

**Financial statements**

**Of**

**Koppal Toys Molding COE Private Limited**

**For the Year ended**

**31<sup>st</sup> March 2024**

## **Koppal Toys Molding COE Private Limited**

**CIN - U29253KA2013PTC067804**

<b>Registered Office</b>	No 55, Whitefield Main Road, Mahadevapura Post, Bengaluru, Karnataka, India-560048.
<b>Directors</b>	<b>Harish Bang</b> (DIN: 08383723)  <b>Dinesh Iyer</b> (DIN: 09515485)
<b>Company Secretary</b>	Smita Bang
<b>Statutory Auditors</b>	<b>K. G. Acharya &amp; Co.,</b> Chartered Accountants, No. 14, Girls School Street, Kumarapark West, Seshadripuram, Bangalore-20 Karnataka, India

## **INDEPENDENT AUDITOR'S REPORT**

*To The Members of Koppal Toys Molding COE Private Limited*

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the Financial Statements of Koppal Toys Molding COE Private Limited, ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, the Statement of Cash Flow for the year then ended, and notes to the financial statement including a summary of the material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('The Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024 and its loss, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified U/s 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 ("ICAI") 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 ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Information other than the financial statements and auditors' report thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report but does not include the financial statements and our auditor's report thereon. The Board's report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will 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 identified above when it becomes available 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.

When we read the Board's report if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.



## Responsibilities of Management for the Financial Statements.

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 and cash flows of the company in accordance with the Accounting Standards specified under Section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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 Responsibility for the Audit of the Financial Statements

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

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

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in





- (i) Planning the scope of our audit work and in evaluating the results of our work; and
- (ii) To evaluate the effect of any identified misstatements in the financial statements.

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

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

### Other Matter

Corresponding figures for the year ended March 31, 2023 have been audited by another auditor who expressed an unmodified opinion dated June 20, 2023 on the financial statements of the Company for the year ended March 31, 2023.

Our opinion on the financial statements is not modified in respect of the above matter.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of 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.
2. 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 Change in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid financial statements comply with the Ind AS as specified under Section 133 of the Act.
  - e. On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2024 from being appointed as a director in terms of Sec. 164(2) of the Act.
  - f. Reporting on adequacy of Internal Financial Controls with reference to Financial Statements and the operating effectiveness of such controls under section 143(3)(i) is not applicable to the Company vide exemption Notification G.S.R.583(E) dated 13.06.2017.
  - 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 did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.



iv.

- a. The management has represented that, to the best of it's knowledge and belief, as disclosed in Notes to 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;
- b. The management has represented, that, to the best of it's knowledge and belief, as disclosed in Notes to accounts, no funds (which are material either individually or in the aggregate) 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; and
- c. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (a) and (b) above, contain any material misstatement.

v. The Company has not declared or paid dividends during the year under review, and hence reporting on compliance with section 123 of the Companies Act, 2013 is not applicable.

vi. Based on our examination carried out in accordance with the Implementation Guide on Reporting on Audit Trail under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, (Revised 2024 Edition) issued by ICAI, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

Bangalore

02/09/24

For M/s. K G Acharya & Co.,

Chartered Accountants

FRN 008019S

Chirag Aggarwal  
Partner

M. No. 243971

UDIN: 24243971BKCOSG4038

**'Annexure – A' to the Independent Auditor's Report of even date on the Financial Statements of Koppal Toys Molding COE Private Limited.**

**In terms of the information and explanations sought by us and given by the company and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we report the following:**

**i.**

- (a) (A) The company has maintained reasonable records showing full particulars including quantitative details and situation of Property, plant & Equipment.
- (B) The company has maintained reasonable records showing full particulars of Intangible Assets.
- (b) The Property, Plant & Equipment are physically verified by the Management according to a phased program 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 nature of its assets. Pursuant to programme, a portion of the Property, Plant and Equipment has been physically verified by the management during the year and no material discrepancies has been noticed on such verification.
- (c) The company has no immovable properties shown under the Property, Plant & Equipment schedule and therefore Paragraph 3(i)(c) of the order is not applicable.
- (d) The company has not revalued its Property, Plant and Equipment and intangible assets during the year and therefore Paragraph 3(i)(d) of the order is not applicable.
- (e) Based on our audit procedures, we report that no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

**ii.**

- (a) The inventories have been physically verified by the management at reasonable intervals during the year. In our opinion, the coverage and procedure of such verification is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed at the time of verification.
- (b) The Company has not been sanctioned working capital limits in excess of Rs. 5 Crore, in aggregate, at any point of time of the year, from banks / financial institutions on the basis of security of current assets and therefore Paragraph 3(ii)(b) of the order is not applicable to the company.



iii.

During the year, the Company has not made any investments in, provided any guarantee or security, or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties, and therefore Paragraph 3(iii) of the order is not applicable to the company.

iv.

The company has not given any loans / investments / guarantees to which the provisions of section 185 and section 186 of the Act apply.

v.

The company has not accepted any deposits or amounts which are deemed to be deposits to which the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder, and the directions issued by the RBI are applicable. Hence paragraph 3 (v) of the order is not applicable to the company.

vi.

The central government has not prescribed maintenance of cost records u/s 148(1) of the Act for any of the products / services of the company. Thus paragraph 3(vi) of the order is not applicable to the company

vii.

(a) Undisputed statutory dues including Goods and Services Tax, PF, ESI, income-tax, sales-tax, service tax, duty of custom, duty of excise, VAT, Cess have been regularly deposited with the appropriate authorities.

(b) There are no statutory dues referred to in (a) above which have not been deposited on account of any dispute.

viii.

Based on our audit procedures, there were no instances of transactions not recorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

ix.

(a) We are of the opinion that the company has not defaulted in repayment of loans or other borrowings and in payment of interest thereon to any lender.

(b) The company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) The company has not availed any term loans and therefore paragraph 3(ix)(c) of the order is not applicable to the company.

(d) 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) 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, associates or joint ventures.

(f) The company has not raised loans any during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies and therefore paragraph 3(ix)(f) of the order is not applicable to the company.

x.

(a) The Company is a Private Limited company, and the provisions of Initial Public Offer or Further Public Offer are not applicable to it. Paragraph 3(x)(a) of the order is therefore not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares or Convertible Debentures during the year and therefore Paragraph 3(x)(b) of the Order is not applicable to the Company.

xi.

(a) Based upon the audit procedures performed, we report that no fraud by the company or no fraud on the Company has been noticed or reported during the course of our audit and therefore Paragraph 3(xi)(a) of the Order is not applicable to the Company.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

(c) As represented to us by the management, there were no whistle blower complaints received by the company during the year.

xii.

The company is not a Nidhi Co. and therefore Paragraph 3(xii) of CARO is not applicable to the company.

xiii.

All the Related Party Transactions entered into by the Company during the year are in compliance with the provisions Section 188 of the Act and the details thereof have been disclosed in the Financial Statements as required by the Indian Accounting standard 24 "Related party disclosures". Further, in our opinion, the provisions of section. 177 of the Act are not Applicable as the Company is a Private Limited Company.

xiv.

