as security.

4(ii) Capital work-in-progress

	Capital work-in-progress	Total
Gross carrying amount as at August 6, 2021		
Additions	-	-
Transfers	-	-
As at March 31, 2022	-	-
Additions	238,898	238,898
Transfers	(233,033)	(233,033)
As at March 31, 2023	**5,865**	**5,865**

Capital work-in-progress includes plant and machinery and tools and instruments.

Aging of CWIP for balances as on March 31, 2023

	Amounts in Capital work in progress for a period of				
	Less than one year	1-2 years	2-3 years	More than 3 years	Total
Project in progress	5,865	-	-	-	5,865
Projects temporarily suspended	-	-	-	-	-

a. There are no CWIP whose completion is overdue or has exceeded its cost compared to its original plan as on March 31, 2023 and March 31, 2022.

b. There are no intangible assets under development as on March 31, 2023 and March 31, 2022.

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5(i) Intangible assets

	Computer Software
Gross carrying amount	
At August 6, 2021	
Additions	-
Disposals	-
At March 31, 2022	-
Additions	345
Disposals	-
As at March 31, 2023	**345**
Accumulated amortisation	
At August 6, 2021	
Charge for the year	-
Disposals	-
At March 31, 2022	-
Charge for the year	28
Disposals	-
As at March 31, 2023	**28**
Net carrying amount	
At March 31, 2022	-
As at March 31, 2023	**317**

Note:
There are no contractual commitment for intangible assets as at March 31, 2023 and March 31, 2022

5(ii) Right of use assets

Particulars	**Buildings**
Gross carrying amount	
As at August 6, 2021	
Additions	-
Disposals	-
As at March 31, 2022	-
Additions	436,318
Disposals	-
As at March 31, 2023	**436,318**
Accumulated depreciation	
As at August 6, 2021	
Additions	-
Disposals	-
As at March 31, 2022	-
Additions	17,982
Disposals	
As at March 31, 2023	**17,982**
Net carrying amount	
As at March 31, 2022	-
As at March 31, 2023	**418,336**

(a) Amounts recognised in the statement of profit and loss:

	Note	Year ended March 31, 2023	Period from August 06, 2021 to March 31, 2022
Depreciation of right-of-use assets	22	17,982	-

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	As at March 31, 2023	As at March 31, 2022
6 Financial assets		
(i) Investments		
Investments in equity instruments (fully paid-up)		
Unquoted		
(A) Investments in subsidaries		
27,159,322 (March 31, 2022: 8,009,999) equity shares of face value ₹ 10 per share of Koppal Toys Molding COE Private Limited	275,000	80,100
4,009,999 (March 31, 2022: 4,009,999) equity shares of face value ₹ 10 per share of Koppal Toys Tooling COE Private Limited	40,100	40,100
(B) Investment in joint venture		
7,384 (March 31, 2022: 7,384) equity shares of face value ₹ 10 per share of Aequs Rajas Extrusion Private Limited	74	74
Total non-current investments	**315,174**	**120,274**
Aggregate amount of unquoted investments	315,174	120,274
Aggregate amount of impairment in the value of investments	-	-
(ii) Trade receivables		
Trade receivables from contract with customers - others	31,957	-
Trade receivables from contract with customer - related parties (refer Note 29)	7	-
Total receivables	**31,964**	-
Less: Loss allowance	-	-
Total trade receivables	**31,964**	-
Break-up of security details		
Trade receivables, considered good - unsecured	31,964	-
Trade receivable which have significant increase in credit risk	-	-
Trade receivable - credit impaired	-	-
Total	**31,964**	-
Less: Loss allowance	-	-
Total trade receivables	**31,964**	-

Note:
For lien/charge against trade receivables refer Note 34.

Aging of Trade Receivables as at March 31, 2023

Particulars	Unbilled	Not due	Outstanding for following periods from the 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	-	27,686	4,278	-	-	-	-	31,964
which have significant increase in credit risk	-	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	-	-
Disputed Trade Receivables								
considered good	-	-	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	-	-
Total	-	27,686	4,278	-	-	-	-	31,964
Less: Loss Allowance	-	-	-	-	-	-	-	-
Total Trade Receivables	-	27,686	4,278	-	-	-	-	31,964

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	As at March 31, 2023	As at March 31, 2022
(iii) Cash and cash equivalents		
Cash on hand	-	-
Balances with banks:		
- In current accounts	21,744	19,080
Deposit with maturity of less than 3 months	20,000	-
Total cash and cash equivalents	**41,744**	**19,080**

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

(iv) Other bank balances		
Margin money deposits (refer note below)	14,200	-
Total other bank balances	**14,200**	-

Note:
Margin money deposits are given as lien against term loan.

(v) Other financial assets		
Non current		
(Unsecured considered good)		
Security Deposits (refer Note a below)	39,125	36,720
Total other non-current financial assets	**39,125**	**36,720**
Current		
(Unsecured considered good)		
Interest accrued on deposits with banks	296	
Security Deposits	15	-
Dues from related parties (refer Note 29)	1,043	-
Total other current financial assets	**1,354**	-

Note:
a. Security deposit includes deposit given to Aequs SEZ Private Limited against leasehold building having gross value of ₹ 74,845 (March 31, 2022: ₹ 65,597). The above amount has been discounted to its fair value.