In our opinion and based on our examination, the company does not have an internal audit system as it is not required to have an internal audit system as per provisions of the Companies Act 2013.

xv.

The Company has not entered into any non-cash transactions with directors or persons connected with him as stipulated u/s. 192 of the Act. Paragraph 3(xv) of the Order is therefore not applicable to the Company.



**xvi.**

- (a) The Company is not required to be registered u/s 45-IA of the Reserve Bank of India Act, 1934. Paragraph 3(xvi)(a) of the Order is therefore not applicable to the Company.
- (b) Based on our Audit procedures, we are of the opinion that the company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of Indian Act, 1934.
- (c) Based on our audit procedures, we are of the opinion that company is a not a core investment company (CIC) as defined in the regulations made by the Reserve Bank of India. Paragraph 3(xvi) (c) and (d) of the Order is therefore not applicable to the Company.
- (d) Based on the information and explanations provided by the management of the Company, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions,2016) has one CIC as part of the group as detailed in Note 35(xiv) to the financial statements.

**xvii.**

The company has incurred cash losses during the financial year of Rs. 67,219 thousand and of Rs. 28,793 thousand in the immediately preceding financial year.

**xviii.**

The previous Statutory auditors of the Company resigned during the year under Audit. However, no issues, objections or concerns were raised by the outgoing auditors.

**xix.**

According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization 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.

- (a) 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.

Date 02/09/2024  
Place: Bangalore

For M/s. K G Acharya & Co.,  
Chartered Accountants

FRN 008019S

*Chirag*  
Chirag Aggarwal

Partner

M. No. 243971



CIN: U36999KA2021PTC150753

### Balance Sheet as at March 31, 2024

(All amounts are in ₹ (in thousand) unless otherwise stated)

		As at	As at
	Notes	March 31, 2024	March 31, 2023
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	2,42,244	2,63,153
Intangible assets	5(i)	-	18
Right of use assets	5(ii)	3,29,566	3,04,533
Financial assets			
Other financial assets	6 (iv)	25,006	23,587
Current tax assets	7	373	5
Other non-current assets	8	6,673	8,299
		<b>6,03,862</b>	<b>5,99,595</b>
<b>Current assets</b>			
Inventories	9	4,471	1,827
Trade receivables	6 (i)	2,909	2,719
Cash and cash equivalents	6 (ii)	2,765	23,189
Other bank balances	6 (iii)	14,204	-
Other financial assets	6 (iv)	-	41
Other current assets	8	1,003	720
		<b>25,352</b>	<b>28,496</b>
<b>Total assets</b>		<b>6,29,214</b>	<b>6,28,091</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	10	4,26,176	2,71,593
Other equity			
Reserves and surplus	11 (i)	(2,03,935)	(58,520)
Other reserves	11 (ii)	1,06,501	4,095
<b>Total equity</b>		<b>3,28,742</b>	<b>2,17,168</b>
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	12 (i)	-	23,989
Lease liabilities	12 (ii)	2,50,983	2,87,169
Employee benefit obligations	13	342	-
		<b>2,51,325</b>	<b>3,11,158</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	12 (i)	4,046	835
Lease liabilities	12 (ii)	5,556	11,132
Trade payables			
(a) total outstanding dues of micro and small enterprises		-	-
(b) total outstanding dues of creditors other than micro and small enterprises	12 (iii)	19,882	26,720
Other financial liabilities	12 (iv)	18,749	59,650
Employee benefit obligations	13(ii)	367	-
Other current liabilities	13(i)	546	1,428
		<b>49,147</b>	<b>99,765</b>
<b>Total liabilities</b>		<b>3,00,472</b>	<b>4,10,923</b>
<b>Total equity and liabilities</b>		<b>6,29,214</b>	<b>6,28,091</b>

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

As per the Balance Sheet referred to in our report of even date

For M/s K G Acharya & Co.,

## Chartered Accountants

Firm Registration Number: 0080198

Chirag Aggarwal  
Partner

Membership No.: 243971

Place: Bengaluru

Date: 02/09/24

For and on behalf of the Board of Directors of  
Koppal Toys Molding COE Private Limited

Dinesh Iyer  
Director

DIN-09515485

Place: Belagavi

Date: 02/09/24

Harish Bang  
Director

DIN-08383723

Place: Belagavi

Date: 02/09/24

Smita Bang

Company Secretary

M No: A45081

Place: Belagavi

Date: 02/09/2023





**Koppal Toys Molding COE Private Limited**  
**Statement of Profit and Loss for the year ended March 31, 2024**  
*(All amounts are in ₹ (in thousand) unless otherwise stated)*

CIN: U36999KA2021PTC150753

	Notes	Year ended March 31, 2024	Year ended March 31, 2023
<b>Income</b>			
Revenue from operations	14	19,006	2,719
Other income	15	10	-
<b>Total income (A)</b>		<b>19,016</b>	<b>2,719</b>
<b>Expenses</b>			
Cost of materials consumed	16	1,074	1,035
Changes in inventories of work in progress and finished goods	17	(1,103)	-
Employee benefits expenses	18	12,895	764
Other expenses	19	29,864	26,699
<b>Total Expenses (B)</b>		<b>42,730</b>	<b>28,498</b>
<b>Loss before interest, tax, depreciation and amortisation (A-B)</b>		<b>(23,714)</b>	<b>(25,779)</b>
Depreciation and amortisation expense	20	70,714	23,545
Finance income	21	(1,789)	(4,567)
Finance cost	22	56,527	14,202
<b>Loss before tax</b>		<b>(1,49,166)</b>	<b>(58,959)</b>
Income tax expense		-	-
- Current tax		-	-
- Deferred tax		-	-
Total tax expense		-	-
<b>Loss for the year</b>		<b>(1,49,166)</b>	<b>(58,959)</b>
<b>Other comprehensive income</b>			
<b>Items that will be reclassified to profit or loss in subsequent period</b>			
- Remeasurements (gain)/loss on defined benefit obligations		118	-
- Income tax effect to these items		-	-
<b>Other comprehensive income for the year, net of tax</b>		<b>118</b>	<b>-</b>
<b>Total comprehensive loss for the year</b>		<b>(1,49,284)</b>	<b>(58,959)</b>
Earnings per share - Basic [Nominal value per share: ₹ 10 (March 31, 2022: ₹10)]			
Basic and diluted	30	(4.69)	(0.65)

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 M/s K G Acharya & Co.,  
Chartered Accountants  
Firm Registration Number: 008019S

Chirag Aggarwal  
Partner  
Membership No.: 243971  
Place: Bengaluru  
Date: 02/09/24



For and on behalf of the Board of Directors of  
Koppal Toys Molding COE Private Limited

Dinesh Iyer      Harish Bang      Smita Bang  
Director      Director      Company Secretary  
DIN-09515485      DIN-08383723      M No: A45081  
Place: Belagavi      Place: Belagavi      Place: Belagavi  
Date: 02/09/24      Date: 02/09/24      Date: 02/09/24