7 Income tax assets		
Advance tax [net of provision for tax: ₹ Nil (March 31, 2022: ₹ Nil)]	48	-
	48	-
8 Other assets		
Non current		
(Unsecured, considered good)		
Capital advances	17,768	-
Prepaid expenses	5,714	28,849
Total other non-current assets	**23,482**	**28,849**
Current		
(Unsecured, considered good)		
Advance to suppliers	2,402	-
Prepaid expenses	1,832	-
Balances with statutory authorities (Goods and Services tax)	41,458	-
Total other current assets	**45,692**	-
9 Inventories		
Raw materials [includes goods in transit ₹ 1,209 (March 31, 2022: ₹ Nil)]	14,381	-
Work-in-progress	778	-
Finished goods	1,495	-
Stores and spares [includes goods in transit ₹ 127 (March 31, 2022: ₹ Nil)]	1,317	-
	17,971	-
Less: Provision for slow moving inventories (refer note (iii) below)	(525)	-
Total inventories	**17,446**	-

Notes:
(i) For lien/charge against inventories refer Note 34.
(ii) Raw materials include packing material amounting to ₹ 2,121 (March 31, 2022: ₹ Nil)
(iii) The following is the break-up for amount of provision for slow-moving inventories:

Raw materials	525	-
	525	-

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10 Equity Share Capital

(i) Authorised equity share capital	Number of Shares	Amount
As at August 6, 2021	-	-
Increase during the period	40,000,000	400,000
As at March 31, 2022	**40,000,000**	**400,000**
Increase during the year	24,000,000	240,000
As at March 31, 2023	**64,000,000**	**640,000**

(ii) Issued, subscribed and fully paid up equity share capital	As at March 31, 2023	As at March 31, 2022
63,202,800 (March 31, 2022: 21,010,000) equity shares of ₹10 each fully paid up	632,028	210,100
	632,028	**210,100**

(a) Movement in Equity Shares

	As at March 31, 2023		As at March 31, 2022	
	Number of shares	Amount (₹)	Number of shares	Amount (₹)
At the beginning of the year	21,010,000	210,100	-	-
Add: Rights issue during the year/period	42,192,800	421,928	21,010,000	210,100
	63,202,800	**632,028**	**21,010,000**	**210,100**

(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 held by holding/ ultimate holding Company

	As at March 31, 2023	As at March 31, 2022
Aequus Private Limited (Holding company) 63,202,800 (March 31, 2022: 21,010,000) equity shares of ₹10 each fully paid up	632,028	210,100

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

Name of the shareholder	As at March 31, 2023		As at March 31, 2022	
	Number of shares	% of holding	Number of shares	% of holding
Aequus Private Limited (Holding company)*	63,202,800	100%	21,010,000	100%

* Includes 1 equity share held by Rajeev Kaul as nominee shareholder of Aequus Private Limited.

(e) Details of shareholding of promoters:

March 31, 2023

Name of the promoter	Number of shares	Percentage of total number of shares	Percentage of change during the year
Aequus Private Limited*	63,202,800	100%	0%

* Includes 1 equity share held by Rajeev Kaul as nominee shareholder of Aequus Private Limited.

March 31, 2022

Name of the promoter	Number of shares	Percentage of total number of shares	Percentage of change during the year
Aequus Private Limited*	21,010,000	100%	0%

* Includes 1 equity share held by Rajeev Kaul as nominee shareholder of Aequus Private Limited.

(f) There are no shares issued for consideration other than cash during the current year and prior period.
(g) There are no shares reserved for issue under options, contracts or commitments.
(h) There are no bonus shares issued during the current year and prior period.
(i) There are no shares bought back and forfeited during the current year and prior period.

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	As at March 31, 2023	As at March 31, 2022
11 Other equity		
(i) Reserves and surplus		
(a) Retained Earnings	(120,179)	(5,831)
(b) Securities premium	5,582	-
	(114,597)	**(5,831)**
(ii) Other reserves		
Other reserves	38,220	-
	38,220	-
	(76,377)	**(5,831)**
(a) Retained Earnings		
Opening Balance	(5,831)	-
Add: Loss for the year/period	(114,348)	(5,831)
Closing Balance	**(120,179)**	**(5,831)**
(b) Securities premium		
Opening Balance	-	-
Add: Premium on rights issue of equity shares	8,073	-
Less: Utilisation towards share issue expenses	(2,491)	-
Closing Balance	**5,582**	-
(c) Other reserves		
Opening Balance	-	-
Add: Receipt of financial guarantee	38,220	-
Closing Balance	**38,220**	-

(d) Nature and purpose of reserves:

(I) Securities premium

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

(II) Other reserves

Other reserve represents fair value of financial guarantee received from Aequs Private Limited, MFRE Private Trust and Aerostructures Manufacturing India Private Limited towards the term loan. (refer Note 29).

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	As at March 31, 2023	As at March 31, 2022
12 Financial liabilities		
(i) Borrowings		
Non current		
Secured:		
Term loan from Bank (Indian rupee loan refer Note 1 below)	72,766	-
	72,766	-
Less: Current maturities of term loan from bank	341	-
Less: Interest accrued and due on borrowings	835	-
Total non-current borrowings	**71,590**	-
Current		
Secured:		
Current Maturities of term loan from banks	341	-
Interest accrued but not due on borrowings	835	-
Total current borrowings	**1,176**	-

a. Refer Note 33 for net debt reconciliation.

b. Refer Note 34 for carrying value of financial and non-financial assets pledged as security for current and non-current borrowings.

Notes:

1 **Term loan INR loan**

Term Loan from HDFC bank with outstanding amount of ₹ 108,724 (March 31, 2022: ₹ Nil) carries interest at T-BILL - 90 DAYS+2.58% p.a. and repayable in 6 years 6 months, monthly installments (including 6 months moratorium period). Loan is secured by an exclusive charge on movable fixed assets and current assets (trade receivables and inventories) of the company, exclusive charge on building owned by MFRE Private Trust, personal guarantee of Mr. Aravind Melligeri, Director of Aequs Private Limited and corporate guarantee given by Aequs Private Limited and MFRE Private Trust. An amount of ₹ 35,336 (March 31,2022: ₹ Nil) and ₹ 1,457 (March 31, 2022: ₹ Nil) have been adjusted against loan on account of unamortised financial gurantee expense and unamortised processing fees respectively. Refer Note 6(iv) for margin money deposit kept as lien for the term loan.