## Statement of Changes in Equity for the year ended March 31, 2024

(All amounts are in ₹ (in thousand) unless otherwise stated)

## A. Equity share capital

	Amount
Balance as at March 31, 2022	80,100
Changes in equity share capital	1,91,493
Balance as at March 31, 2023	2,71,593
Changes in equity share capital	1,54,583
Balance as at March 31, 2024	4,26,176

## B. Other equity

	Retained earnings		Other reserves	Total other equity
	Retained earnings	Securities premium reserve		
Balance as at March 31, 2022	(1,903)	-	-	(1,903)
Loss for the year	(58,959)			(58,959)
Premium on issue of equity shares		3,407		3,407
Share issue expenses		(1,065)		(1,065)
Finance guarantee received during the year			4,095	4,095
Total comprehensive loss for the year	(58,959)	2,342	-	(52,522)
Balance as at March 31, 2023	(60,862)	2,342	4,095	(54,425)
Loss for the year	(1,49,166)			(1,49,166)
Other comprehensive income/loss for the year*	(118)			(118)
Premium on issue of equity shares		5,418		5,418
Share issue expenses		(1,550)		(1,550)
Finance guarantee received during the year			1,02,406	1,02,406
Total comprehensive loss for the year	(1,49,284)	3,868	-	(43,010)
Balance as at March 31, 2024	(2,10,145)	6,210	1,06,501	(97,434)

\*Re-measurement of defined benefit obligations

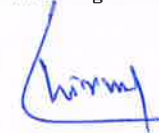
The accompanying notes are an integral part of these financial statements

This is statement of changes in equity referred to in our report of even date

For M/s K G Acharya &amp; Co.,

Chartered Accountants

Firm Registration Number: 008019S



Chirag Aggarwal

Partner

Membership No.: 243971

Place: Bengaluru

Date: 02/09/24



For and on behalf of the Board of Directors of

Koppal Toys Molding COE Private Limited



Dinesh Iyer

Director

DIN-09515485

Place: Belagavi

Date: 02/09/24



Harish Bang

Director

DIN-08383723

Place: Belagavi

Date: 02/09/24



Smita Bang

Company Secretary

M No: A45081

Place: Belagavi

Date: 02/09/24



**Koppal Toys Molding COE Private Limited**  
**Cashflow Statement for the year ended March 31, 2024**  
*(All amounts are in ₹ (in thousand) unless otherwise stated)*

CIN: U36999KA2021PTC150753

	March 31, 2024	March 31, 2023
<b>Cash flow from operating activities</b>		
Loss before income tax	(1,49,284)	(58,959)
<b>Adjustments for:</b>		
Depreciation and amortisation expense	70,714	23,545
Unrealized foreign exchange loss (net)	464	2,435
Interest income	(370)	(54)
Finance cost	41,599	14,202
Unwinding of discount on security deposits	(1,419)	(4,513)
Finance guarantee expense	14,928	-
<b>Change in operating assets and liabilities</b>	<b>(23,368)</b>	<b>(23,344)</b>
(Increase)/decrease in		
- trade receivables	(190)	(2,719)
- inventories	(2,644)	(1,827)
- other financial assets	5,540	7,306
- other current assets	(13,580)	(13,037)
- trade payables	(7,302)	24,136
- other financial liabilities	(24,714)	1,13,463
- other liabilities	(882)	1,404
- Employee benefit obligations	709	-
<b>Cash generated from operations</b>	<b>(66,430)</b>	<b>1,05,378</b>
Income taxes (paid)/refund (net)	(373)	(5)
<b>Net cash outflow from operating activities (A)</b>	<b>(66,803)</b>	<b>1,05,373</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment and intangible assets	(29,207)	(3,18,667)
Investment in bank deposits	(14,204)	-
Interest received	370	54
<b>Net cash outflow from investing activities (B)</b>	<b>(43,041)</b>	<b>(3,18,613)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	1,54,583	1,94,900
Share issue expenses	-	(1,065)
Proceeds from external borrowings	(24,824)	30,179
Proceeds from related party borrowings	4,000	21,000
Repayment of related party borrowings	0	(21,000)
Repayment of external borrowings	-	(607)
Principal elements of lease payments	(37,924)	(13,111)
Interest paid	(6,415)	(1,784)
<b>Net cash inflow from financing activities (C)</b>	<b>89,420</b>	<b>2,08,518</b>
<b>Net increase (decrease) in cash and cash equivalents [(A)+(B)+(C)]</b>	<b>(20,423)</b>	<b>(4,722)</b>
Cash and cash equivalents at the beginning of the year	23,189	27,913
Effects of exchange rate changes on cash and cash equivalents	-	-
<b>Cash and cash equivalents at end of the year (Refer Note no :6 (ii))</b>	<b>2,765</b>	<b>23,189</b>

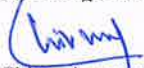


Koppal Toys Molding COE Private Limited  
Cashflow Statement for the year ended March 31, 2024  
(All amounts are in ₹ (in thousand) unless otherwise stated)

	March 31, 2024	March 31, 2023
Non cash financing and investing activities		
Addition of right of use asset	63,432	3,20,504
Cash and Bank Balances as per above comprise of the following:		
Balances with banks:		
- on current accounts	2,765	23,189
Total	2,765	23,189
Summary of significant accounting policies	3.1	

The accompanying notes are integral part of the standalone financial statements  
This is the statement of cash flows referred to in our report of even date

For M/s K G Acharya & Co.,  
Chartered Accountants  
Firm Registration Number: 008019S

  
Chirag Aggarwal  
Partner

Membership No.: 243971

Place: Bengaluru

Date: 02/09/24



For and on behalf of the Board of Directors of  
Koppal Toys Molding COE Private Limited

  
Dinesh Iyer  
Director

DIN-09515485

Place: Belagavi

Date: 02/09/24

  
Harish Bang  
Director

DIN-08383723

Place: Belagavi

Date: 02/09/24

  
Smita Bang  
Company Secretary

M No: A45081

Place: Belagavi

Date: 02/09/24





## Koppal Toys Molding COE Private Limited

### Notes to financial statements as at March 31, 2024

(All amounts are in ₹ (in thousand) unless otherwise stated)

#### 1. Background

Koppal Toys Molding COE Private Limited ('the Company') was incorporated on August 16, 2021 (Corporate Identity Number (CIN): U36999KA2021PTC150753) under the Companies Act 2013, in India, as a wholly owned subsidiary of Aequs Toys Private Limited ('ATPL'). The Company is engaged in the business of contract manufacturing moulded parts, using injection moulding machines, especially for toys industries. It is expected to deploy various automation technologies to deliver high volumes and high precision moulding, being carried out from Aequs Special Economic Zone ('Aequs SEZ') at Kukanoor, Koppal.

On January 10, 2022, the Company obtained approval from the Office of Cochin Special Economic Zone, Development Commissioner, Government of India to carry on the operations relating to manufacture and export of moulded parts under SEZ unit. The commercial operations of the Company started on January 21, 2023.

#### 2. Summary of significant accounting policies

##### a) Basis of preparation

###### (i) Compliance with Ind AS

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

###### (ii) Historical cost convention

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

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

###### (iii) Going concern assumption

The company has incurred a total comprehensive loss of ₹ (149,284) [March 31, 2023: ₹ (58,959)] for the year ended March 31, 2024. The company's accumulated loss and net worth are ₹ (203,935) [March 31, 2023: ₹ (58,520)] and ₹ 328,742 [March 31, 2023: ₹ 217,168] 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, 2024.

###### (iv) Rounding off norms adopted by the Company

All amounts disclosed in the financial statements and notes have been rounded to nearest thousands as per the requirement of Schedule III of Companies Act, 2013, unless otherwise stated. Amount mentioned as "0" in the financial statements denote amounts rounded-off, being less than ₹ 5 thousand.

##### 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 Aequs Private Limited (APL). 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 no. 27 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



**Koppal Toys Molding COE Private Limited**

**Notes to financial statements as at March 31, 2024**

*(All amounts are in ₹ (in thousand) unless otherwise stated)*

translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Foreign exchange differences in respect of borrowings are presented in the **statement** of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the **statement** of profit and loss on a net basis within other income.

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

**d) Revenue from contract with customers**

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

***Sale of goods***

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally as per the Inco terms. Revenue is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of returns and discounts to customers. The Company does not expect to have any contracts where the period between the transfer of goods or services to the customer and payment by the customer exceeds one year. Accordingly, the Company does not adjust any of the transaction prices for time value of money.

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

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

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

***Sale of services***

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

**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.



**Koppal Toys Molding COE Private Limited**  
**Notes to financial statements as at March 31, 2024**

*(All amounts are in ₹ (in thousand) unless otherwise stated)*

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences, 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. 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.

**Minimum alternate tax (MAT)**

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

**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.





**Koppal Toys Molding COE Private Limited**

**Notes to financial statements as at March 31, 2024**

*(All amounts are in ₹ (in thousand) unless otherwise stated)*

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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

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

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the company, is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

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

**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 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, traded and finished goods.***

Raw materials and stores, work in progress, traded and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials and traded goods comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. 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.





**Koppal Toys Molding COE Private Limited**

**Notes to financial statements as at March 31, 2024**

*(All amounts are in ₹ (in thousand) unless otherwise stated)*

**k) 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.

**(i) 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 are recognised at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value on initial recognition.

**(ii) Subsequent measurement**

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

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

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

**(iii) Impairment of financial assets**

The Company assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 24 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.



**Koppal Toys Molding COE Private Limited****Notes to financial statements as at March 31, 2024***(All amounts are in ₹ (in thousand) unless otherwise stated)*

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

**(v) Income recognition**

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

**(vi) Offsetting Financial Instruments**

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

**I) Property, plant and equipment**

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

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

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

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

**Depreciation methods estimated useful lives and residual value.**

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

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

The useful lives have been determined based on technical evaluation done by the management which are lower than those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets.

The residual values are not more than 5% of the original cost of the asset. The assets' residual values, useful lives and depreciation methods are reviewed and adjusted prospectively if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount.



**Koppal Toys Molding COE Private Limited**  
**Notes to financial statements as at March 31, 2024**

*(All amounts are in ₹ (in thousand) unless otherwise stated)*

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.

**m) Intangible assets**

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

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

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

**n) 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.

**o) 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.

**p) Borrowings**

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

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

**q) Borrowing costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.





**Koppal Toys Molding COE Private Limited**

**Notes to financial statements as at March 31, 2024**

*(All amounts are in ₹ (in thousand) unless otherwise stated)*

**r) Financial guarantee contracts**

Financial guarantees provided for no compensation by the joint venturers 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.

**s) 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.

**t) 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.

**u) 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 judgements is included in the relevant notes together with information about the basis of calculation for each affected line in the financial statements.

Areas involving significant judgements are as below:

Estimation of deferred tax expense/credit.

Useful life of Property, plant and equipment and intangible assets.

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.





**Koppal Toys Molding COE Private Limited**  
**Notes to financial statements for the year ended March 31, 2024**  
*(All amounts are in ₹ (in thousand) unless otherwise stated)*

CIN: U36999KA2021PTC150753

**4 Property, plant and equipment**

	Office equipment	Leasehold improvements	Plant and machinery	Computers	Total
<b>Cost</b>					
At March 31, 2022	-	-	-	-	-
Additions	3,096	-	2,62,095	5,529	2,70,720
Disposals	-	-	-	-	-
At March 31, 2023	3,096	-	2,62,095	5,529	2,70,720
Additions	104	-	11,030	254	11,388
Disposals	-	-	-	-	-
At March 31, 2024	3,200	-	2,73,125	5,783	2,82,108
<b>Depreciation</b>					
At March 31, 2022	-	-	-	-	-
Charge for the year	245	-	6,900	422	7,567
Disposals	-	-	-	-	-
At March 31, 2023	245	-	6,900	422	7,567
Charge for the year	1,090	-	29,399	1,808	32,297
Disposals	-	-	-	-	-
At March 31, 2024	1,335	-	36,299	2,230	39,864
<b>Net Block</b>					
At March 31, 2022	-	-	-	-	-
At March 31, 2023	2,851	-	2,55,195	5,107	2,63,153
At March 31, 2024	1,865	-	2,36,826	3,553	2,42,244



**Koppal Toys Molding COE Private Limited**  
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*(All amounts are in ₹ (in thousand) unless otherwise stated)*

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**5(i) Intangible assets**

	<b>Computer Software</b>	<b>Total</b>
<b>Cost</b>		
At March 31, 2022	-	-
Additions	24	24
Disposals	-	-
At March 31, 2023	24	24
Additions	-	-
Disposals	-	-
At March 31, 2024	24	24
<b>Amortization</b>		
At March 31, 2022	-	-
Charge for the year	6	6
Disposals	-	-
At March 31, 2023	6	6
Charge for the year	18	18
Disposals	-	-
At March 31, 2024	24	24
<b>Net Block</b>		
At March 31, 2022	-	-
At March 31, 2023	18	18
At March 31, 2024	-	-

**5(ii) Right of use assets**

	<b>Premises</b>	<b>Total</b>
<b>Cost</b>		
At March 31, 2022	-	-
Additions	3,20,504	3,20,504
Disposals	-	-
At March 31, 2023	3,20,504	3,20,504
Additions	63,432	63,432
Disposals	-	-
At March 31, 2024	3,83,936	3,83,936
<b>Depreciation</b>		
At March 31, 2022	-	-
Additions	15,971	15,971
Disposals	-	-
At March 31, 2023	15,971	15,971
Additions	38,399	38,399
Disposals	-	-
At March 31, 2024	54,370	54,370
<b>Net Block</b>		
At March 31, 2022	-	-
At March 31, 2023	3,04,533	3,04,533
At March 31, 2024	3,29,566	3,29,566

There are no Intangibles under development as on March 31, 2024 and March 31, 2023.