2 **Working capital facility from banks**

Working capital facilities includes Cash Credit having sanction amount of ₹ 20,000 (March 31, 2022: ₹ Nil). Working capital facilities are by an exclusive charge on movable fixed assets and current assets (trade receivables and inventories) of the company, exclusive charge on Quest tower building owned by MFRE Private Trust, personal guarantee of Mr. Aravind Melligeri, Promoter of Aequs group and corporate guarantee given by Aequs Private Limited and MFRE Private Trust. Working capital facilities were not utilised as at March 31, 2023.

Overdraft against third party deposit (FCNR): Overdraft facility is secured primarily by lien on Foreign Currency Non Resident (FCNR) deposit. Overdraft facility carry interest rate of 12.15% p.a. Overdraft facility amounting to ₹ 18,000 was utilized and repaid completely during the year.

(ii) Lease Liabilities

(a) Lease commitments as lessee

Measurement of right-of-use assets and lease liabilities are calculated based on the fixed lease rentals payable under the lease agreements.

	As at March 31, 2023	As at March 31, 2022
(b) Amounts recognised on the balance sheet		
Lease Liabilities		
Non-current	344,283	-
Current	53,547	-
	397,830	-

Note:

The above lease liabilities are recognized for the lease rentals payable on the factory buildings that the Company has taken on lease from Aequs SEZ Private Limited. The term of the lease is 10 years which is not cancellable.

The Company can extend the lease term by two terms of 5 years by informing the Lessor Ten (10) months in advance.

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		As at March 31, 2023	As at March 31, 2022

(c) Amounts recognised in the statement of profit and loss	Note	Year ended March 31, 2023	Period from August 06, 2021 to March 31, 2022
Interest expense (included in finance costs)	24	16,564	-
Expenses relating to short-term leases (included under rent in other expenses)	21	4,606	216
Expenses relating the leases of low-value assets that are not shown above as short-term leases (included uner rent in other expenses)	21	177	47
Expense relating to variable lease payments not included in lease liabilities (included in other expenses)	21	-	-

Note:
The total cash outflow for leases, including interest, for the year was ₹ 17,520 (March 31, 2022: ₹ Nil).

	As at March 31, 2023	As at March 31, 2022
(iii) Trade payables		
Trade payables		
- Dues to current micro and small enterprises (MSME) (refer Note 40)	-	-
- Payables to related parties (refer Note 29)	28,678	143
- other trade payables	32,742	211
Total trade payables	**61,420**	**354**

Aging of Trade payables as at March 31, 2023

Particulars	Unbilled	Not Due	Outstanding for the following periods from the transaction date				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Dues - MSME	-	-	-	-	-	-	-
(ii) Undisputed Dues - Others	6,251	-	55,169	-	-	-	61,420
(iii) Disputed Dues - MSME	-	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-	-
Total	6,251	-	55,169	-	-	-	61,420

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	As at March 31, 2023	As at March 31, 2022

(iii) Trade payables (continued)

Aging of Trade payables as at March 31, 2022

Particulars	Unbilled	Not Due	Outstanding for the following periods from the transaction date				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Dues - MSME	-	-	-	-	-	-	-
(ii) Undisputed Dues - Others	-	-	354	-	-	-	354
(iii) Disputed Dues - MSME	-	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-	-
Total	-	-	354	-	-	-	354

	As at March 31, 2023	As at March 31, 2022
(iv) Other financial liabilities		
Current:		
Capital creditors	60,613	-
Employee benefits payable	5,316	133
Payable to related parties (Refer Note 29)	19,877	-
Total other financial liabilities	**85,806**	**133**

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	As at March 31, 2023	As at March 31, 2022
Non current		
Gratuity obligations	868	-
	868	-
Current		
Gratuity obligations	6	13
Leave obligation	1,319	13
	1,325	**26**

(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 provision of ₹ 1,319 (March 31, 2022: ₹ 13) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take full amount of accrued leave or require payment within next 12 months.

	As at March 31, 2023	As at March 31, 2022
Leave obligation not expected to be settled in the next 12 months	851	-

(ii) Defined contribution plans

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

	As at March 31, 2023	As at March 31, 2022
Provident Fund	1,187	41
Employees State Insurance	7	-
Total	**1,194**	**41**

(iii) Gratuity

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

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

A. Reconciliation of the projected benefit obligations	**As at March 31, 2023**	**As at March 31, 2022**
Opening defined benefit obligation	13	-
Current service cost	598	13
Expense cross charged to other entities	177	-
Interest on defined benefit liability	-	-
Remeasurement due to actuarial (gains)/losses	-	-
Benefits paid	(28)	-
Liabilities assumed/(settled)	114	-
Defined benefit obligation as of current year end	**874**	**13**
Closing defined benefit obligation		
Current	6	13
Non current	868	-
B. Total expense recognised in Statement of profit and loss		
Current service cost	598	13
Interest on defined benefit liability	-	-
	598	13
Less: Reimbursements received	-	-
	598	13
C. Amount recognised in other comprehensive income (OCI)		
Actuarial (gains)/losses from changes in demographic assumptions	-	-
Actuarial (gains)/losses from changes in financial assumptions	-	-
Actuarial (gains)/losses due to experience adjustments	-	-
	-	-

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	As at March 31, 2023	As at March 31, 2022

13 Employee benefit obligations (continued)

D. Amount recognised in total comprehensive income		
Expenses recognised in statement of profit and loss	598	13
Remeasurements effects recognised in OCI	-	-
Total expense recognised in total comprehensive income	598	13

E. Actuarial assumptions		
Discount rate per annum	7.50%	0.0%
Salary escalation rate per annum	10.00%	0.0%
Demographic assumptions		
Attrition rate		
21 to 30 years	10.00%	0.0%
31 to 40 years	7.00%	0.0%
41 to 50 years	3.00%	0.0%
51 to 57 years	3.00%	0.0%
Retirement age	58 years	58 years
Mortality table	Indian Assured Lives Mortality (2012-14) Ult table	Indian Assured Lives Mortality (2012-14) Ult table

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:

Changes in assumption		
Discount rate		
Defined benefit obligation (DBO) on increase in 50 bps	815	-
Impact of increase in 50 bps on DBO	-6.67%	0.0%
Defined benefit obligation (DBO) on decrease in 50 bps	938	-
Impact of decrease in 50 bps on DBO	7.33%	0.0%
Salary increase rate		
Defined benefit obligation (DBO) on increase in 50 bps	936	-
Impact of increase in 50 bps on DBO	7.12%	0.0%
Defined benefit obligation (DBO) on decrease in 50 bps	816	-
Impact of decrease in 50 bps on DBO	-6.56%	0.0%

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

G. Expected future cashflows (in million) [Undiscounted]		
Year 1	6	-
Year 2	6	-
Year 3	7	-
Year 4	21	-
Year 5	50	-
Year 6	179	-
Year 7	43	-
Year 8	41	-
Year 9	41	-
10 years and above	2,653	-
Weighted average duration of the defined benefit obligation in years	13.98 years	-

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	As at March 31, 2023	As at March 31, 2022

13 Employee Benefit Obligations (continued)

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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	As at March 31, 2023	As at March 31, 2022
14 Contract liabilities		
Advance from customers	2,828	-
Total contract liabilities	**2,828**	**-**
Note:		
a. Revenue recognised that was included in contract liability balance as at the beginning of the period.	-	-
b. There was no revenue recognised from performance obligations satisfied in previous period.		
15 Other liabilities		
Current:		
Statutory dues payable	4,139	141
	4,139	**141**

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		Year ended March 31, 2023	Period from August 06, 2021 to March 31, 2022
16	**Revenue from operations**		
	Revenue from contracts with customers		
	- Sale of finished products	41,315	-
	- Sale of moulds	1,923	-
	Total revenue from operations	**43,238**	**-**

Note:

(i) There are no unsatisfied performance obligations resulting from contracts with customers as at the reporting date.

(ii) There are no adjustment to the contract price.

		Year ended March 31, 2023	Period from August 06, 2021 to March 31, 2022
17	**Other gains/(losses) - net**		
	Net foreign exchange (loss)/gain	232	-
	Total other gains/(losses) - net	**232**	**-**
18	**Cost of materials consumed**		
	Opening stock	-	-
	Add: Provision for slow moving inventory	-	-
	Add: Purchases	42,429	-
		42,429	-
	Less: Closing stock (net of provision for slow moving inventories)	13,856	-
	Total cost of raw materials consumed	**28,573**	**-**
19	**Changes in inventories of work in progress and finished goods**		
	Inventory at the end of the year (a)		
	Work-in-progress	778	-
	Finished goods	1,495	-
		2,273	-
	Inventory at the beginning of the year (b)		
	Work-in-progress	-	-
	Finished goods	-	-
		-	-
	Change in inventories of work in progress and finished goods (b-a)	**(2,273)**	-
20	**Employee benefit expenses**		
	Salaries, wages and bonus (refer Note a below)	31,249	1,031
	Contribution to provident and other funds (refer Note 13)	1,194	41
	Gratuity (refer Note 13)	598	13
	Staff welfare expenses	933	3
	Total	**33,974**	**1,088**

(a) Expenses capitalized as part of capital work-in-progress

	Year ended March 31, 2023	Period from August 06, 2021 to March 31, 2022
Salaries, wages and bonus	12,222	-

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	Year ended March 31, 2023	Period from August 06, 2021 to March 31, 2022
21 Other expenses		
Consumption of stores and spares	1,655	-
Outsourced manpower cost	3,092	-
Subcontracting expenses	1,747	-
Mould development cost	1,545	-
Testing charges	386	-
Insurance	523	-
Power and fuel	5,187	-
Repairs and maintenance :		
Plant and machinery	4	-
Building	4,284	-
Others	4	-
Legal and professional fees	7,691	94
Management Fees	5,211	-
Payment to auditors [refer note (i) below]	500	120
Rent [refer Note 12 (ii)]	4,783	263
Printing and stationery	14	-
Freight & forwarding	599	-
Rates and taxes	1,402	4,339
Travelling and conveyance	978	-
Communication expenses	812	-
Advertising and sales promotion	11,346	2
Bank Charges	412	16
Miscellaneous expenses	127	-
Total other expenses	**52,302**	**4,834**
(i) Payments to auditors		
As auditor:		
Audit fee	500	120
Reimbursement of expenses	-	-
	500	**120**
22 Depreciation and amortisation expense		
Depreciation of property, plant and equipment [refer Note 4(i)]	5,147	-
Depreciation of right of use assets [refer Note 5(ii)]	17,982	-
Amortisation of intangible assets [refer Note 5(i)]	28	-
Total depreciation and amortisation expense	**23,157**	**-**
23 Finance income		
Interest income from bank deposits	476	-
Unwinding of discount on security deposits	967	91
Total finance income	**1,443**	**91**
24 Finance cost		
Interest expense on long-term borrowings	3,790	-
Interest expense on short-term borrowings	290	
Interest expense on lease liabilities [refer Note 12(ii)]	16,564	-
Financial guarantee expense	2,884	-
Total finance cost	**23,528**	**-**

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25 Fair value measurements

Financial instruments by category

Particulars	Category	March 31, 2023	March 31, 2022
Financial assets			
Investments	Refer note (iv) below	315,174	120,274
Trade Receivables	Amortised Cost	31,964	-
Cash and cash equivalents	Amortised Cost	41,744	19,080
Other bank balances	Amortised Cost	14,200	-
Other financial assets	Amortised Cost	40,479	36,720
Total financial assets		**443,561**	**176,074**
Financial liabilities			
Borrowings (including current maturities)	Amortised Cost	72,766	-
Trade Payables	Amortised Cost	61,420	354
Lease liabilities	Amortised Cost	397,830	-
Other financial liabilities	Amortised Cost	85,806	133
Total financial liabilities		**617,822**	**487**

There are no financial instruments which are measured at FVOCI.