	March 31, 2024	March 31, 2023
<b>6 Financial assets</b>		
(i) Trade receivables		
Trade receivables from contract with customers - billed	1,802	-
Trade receivables from contract with customer - related parties (refer note 25)	1,107	2,719
<b>Total receivables</b>	<b>2,909</b>	<b>2,719</b>
<b>Total trade receivables</b>	<b>2,909</b>	<b>2,719</b>
<b>Break-up of security details</b>		
Trade Receivables, considered good - unsecured	2,909	2,719
<b>Total trade receivables</b>	<b>2,909</b>	<b>2,719</b>

**Aging of trade receivables as at March 31, 2024**

	Unbilled	Not due	Outstanding for following periods from the due date					Total
			Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables								
Considered good	-	777	2,132	-	-	-	-	2,909
Which have significant increase in credit risk	-	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-	-
Undisputed Trade receivables								
Considered good	-	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-	-
<b>Total</b>	-	777	2,132	-	-	-	-	2,909
Less: loss allowance	-	-	-	-	-	-	-	-
<b>Total trade receivables</b>	-	777	2,132	-	-	-	-	2,909

**Aging of trade receivables as at March 31, 2023**

	Unbilled	Not due	Outstanding for following periods from the due date					Total
			Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables								
Considered good	-	557	2,162	-	-	-	-	2,719
Which have significant increase in credit risk	-	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-	-
Undisputed Trade receivables								
Considered good	-	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-	-
<b>Total</b>	-	557	2,162	-	-	-	-	2,719
Less: loss allowance	-	-	-	-	-	-	-	-
<b>Total trade receivables</b>	-	557	2,162	-	-	-	-	2,719



March 31, 2024 March 31, 2023

## (ii) Cash and cash equivalents

Cash on hand

Balances with banks:

- on current accounts

2,765 23,189

2,765 23,189

## (iii) Other bank balances

Deposits with original maturity of more than 3 months but less than 12 months

14,000 -

Interest accrued on deposits

204 -

14,204 -

## (iv) Other financial assets

Non current

(Unsecured considered good)

Security Deposits

25,006 23,587

25,006 23,587

Current

(Unsecured considered good)

Dues from related parties (refer note 27)

- 41

- 41

## 7 Current tax assets

Advance income tax (tax deducted/collected at source)

373 5

373 5

## Other assets

## 8 Non current

(Unsecured, considered good)

Capital advances

4,359 5,990

Prepaid expenses

2,314 2,309

6,673 8,299

Current

(Unsecured, considered good)

Advance to suppliers

401 -

Prepaid expenses

602 720

1,003 720

## Inventories

## 9 Raw materials

1,599 440

Finished goods

1,103 -

Stores and spares

1,769 1,387

4,471 1,827

Less: Provision for slow moving stock

- -

4,471 1,827





## Notes to financial statements for the year ended March 31, 2024

(All amounts are in ₹ (in thousand) unless otherwise stated)

## 10 Equity share capital

## (i) Authorised equity share capital

As at March 31, 2022

Increase during the year

As at March 31, 2023

Increase during the year

As at March 31, 2024

No. of Shares	Amount
1,50,00,000	1,50,000
1,26,00,000	1,26,000
2,76,00,000	2,76,000
1,80,00,000	1,80,000
4,56,00,000	4,56,000

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

4,26,17,623 (March 2023 : 2,71,59,323) equity shares of ₹10 each fully paid up.

March 31, 2024	March 31, 2023
4,26,176	2,71,593
4,26,176	2,71,593

## (a) Movement in equity shares

	'March 31, 2024		'March 31, 2023	
	Numbers	Amount (₹)	Numbers	Amount (₹)
At the beginning of the year	2,71,59,323	2,71,593	80,10,000	80,100
Add: Issued and allotted during the year	1,54,58,300	1,54,583	1,91,49,323	1,91,493
	4,26,17,623	4,26,176	2,71,59,323	2,71,593

## (b) Terms &amp; rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 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 ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, equity share holders are eligible to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

## (c) Shares held by holding/ ultimate holding company

Out of equity shares issued by the company, shares held by its holding company, ultimate holding company are as below:

	March 31, 2024	March 31, 2023
Aequus Toys Pvt Ltd (ATPL)*	4,26,17,623	2,71,59,323

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

Name of the shareholder	'March 31, 2024		'March 31, 2023	
	Numbers	% of holding	Numbers	% of holding
Aequus Toys Pvt Ltd (ATPL)*	4,26,17,623	99.99%	2,71,59,323	99.99%

(e) There are no shares which are reserved for issue under options and no shares were issued for consideration other than cash.

## (f) Details of shareholding of promoters:

Name of the promoter	No. of shares		Percentage of no. of shares		Percentage of change during the year
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	
Aequus Toys Pvt Ltd (ATPL)*	4,26,17,623	2,71,59,323	99.99%	99.99%	NIL

\*Includes 1 equity share (March 31, 2023: 1 equity share) held by Ravi Hugar as nominee shareholder.



Koppal Toys Molding COE Private Limited  
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(All amounts are in ₹ (in thousand) unless otherwise stated)

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March 31, 2024 March 31, 2023

11 Other equity

(i) Reserves and surplus

Retained Earnings

Securities premium

(2,10,145) (60,862)

6,210 2,342

(2,03,935) (58,520)

(ii) Other reserves

Other reserves

1,06,501 4,095

1,06,501 4,095

(97,434) (54,425)

(a) Retained earnings

Opening Balance

(60,862) (1,903)

Loss for the year

(1,49,166) (58,959)

Items of other comprehensive income recognised directly in retained earnings :

- Remeasurement of post employment benefit obligations

(118)

Closing Balance

(2,10,145) (60,862)

(b) Securities premium

Opening Balance

2,342 -

Add: Premium received on shares issued during the year

5,418 3,407

Less: Share issue expenses

(1,550) (1,065)

Closing Balance

6,210 2,342

(c) Other reserves

Opening Balance

4,095 -

Add: Finance guarantee received during the year

1,02,406 4,095

Closing Balance

1,06,501 4,095

Note:

a) Other reserves represents fair value of financial guarantee received from Aequus Private Limited.



March 31, 2024 March 31, 2023

**12 Financial liabilities**

**(i) Borrowings**

**Non current**

Term loan from Bank (Indian rupee loan secured)

**Total non-current borrowings**

Less: Current maturities of term loan

Less: Interest accrued and not due on borrowings

**Non-current borrowings**

**Current**

**Loans repayable on demand**

Loans from related party (unsecured)

Current maturities of long-term borrowings

Interest accrued but not due on borrowings

**Total current borrowings**

	-	24,824
	-	24,824
	-	813
	-	22
	-	23,989
	4,000	-
	-	813
	46	22
	4,046	835

Refer note 33 for net debt reconciliation

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

**Note:**

**(a) Term loan from Bank - INR Loan**

Canara Bank: Term loan taken by the Company carried an interest at -Present RLLR 9.25% + 3%+0.4%. and repayable in 5 years monthly instalments (Including repayment holiday period of 12 months) and is secured by hypothecation of plant & machinery/equipments. M/s Aequs Private Limited provided corporate guarantee. However the loan was fully paid during the year.