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

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

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

	Notes	Level	March 31, 2023	March 31, 2022
Financial assets				
Investments	6 (i)	3	315,174	120,274
Trade Receivables	6 (ii)	3	31,964	-
Cash and cash equivalents	6 (iii)	3	41,744	19,080
Other bank balances	6 (iv)	3	14,200	-
Other financial assets	6 (v)	3	40,479	36,720
Total financial assets			**443,561**	**176,074**
Financial liabilities				
Borrowings (including current maturities)	12 (i)	3	72,766	-
Trade Payables	12 (iii)	3	61,420	354
Lease liabilities	12 (ii)	3	397,830	-
Other financial liabilities	12 (iv)	3	85,806	133
Total financial liabilities			**617,822**	**487**

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25 Fair value measurements (continued)

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 maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

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

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

(ii) Valuation Process

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

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

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

The fair value of 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 fair value hierarchy due to the inclusion of unobservable inputs including counter-party credit risk.

The fair value of non-current borrowings are based on discounted cashflows using current borrowing rate. They are classified as level 3 fair value in the fair value hierarchy due to the use of unobservable inputs, including own credit risk. For financial assets and liabilities that measured at fair value, the carrying amounts are equal to fair value.

(iv) Investments

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

(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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AEQUS TOYS 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 joint ventured 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 largely summarizes the sources of financial risk to which the entity is exposed to and which entity manages the risk.

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

		Exposure arising from	Measurement	Management
	Credit Risk	Cash and cash equivalents, other bank balances, trade receivables and financial assets measured at amortized 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 forecast	Availability of borrowing facilities
	Market Risk - Foreign Exchange	Future commercial transactions, recognized financial assets and liabilities not denominated in Indian Rupee	Cash flow forecasting, sensitivity analysis	Natural hedging for receivables and payables
	Market Risk - Interest 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 bank balances, other bank balances including deposits with banks, as well as credit exposures to customers including outstanding receivables, other receivables and deposits.

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

(i) Credit risk management

Credit risk is managed and assessed on an on-going 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 assesses and maintains the internal credit rating system. The internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to that 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 the asset and whether there has been any significant increase in the credit risk on an on-going basis throughout each reporting period. To assess whether there is a significant increase in the credit risk, the entity compares the risk of the 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 significant change in the payer's ability to meet it's 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 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 (continued)

(ii) Provision for expected credit losses

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

Internal Rating	Category	Description of Category	Basis of recognition of expected credit loss provision	
			Deposits with bank and Security Deposits	Trade Receivables and other 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	Asset where there is moderate probability of default. In general, assets where contractual payments are more days than past due are categorized 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 asset, credit impaired	The assets are written-off where there is no reasonable expectation of recovery. Where loans and receivables are written-off, the Company continues to engage in enforcement activity to attempt or recover the receivable due. Where recoveries are made, they are recognized in Statement of Profit and Loss.	Asset is fully provided for or written-off	

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

1) Security deposits:

Deposits are classified as assets with 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 banks:

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

3) Investments:

It consists of investments in subsidiaries and joint venture company. For investments in subsidiaries and joint venture, management undertakes impairment assessment on an annual basis and based on the recoverable value of the investments, impairment if any, will be provided for.

4) Trade receivables and other dues from related parties

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

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

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26 Financial risk management (continued)

B Liquidity risk

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

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

(i) Financing arrangements

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

Particulars	March 31, 2023	March 31, 2022
A. Expiring within one year (bank overdraft and other facilities)	191,280	
B. Expiring beyond one year (bank loans)	-	-
	191,280	**-**

(ii) Maturities of financial liabilities

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Contractual maturities of financial liabilities	Less than 12 Months	More than 12 months	Total
As at March 31, 2023			
Borrowings*	341	108,383	108,724
Trade payables	61,420	-	61,420
Other financial liabilities	85,806	-	85,806
Lease liabilities (including interest)	53,547	584,357	637,903
Interest accrued but not due on borrow	9,390	21,948	31,338
Total non derivative liabilities	**210,504**	**714,688**	**925,191**

Contractual maturities of financial liabilities	Less than 12 Months	More than 12 months	Total
As at March 31, 2022			
Borrowings*	-	-	-
Trade payables	354	-	354
Other financial liabilities	133	-	133
Lease liabilities	-	-	-
Interest accrued but not due on borrow	-	-	-
Total non derivative liabilities	**487**	**-**	**487**

*Borrowings excludes interest accrued, unamortized portion of financial guarantee and loan processing fees.

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26 Financial risk management (continued)

C Market risk

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

(i) Foreign currency risk

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

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

(a) Foreign currency risk exposure

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

	March 31, 2023 USD	March 31, 2022 USD
Financial assets		
Trade receivables	15,676	-
Exposure to foreign currency risk (assets)	**15,676**	**-**
Financial liabilities		
Advance from customers	1,869	-
Exposure to foreign currency risk (liabilities)	**1,869**	**-**
Net exposure to foreign currency risk (assets - liabilities)	**13,807**	**-**

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

Impact on loss before tax	March 31, 2023	March 31, 2022
USD Sensitivity		
INR/USD - Increase by 5%	(690)	-
INR/USD - decrease by 5%	690	-

(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	72,766	-
Fixed rate borrowings	-	-
Total borrowings	**72,766**	**-**

(b) Sensitivity

Profit and 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	364	-
Interest rates - decrease by 50 basis points	(364)	-

(iii) Price Risk

Price risk is the risk of a decline in the value of security or an investment portfolio. The Company is not exposed to such risks.

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27 Capital management

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

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

The Company's objectives while managing capital are to:

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

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

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

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

	March 31, 2023	March 31, 2022
Borrowings	72,766	-
Lease Liabilities	397,830	-
Cash and cash equivalents	(41,744)	-
Net debt	**428,852**	-
Total equity	555,651	-
Net debt to equity ratio	**0.44**	-

Note:

(a) The above ratio is calculated by considering the amount of net debt (including cash and cash equivalents). This is resulting in a deviation between the above ratio and the debt equity ratio calculated in Note 32.