**(b) OD against third party deposit (FCNR):** Over draft facility is secured primarily by Lien on FCNR deposit. Over draft facility carried an interest rate of 12.15% p.a.Facility is closed in Mar-23.

**(c) The company had availed unsecured loan repayable on demand from Aequs Force Consumer Products Private Limited (AFCPPL) at 12% ROI.**

**(ii) Lease liabilities**

**(a) Amounts recognised on the balance sheet**

Lease liabilities

Non-current

Current

	2,50,983	2,87,169
	5,556	11,132
	2,56,539	2,98,301

**(b) The following are the amounts recognised in the statement of profit and loss :**

Depreciation of right-of-use assets (refer note 20)

Interest expense on lease liabilities (refer note 22)

Finance guarantee expense on lease liability

	38,399	15,971
	35,184	12,393
	10,703	-



**Koppal Toys Molding COE Private Limited**
**Notes to financial statements for the year ended March 31, 2024**
*(All amounts are in ₹ (in thousand) unless otherwise stated)*
**March 31, 2024    March 31, 2023**
**(iii) Trade payables**

Trade payables

- Total outstanding dues of micro enterprises and small enterprises

- Trade payables to related parties (refer note 27)

- Others

-	-
15,957	22,168
3,925	4,552
<b>19,882</b>	<b>26,720</b>
<b>19,882</b>	<b>26,720</b>

**Aging of trade payables as at March 31, 2024**

Particulars	Unbilled	Not Due	Outstanding for the following periods from the transaction				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Dues - MSME	-	-	-	-	-	-	-
(ii) Undisputed Dues - Others	3,185	1,506	1,348	13,843	-	-	19,882
(iii) Disputed Dues - MSME	-	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-	-
<b>Total</b>	<b>3,185</b>	<b>1,506</b>	<b>1,348</b>	<b>13,843</b>	<b>-</b>	<b>-</b>	<b>19,882</b>

**Aging of trade payables as at March 31, 2023**

Particulars	Unbilled	Not Due	Outstanding for the following periods from the transaction				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Dues - MSME	-	-	-	-	-	-	-
(ii) Undisputed Dues - Others	4,070	-	22,602	48	-	-	26,720
(iii) Disputed Dues - MSME	-	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-	-
<b>Total</b>	<b>4,070</b>	<b>-</b>	<b>22,602</b>	<b>48</b>	<b>-</b>	<b>-</b>	<b>26,720</b>

Note : Due to the inherent functionality of the accounting application used by the company, the above ageing disclosures have been made based on the information based on transaction value.

**(iv) Other financial liabilities**
**Current:**

Capital creditors

- Others

- Related Party (refer note 27)

Employee benefits payable

Dues to related parties (refer note 27)

16,188	45,541
-	8,272
204	-
2,357	5,837
<b>18,749</b>	<b>59,650</b>

**13(i) Other current liabilities**

Statutory dues payable

546	1,428
<b>546</b>	<b>1,428</b>





## Balance Sheet as at March 31, 2024

(All amounts are in ₹ (in thousand) unless otherwise stated)

	March 31, 2024	March 31, 2023
--	----------------	----------------

## 13(ii) Employee Benefit Obligations

## Non current

Gratuity obligations	342	-
	<b>342</b>	<b>-</b>

## Current

Gratuity obligations	0	-
Leave Obligation	367	-
	<b>367</b>	<b>-</b>

## (i) Leave Obligations

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

The amount of provision of ₹367 (March 31, 2022: Nil) is presented as current, since the company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. Provision expected to be settled after 12 months from the balance sheet date is ₹283 (2023: Nil)

## (ii) Defined contribution plans

The Company has certain defined contribution plans in the form of provident fund and ESI for qualifying employees. The contributions are made to provident fund in India and to ESI scheme as per regulations. The contributions are made to registered provident fund and ESI 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 year towards defined contribution plan is as follows:

	As at March 31, 2024	As at March 31, 2023
Provident fund	79	-
Employees State Insurance (ESI)	2	-
	<b>81</b>	<b>-</b>

## (iii) Post employment obligations

## Gratuity

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

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

	As at March 31, 2024	As at March 31, 2023
Present value of unfunded defined benefit obligation	343	-
Defined benefit obligation recognised in balance sheet	<b>343</b>	<b>-</b>

(a) Total expenses recognised in the statement of profit and loss account (Note 18)	March 31, 2024	March 31, 2023
Current service cost	101	-
Interest cost	8	-
Interest Income	-	-
Past service cost	-	-
(Gain)/Loss due to settlements/curtailments	-	-
Unrecognised assets due to limit in para 59(B)	-	-
<b>Total amount recognised in statement of profit or loss</b>	<b>110</b>	<b>-</b>
(b) Amounts recognised in Other comprehensive Income		
(Gains)/losses arising from changes in		
- demographic assumptions	80	-
- financial assumptions	38	-
- experience adjustments	-	-
<b>Total amount recognised in other comprehensive income</b>	<b>118</b>	<b>-</b>



	March 31, 2024	March 31, 2023
	March 31, 2024	March 31, 2023
<b>Total amount recognised in statement of profit and loss and other comprehensive income (a+b)</b>	<b>227</b>	-
<b>(c) Changes in the defined benefit obligation during the year</b>		
<b>Obligations at the beginning of the year</b>		-
Current service cost	101	-
Past service cost		-
(Gain)/loss on settlements		-
Interest cost	8	-
Benefits payments from plan assets		-
Benefits paid	-	-
Settlements	115	-
Participant contributions		-
Acquisition / divestiture	-	-
Remeasurement (gains)/ losses		-
- arising from changes in demographic assumptions.	80	-
- arising from changes in financial assumptions.	38	-
- arising from changes in experience adjustments.	-	-
<b>Defined benefit obligation as of current year end</b>	<b>343</b>	-
<b>Recognized under employee benefit obligations:</b>		
Current	0	-
Non-current	342	-
<b>Total</b>	<b>343</b>	-
<b>(g) Actuarial Assumptions:</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>
Discount rate per annum	7.25%	-
Rate of increase in compensation levels	10%	-
Attrition rate	11% at younger ages and reducing to 1% at older ages according to graduated scale.	-
Normal retirement age	58 years	-
Mortality table	Indian Assured Lives Mortality (2012-14) Ult table	-

**Employee Benefits Obligations (Contd..)****Sensitivity Analysis**

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

Changes in assumption	March 31, 2024	March 31, 2023
<b>Discount Rate</b>		
a. Discount rate + 50 basis points impact (%)	-11.09%	-
b. Discount rate - 50 basis points	385.98	-
b. Discount rate - 50 basis points impact (%)	12.62%	-
<b>Salary increase rate</b>		
a. Rate + 50 basis points	384.63	-
a. Rate + 50 basis points impact (%)	12.23%	-
b. Rate - 50 basis points	305.44	-
b. Rate - 50 basis points impact (%)	-10.88%	-

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 is no change in the method from the previous period and the points/ percentage by which the assumptions are stressed are same to that in the previous year.