(b) Net debt equity ratio has been calculated in the current year as the Company availed borrowings in the current year only.

(ii) Loan Covenants

The borrowing facilities availed by the Company require compliance with below financial covenants.

ATNW of INR 480,000

TOL/ATNW of <2

ICOR of 1.5x

DSCR of 1.25x during the currency of the loan

ATNW: Adjusted Total net worth

TNW: Total net worth

TOL: Total outside liabilities

ICOR: Incremental capital output Ratio

** Above terms are defined by the bank.*

Particulars	
ATNW	555,651
DSCR	NA (EBITDA is negative)
Interest Coverage Ratio(ICOR)	NA (EBITDA is negative)
TOL/TNW	1.03 times

As at March 31, 2023, the company is in compliance with ATNW and TOL/TNW covenants.

The Company has defaulted in complying with DSCR and ICOR due to negative EBIDTA. Breaches in complying with the DSCR and ICOR financial covenants would permit the bank to call back the loans. However, there is no such incident of callback of loans. However, the Company continues to classify the term loans as non-current based on its original repayment schedule as in the view of management, the breach is not material and the bank has not demanded repayment of the loan before the date of approval of these financial statements.

28 Commitments and contingent liabilities	**As at March 31, 2023**	**As at 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	65,571	-
	65,571	-
(b) Contingent liabilities		
Claims against the Company not acknowlwdged as debts	-	-

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AEQUS TOYS PRIVATE LIMITED

29 Related party disclosures

(A) Name of related parties and their relationship

Relationship	Name of the related party
(i) Name of related parties who exercise control	
Ultimate holding company	: Aequs Inc., Cayman Islands*
Holding company	: Aequs Private Limited (APL), India
(ii) Name of related parties over which control exists	
Subsidiary company	: Koppal Toys Tooling COE Private Limited (KTTPL)
	: Koppal Toys Molding COE Private Limited (KTMPL)
(iii) Names of other related parties with whom transactions have taken place during the year	
Fellow Subsidiary	: Aerostructures Manufacturing India Private Limited (ASMIPL)
	: Aequs Engineered Plastics Private Limited (AEPPL)
	: Aequs Force Consumer Products Private Limited (AFCPPL)
	: Aerospace Manufacturing Holding Private Limited (AMHPL)
Joint Venture	: Aequs Rajas Extrusion Private Limited (AREPL)
(iv) Directors:	Harish Bang (w.e.f. August 6, 2021)
	Dinesh Iyer (w.e.f. March 3, 2022 till October 17, 2022)
	Suraj Hukkeri (w.e.f. March 23, 2022)
(v) Company in which Director is interested	
a. Harish Bang	: Aequs Rajas Extrusion Private Limited (AREPL)
	: Koppal Toys Tooling COE Private Limited (KTTPL)
	: Koppal Toys Molding COE Private Limited (KTMPL)
	: Aerostructures Manufacturing India Private Limited (ASMIPL) (upto October 17, 2022)
b. Dinesh Iyer	: Koppal Toys Tooling COE Private Limited (KTTPL)
	: Koppal Toys Molding COE Private Limited (KTMPL)
	: Aerostructures Manufacturing India Private Limited (ASMIPL)
c. Suraj Hukkeri	: Aequs Rajas Extrusion Private Limited (AREPL)
	: Koppal Toys Molding COE Private Limited (KTMPL)
(vi) Enterprises in which individuals owing interest in the holding/ultimate holding company or their relatives have control or significant influence:	: Aequs SEZ Private Limited (ASEZ)
	: MFRE Private Trust (MFRE)

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

29 Related party disclosures (continued)

B. Transactions with related parties

Name	Nature of transactions	Year ended March 31, 2023	Period from August 06, 2021 to March 31, 2022
Suraj Hukkeri	Remuneration paid	5,158	422
AREPL	Investment in Equity Instruments	-	74
AEPPL	Expense incurred by related parties	22,005	-
	Expense incurred on behalf of related party	42	-
	Purchase of tangible asset	103	-
	Purchase of raw materials	762	-
	Sale of goods	12	-
AFCPPL	Purchase of tangible asset	598	-
	Purchase of raw materials	4,110	-
AMHPL	Expense incurred by related parties	138	-
APL	Expense incurred on behalf of the company	10,814	-
	Management fee	5,211	-
	Purchase of tangible asset	62	-
	Service Received	812	-
	Financial guarantee received	12,740	-
	Equity share capital issued	421,928	
ASEZ	Expense incurred by related parties	52	3,518

	Service Received	33,506	143
	Lease rent for factory building	17,520	-
	Security deposit paid	9,247	65,597
ASMIPL	Expense incurred by related parties	526	814
	Financial guarantee received	12,740	-
KTMPL	Expense incurred by related parties	5	-
	Expense incurred on behalf of related parties	11,880	-
	Purchase of raw materials	896	-
	Investment in Equity Instruments	194,900	80,100
	Subcontracting Expenses	1,786	-
KTTPL	Expense incurred on behalf of related parties	72	-
	Investment in Equity Instruments	-	40,100
MFRE	Financial guarantee received	12,740	-

29 Related party disclosures (continued)

C Balance as at the year end

Name	Nature of balances	As at March 31, 2023	As at March 31, 2022
KTTPL	Investment in Equity Instruments	40,100	40,100
KTMPL	Investment in Equity Instruments	275,000	80,100
AREPL	Investment in Equity Instruments	74	74
AEPPL	Dues from related parties	42	-
AEPPL	Dues to related parties	5,495	-
AEPPL	Trade payables	864	-
AEPPL	Trade receivables	7	-
AFCPPL	Trade payables	3,800	-
AMHPL	Dues to related parties	13	-
APL	Dues to related parties	14,105	-
APL	Trade payables	731	-
ASEZ	Dues to related parties	52	-
ASEZ	Trade payables	20,600	143
ASEZ	Security Deposit	74,845	65,597
ASMIPL	Dues to related parties	207	-
KTMPL	Dues from related parties	929	-
KTMPL	Dues to related parties	5	-
KTMPL	Trade payable	2,683	-
KTTPL	Dues from related parties	72	-

Notes:

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

b. Please refer Note 12 (i) for the corporate guarantees extended to the Company by the related parties against the borrowings taken by the Company.

c. All outstanding balances are unsecured and repayable in cash.

d. A letter of continuing financial support has been received from Aequs Private Limited.

e. There is no loss allowance for recievables in relation to any outstanding balances, and no loss allowances has been recognised during the year in respect of receivables due from related parties.

f. Remuneration paid to KMP includes perquisites evaluated as per Income tax rules and excludes provision for/contribution to gratuity and compensated absences, which are based on actuarial valuation done on an overall company basis.