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.



March 31, 2024

March 31, 2023

**Maturity profile of the defined benefit obligations.**

b. Expected future cashflows (in Rs.) [Undiscounted]	March 31, 2024	March 31, 2023
Year 1	0.25	-
Year 2	0.29	-
Year 3	0.34	-
Year 4	0.40	-
Year 5	0.48	-
Year 6	0.56	-
Year 7	0.67	-
Year 8	0.80	-
Year 9	0.95	-
Year 10 and above	2,187.84	-
Weighted average duration of the defined benefit obligation in years	23.64 years	-

**Risk Exposure**

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

**(i) Market Risk (Discount Rate)**

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

**(ii) Longevity Risk**

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

**(iii) Annual Risk****Salary Increase Assumption**

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

**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.



**Koppal Toys Molding COE Private Limited**  
**Notes to financial statements for the year ended March 31, 2024**  
*(All amounts are in ₹ (in thousand) unless otherwise stated)*

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	March 31, 2024	March 31, 2023
<b>14 Revenue from operations</b>		
Revenue from contracts with customers	6,231	-
- Sale of finished products	-	896
- Sale of raw materials	12,775	1,823
- Sale of services	19,006	2,719
<b>15 Other income</b>		
Net foreign exchange gain	10	-
	10	-
<b>16 Cost of materials consumed</b>		
Opening stock	440	-
Add: Purchases during the year	2,233	1,475
	2,673	1,475
Less: Closing stock	1,599	440
Cost of raw materials consumed	1,074	1,035
<b>17 Changes in inventories of work in progress and finished goods</b>		
Stock at the end of the year (a)		
Work-in-progress	1,103	-
Finished goods	1,103	-
Purchase of FG during the year	-	-
Stock at the beginning of the year (b)	-	-
Work-in-progress	-	-
Finished goods	-	-
Change in inventories of work in progress and finished goods (b-a)	(1,103)	-





**Koppal Toys Molding COE Private Limited**  
**Notes to financial statements for the year ended March 31, 2024**  
*(All amounts are in ₹ (in thousand) unless otherwise stated)*

CIN: U36999KA2021PTC150753

	March 31, 2024	March 31, 2023
<b>18 Employee benefit expenses</b>		
Salaries, wages and bonus	11,819	714
Contribution to provident and other funds	81	-
Gratuity (refer note 13)	110	-
Leave compensation	359	-
Staff welfare expenses	526	50
	<u>12,895</u>	<u>764</u>
<b>19 Other expenses</b>		
Consumption of stores and spares	46	610
Outsourced manpower cost	5,105	183
Testing charges	282	-
Insurance	695	447
Power and fuel	11,786	6,502
Repairs and maintenance :		
Plant and machinery	13	-
Building	8,695	3,467
Others	184	29
Legal and professional fees	961	1,562
Payment to auditors [refer note (a) below]	403	450
Rent	122	1,644
Printing and stationery	-	3
Freight & forwarding	447	5
Rates and taxes	372	629
Travelling and conveyance	41	44
Net foreign exchange loss /(gain)	464	1,174
Bank charges	59	27
Miscellaneous expenses	190	85
	<u>29,865</u>	<u>26,699</u>
<b>a) Payments to auditors</b>		
As auditor:		
Audit fee	<u>403</u>	<u>450</u>
	<u>403</u>	<u>450</u>
<b>20 Depreciation and amortisation expense</b>		
Depreciation of property, plant and equipment [refer note 4]	32,297	7,568
Depreciation of right of use assets [refer note 5(ii)]	38,399	15,971
Amortisation of intangible assets [refer note 5(i)]	18	6
	<u>70,714</u>	<u>23,545</u>
<b>21 Finance income</b>		
Interest income from bank deposits	370	54
Interest income from loans and advances to related parties	-	-
Unwinding of discount on security deposit	1,419	4,513
Interest income on income tax refund	-	-
	<u>1,789</u>	<u>4,567</u>
<b>22 Finance cost</b>		
Interest expense on borrowings	5,519	70
Interest expense on intercompany loans (refer note 27)	214	1,729
Interest expense on lease liabilities (refer note 31)	35,184	12,393
Bank charges	682	3
Finance guarantee expense	14,928	7
	<u>56,527</u>	<u>14,202</u>



## 23 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'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, 2024	March 31, 2023
Long term borrowings	-	23,989
Short term borrowings	4,046	835
Lease liabilities	2,56,539	2,98,301
Cash and Bank balances	(2,765)	(23,189)
Net debt	2,57,820	2,99,936
Total equity	3,28,742	2,17,168
Net debt to equity ratio	0.78	1.38

**Note:**

(a) Please refer note no: 32 for reasons for the significant variance in the above ratio

(b) 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 number 32.

## 24 Commitments and contingent liabilities

	March 31, 2024	March 31, 2023
<b>(a) Capital commitments</b>		
Estimated amount of contracts remaining to be executed on capital account net of advances and not provided for:		
(i) Property, plant and equipment	-	9,417
(ii) Office & equipment	300	-
(iii) Tools & instruments	742	-
	1,042	9,417

**(b) Contingent liabilities**

There are no reportable contingent liabilities



## 25 Fair value measurement

### Financial instruments by category

		March 31, 2024	March 31, 2023
<b>Financial assets</b>			
Trade receivables	Amortized Cost	2,909	2,719
Cash and cash equivalents	Amortized Cost	2,765	23,189
Other financial assets	Amortized Cost	25,006	23,628
<b>Total financial assets</b>		<b>30,680</b>	<b>49,536</b>
<b>Financial liabilities</b>			
Trade payables	Amortized Cost	19,882	26,720
Lease liabilities	Amortized Cost	2,56,540	2,98,301
Borrowings (including current maturities)	Amortized Cost	4,046	24,824
Other financial liabilities	Amortized Cost	18,749	59,650
<b>Total financial liabilities</b>		<b>2,99,217</b>	<b>4,09,495</b>

### (i) Fair Value Hierarchy

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

(a) Recognized and measured at fair value

(b) Recognized and measured at amortized cost and for which fair values are disclosed in financial statements.

To provide an indication of the reliability of the inputs used in determining 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	March 31, 2024 Level 3	March 31, 2023 Level 3
<b>Financial assets</b>			
Trade receivables	6 (i)	2,909	2,719
Cash and cash equivalents	6 (ii)	2,765	23,189
Other financial assets	6 (iii)	25,006	23,628
<b>Total financial assets</b>		<b>30,680</b>	<b>49,536</b>
<b>Financial liabilities</b>			
Trade payables	12 (iii)	19,882	26,720
Lease liabilities	12 (ii)	2,56,540	2,98,301
Borrowings (including current maturities)	12 (i)	4,046	24,824
Other financial liabilities	12 (iv)	18,749	59,650
<b>Total financial liabilities</b>		<b>2,99,217</b>	<b>4,09,495</b>

**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.

### 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.

### Fair value of financial assets and liabilities measured at amortized cost

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

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.