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30 Segment information

(a) Description of segments and principal activities:

The Managing Director and Chief Operating officer of the Holding Company of the Group is 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 primarily engaged in contract manufacturing of plastic toys, and toys products which comprise 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	March 31, 2022
Outside India		
United Kingdom	3,058	-
The United States of America	23,851	-
In India	16,329	-
Total	**43,238**	-

The Company recognizes revenue from transfer of goods and services at a point of time and there are no contracts where revenue to be recognized over a period of time.

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

	March 31, 2023	March 31, 2022
EBITDA	(69,106)	(5,922)

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

Revenue from major customers are as follows:

Customer	March 31, 2023		March 31, 2022	
	Revenue	%	Revenue	%
Customer 1	23,851	55.16%	-	0.00%
Customer 2	10,572	24.45%	-	0.00%

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

31 Earnings per share

	March 31, 2023	March 31, 2022
(a) Nominal value of equity share	10	10
(b) Weighted average number of equity shares outstanding	43,499,655	1,812,521
(c) Loss attributable to the equity share holders used in calculating basic earnings per share	(114,348)	(5,831)
(d) Earnings per share - Basic	(2.63)	(3.22)

Diluted earning per share

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

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32 Financial Ratios

Ratio	Numerator	Denominator	March 31, 2023	March 31, 2022	Variance (%)	Reasons for variance
Current Ratio	Current Assets	Current Liabilities	0.72	29.17	-98%	Note 2
Debt-Equity Ratio	Total Debt	Shareholders' Equity	0.85	-	100%	Note 3
Debt Service Coverage Ratio (DSCR)	Earnings available for Debt Service	Debt Service	NA (EBITDA is negative)	NA	100%	Note 3
Return on Equity (ROE)	Profit/(Loss) after tax	Average Shareholders' Equity	-30%	-6%	427%	Note 4
Inventory Turnover Ratio	Revenue from operations	Average Inventory	4.96	NA	100%	Note 1
Trade Receivables Turnover Ratio	Credit Sales	Average Accounts Receivables	2.71	NA	100%	Note 1
Trade Payables Turnover Ratio	Credit Purchases	Average Trade Payables	1.47	NA	100%	Note 1
Net Capital Turnover ratio	Revenue from operations	Working Capital	(0.75)	NA	100%	Note 1
Net Profit Ratio	Loss after tax	Revenue from operations	-263%	NA	100%	Note 1
Return on Capital Employed (RoCE)	Earnings before interest and tax	Capital Employed	-9%	-3%	-6%	NA
Return on Investment	Earnings before interest and tax	Average Total Assets	-14%	-6%	137%	Note 5

Notes:

1. The commercial operations of the Company began during the current year, due to which there is increase in the ratio from previous period.
2. Current Ratio has improved due to increase in operations during the year resulting in increase in current assets.
3. There is increase in the current year since there were no debts in the previous period.
4. ROE has decreased due to increase in losses incurred and a corresponding increase in equity.
5. Return on Investment has decrease due to increase in losses incurred during the year.

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33 Net Debt Reconciliation

Particulars	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents	41,744	19,080
Borrowings (including current maturities and accrued interest)	(72,766)	-
Lease liabilities	(397,830)	-
Net debt	**(428,852)**	**19,080**

Particulars	Other assets	Liabilities from financing activities			Total
	Cash and cash equivalents	Lease liabilities	Non-current borrowings	Current borrowings	
Net debt as at August 6, 2021	-	-	-	-	-
Cashflows	19,080	-	-	-	19,080
Net debt as at March 31, 2022	**19,080**	-	-	-	**19,080**
Cashflows	22,664	-	-		22,664
Acquisition of new borrowings/ leases	-	(398,786)	(108,724)	18,128	(489,382)
Repayments	-	956	-	(18,128)	(17,172)
Interest expense	-	(16,564)	(3,790)	(290)	(20,644)
Interest paid	-	16,564	2,955	290	19,809
Non-cash adjustments:					
Unamortized loan processing fees	-	-	1,457	-	1,457
Unamortized financial guarantee expense	-	-	35,336	-	35,336
Net debt as at March 31, 2023	**41,744**	**(397,830)**	**(72,766)**	-	**(428,852)**

34 Assets pledged as security

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

Particulars	March 31, 2023
Current	
A. Financial assets:	
- Trade receivables	31,964
B. Non financial assets:	
- Inventories	17,446
Total current assets pledged as security	**49,410**
Non current	
A. Non financial assets:	
Plant and machinery	222,497
Office equipment	1,795
Computers	1,916
Total non-current assets pledged as security	**226,208**
Total assets pledged as security	**275,618**

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

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35 Deferred Tax Assets (Net)

A. Deferred tax recognition

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

Movement in the deferred tax asset / (liabilities) - Not Recognised

Particulars	As at August 6, 2021	Charge/(credit) to the statement of profit and loss	Charge/(credit) to the statement of other comprehensive income	As at March 31, 2022	Charge/(credit) to the statement of profit and loss	Charge/(credit) to the statement of other comprehensive income	As at March 31, 2023
Deferred Tax Asset/(Liabilities) :							
Property, plant & equipment , Intangible Asset	-	-	-	-	(2,047)	-	(2,047)
Right of use assets (net of lease liabilities)	-	-	-	-	(3,519)	-	(3,519)
Employment Benefit Obligation - Gratuity	-	2	-	2	148	-	150
Employee Benefit Obligation - Leave Encashment	-	2	-	2	224	-	226
Bonus	-	-	-	-	454	-	454
Unabsorbed Depreciation	-	-	-	-	2,935	-	2,935
Unabsorbed business loss	-	496	-	496	14,277	-	14,773
Other Items	-	-	-	-	395	-	395
Net Deferred Tax Asset	-	**500**	-	**500**	**12,867**	-	**13,368**
Deferred tax (Credit)/Charge for the year		-	-		-	-	

The Finance Act, 2001, has introduced, with effect from assessment year 2002-03 detailed Transfer Pricing 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. These 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 and this did not envisage any tax liability.

For the year ended March 31, 2023, the Company is in the process of carrying out a similar study to comply with the said transfer pricing regulations. However, based on the analysis of margins and considering that the terms of agreement with associated enterprises has not changed during the year, the Company is of the view that for the year ended March 31, 2023, the transactions with the said enterprises are on an arm's length basis

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

Particulars	Amount	Amount
Profit/(Loss) before income tax expense	(114,348)	(5,831)
Tax at the rate of 17.16% for 2023 and 17.16% for 2022	(19,622)	(1,001)
Expenses not allowed as deduction in computation of current tax	495	-
Income not chargeable to tax	(166)	-
Expenses on which DT not recognished in the current year	2,081	-
Deferred tax not recognized on unabsorbed business loss and unabsorbed depreciation for current year.	17,212	496
Others	-	505
Total tax expense/(income)	-	0

Company has not recognised the deferred tax asset in the absence of reasonable certainty supported by convincing evidence that sufficient future taxable income will be available for set-off.

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

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

	March 31, 2023	March 31, 2022
Within five years	-	-
Later than five years but less than ten years	86,091	2,889
No expiry	17,102	-

36 Additional regulatory information required by Schedule III

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

(ii) Willful defaulter: The Company has not been declared willful 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 year or previous financial period.

(vi) Utilisation of borrowed funds and share premium

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

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

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

(B) The Company has received the following funds from other entities (Funding Parties) with the understanding (whether recorded in writing or otherwise) that the Company shall lend or invest in other entities (Ultimate Benefeciaries) during the year ended March 31, 2023 for the purposes stated below:

Nature of amount	Funding Party	Amount	Ultimate Beneficiary	Purpose of further investment or lending
Investment	Aequs Private Limited	194,900	Koppal Toys Molding COE Private Limited	Business operations

(vii) There is no income surrendered or disclosed as income during the current year or previous period 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 year or previous period.

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

(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., Aerospace Manufacturing Holdings Private Limited, India which is not required to be registered with the Reserve Bank of India.

37 Interests 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 as at		Nature of business
				March 31, 2023	March 31, 2022	
Koppal Toys Tooling COE Pvt Ltd	India	Aequs Toys Private Limited	Subsidiary	100%	100%	Manufacture of Tooling
Koppal Toys Molding COE Pvt Ltd	India	Aequs Toys Private Limited	Subsidiary	100%	100%	Manufacture of Molding
Aequs Rajas Extrusion Pvt Ltd	India	Aequs Toys Private Limited	Joint Venture	26%	26%	Manufacture of Toys

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.

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AEQUS TOYS PRIVATE LIMITED

38 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)]	315,100	120,200
ii. Investments in joint venture [Refer Note 6(i)]	74	74
iii. Investments in others [Refer Note 6(i)]	-	-

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

40 Dues to micro and small enterprises

The details of dues to micro enterprises and small enterprises (MSME) as defined under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act') and disclosures pursuant to the MSMED Act are as follows:

		March 31, 2023	March 31, 2022
A.	Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end		
B.	Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
C.	Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
D.	Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
E.	Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
F.	Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
G.	Interest accrued and remaining unpaid at the end of the accounting year	-	-
H.	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act	-	-

41 Subsequent events

a. The Board has approved the increase of authorised share capital to ₹ 730,000 (73,000,000 equity shares of ₹10 each) in the Board of Directors' meeting held on April 17, 2023.

b. Pursuant to loan agreement dated April 21, 2023, the Company has availed unsecured loan of ₹ 83,000 at the interest rate of 12% p.a. from Aequs Private Limited (APL) to meet its business requirements. This agreement provided an option for conversion of such loan into equity shares at the option of the lender.
Subsequently, in May 2023, the Company, upon receipt of expression of willingness by the Lender (APL) to convert the unsecured loan into equity shares, has converted the loan amount of ₹ 82,999 into 7,757,000 equity shares issued at ₹ 10.70 per share and to repay balance principal amount of ₹ 0.1.

c. Pursuant to the share purchase agreement dated May 26, 2023, the Company has purchased 21,016 equity shares of Aequs Rajas Extrusion Private Limited (AREPL) from Mrs. Sheetal Sanjay Wagh (Co-Venturer) for a consideration of ₹0.1. Further, the Company has also executed an agreement dated May 26, 2023 to terminate the original Joint Venture agreement dated May 8, 2021, resulting in AREPL becoming a wholly owned subsidiary of the Company.

42 The financials statements were approved for issue by the Board of Directors on August 10, 2023.

For Price Waterhouse Chartered Accountants LLP	**For and on behalf of the Board of Directors**		
Firm Registration Number : 012754N/N500016			
Prashant			Bang
Prashant Kabra	Suraj Hukkeri	Harish Bang	Smita H Bang
Partner	Director	Director	Company Secretary
Membership No.: 217667	DIN-09536262	DIN-08383723	M No- A45081
Place: Bengaluru	Place: Belagavi	Place: Belagavi	Place: Belagavi
Date: August 10, 2023	Date: August 10, 2023	Date: August 10, 2023	Date: August 10, 2023