### 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.





## 26 Financial risk management

The company's business activities exposes it to a variety of financial risks such as liquidity risk, credit risk and market risk. The company's senior management under the supervision of the Board of Directors has the overall responsibility for establishing and governing the company's risk management and have established policies to identify and analyse the risks faced by the company. They help in identification, measurement, mitigation and reporting all risks associated with the activities of the company. These risks are identified on a continuous basis and assesses for the impact on the financial performance. The below table 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, 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, security deposits received 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	Cash flow forecasting, sensitivity analysis	Natural hedging for receivables and payables
Market risk - Interest risk	Long-term and short-term borrowings at variable rates	Sensitivity analysis	Maintaining a judicious mix of variable and fixed rate debt

### A Credit risk

Credit risk is a risk where the counterparty will not meet its obligations under a financial instrument leading to a financial loss. Credit risk arises from cash and 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 cash and 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 asset.

- 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 its obligations, including changes in operating results and payment status.

Macro economic information (such as regulatory changes, legal changes, interest rate changes) are incorporated as a part of internal rating model. Default of a financial asset is when the counterparty fails to make contractual payments within 180 days of when they fall due or when the debtor's 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





(ii) Provision for expected credit losses

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

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	Trade Receivables
A	High-quality assets, negligible credit risk	Asset where the counter party has strong capacity to meet the obligations and where the risk of default is negligible or nil.	12-month expected credit losses	Life-time expected credit losses
B	Low-quality assets, high credit risk	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, trade receivables, deposits with deposits.

1) 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 Bank :

They are considered to be having negligible risk or nil risk, as they are maintained with high rated banks and the period of such deposits are for more than 3 months.

3) Trade receivables

Customer credit risk is managed by the company established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit limits defined in accordance with this assessment. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.



## Notes to financial statements for the year ended March 31, 2024

(All amounts are in ₹ (in thousand) unless otherwise stated)

**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, 2024	March 31, 2023
A. Expiring within one year (Bank overdraft and other facilities)	-	9,427
B. Expiring beyond one year (Bank loans)	-	9,427

**(ii) Maturities of financial liabilities**

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

**As at March 31, 2024**

Contractual maturities of financial liabilities	Less than 12 Months	More than 12 months	Total
Borrowings	-	-	-
Trade payables	19,882	-	19,882
Other financial liabilities	18,749	-	18,749
Lease liabilities	5,556	2,50,983	2,56,539
Interest accrued but not due on borrowings	46	-	46
Employee related liability	367	342	709
<b>Total liabilities</b>	<b>44,600</b>	<b>2,51,325</b>	<b>2,95,925</b>

**As at March 31, 2023**

Contractual maturities of financial liabilities	Less than 12 Months	More than 12 months	Total
Borrowings	813	23,176	23,989
Trade payables	26,720	-	26,720
Other financial liabilities	59,650	-	59,650
Lease liabilities	11,132	2,87,169	2,98,301
Interest accrued but not due on borrowings	22	-	22
<b>Total liabilities</b>	<b>98,337</b>	<b>3,10,345</b>	<b>4,08,682</b>



**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

**(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, 2024 USD	March 31, 2023 USD
<b>Financial liabilities</b>		
Capital creditors	204	39,608
<b>Exposure to foreign currency risk (liabilities)</b>	<b>204</b>	<b>39,608</b>
<b>Net exposure to foreign currency risk (assets - liabilities)</b>	<b>(204)</b>	<b>(39,608)</b>

(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.

	March 31, 2024	March 31, 2023
<b>Impact on loss before tax</b>		
<b>USD Sensitivity</b>		
INR/USD - Increase by 5%	10.21	1,980.38
INR/USD - decrease by 5%	(10.21)	(1,980.38)

**(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, 2024	March 31, 2023
Variable rate borrowings	-	24,824
Fixed rate borrowings	2,56,539	2,98,301
<b>Total borrowings</b>	<b>2,56,539</b>	<b>3,23,125</b>

**(b) Sensitivity**

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

	March 31, 2024	March 31, 2023
<b>Impact on loss before tax</b>		
Interest rates - increase by 50 basis points	-	92

**(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, as it has not invested in any such securities.



**27 Related party disclosures**

**A Names of other related parties and their relationship**

Relationship	Name of related party
<b>(i) Names of related parties where control exists:</b>	
Ultimate Holding Company	Aequs Inc. Cayman Islands*
Intermediate holding company	Aequs Private Limited (APL)
Holding Company	Aequs Toys Private Limited (ATPL)
<b>(ii) Key management personnel :</b>	
Directors	Dinesh Iyer Harish Bang Suraj Hukkeri
<b>(iii) Enterprises in which ultimate holding company has interest</b>	Aequs Private Limited (APL) Aequs Consumer Products Private Limited (ACPPL) Aequs Engineered Plastics Private Limited (AEPPL) Aequs Force Consumer Products Private Limited (AFCPPL) Aero-Structures Manufacturing India Private Limited (ASMIPL)
<b>(iv) Fellow subsidiary.</b>	Koppal Toys Tooling COE Pvt Ltd (KTTPL)
<b>(v) Enterprises in which individuals owning interest in the holding/ultimate holding or their relatives have control or significant influence</b>	Aequs SEZ Private Limited (ASEZ)

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

Related party disclosures continued on the next page





## Notes to financial statements for the year ended March 31, 2024

(All amounts are in ₹ (in thousand) unless otherwise stated)

## (B) Transactions with related parties

Name	Nature of transactions	For the year ended March 31, 2024	For the year ended March 31, 2023
(a) ASEZ	Service Received	67,975	22,236
	Interest expense on lease liability	-	12,393
	Repayment of lease liability	-	13,111
	Security Deposit given	-	41,245
(b) APL	Expenses incurred by related party	196	4,165
	Expense incurred on behalf of related party	-	850
(c) ASMIPL	Expenses incurred by related party	22	248
(d) AFCPPL	Purchase of asset	-	4,869
	Sale of goods	35	-
	Sale of service	11,910	-
	Cost of raw materials consumed	640	-
	loan from related party	4,000	-
	Interest expense	49	-
(e) AEPPL	Expenses incurred by related party	2,825	3,255
	Expense incurred on behalf of related party	-	36
	Purchase of asset	-	4,657
	Purchase of goods and consumables	-	98
(f) ATPL	Expenses incurred by related party	9,037	11,880
	Expense incurred on behalf of related party	115	5
	Sale of goods	155	2,719
	Sale of service	5,168	-
	Cost of raw materials consumed	509	-
(g) KTTPL	Interest expense on loan taken	166	1,729
	Repayment of loan taken	-	21,000
	Unsecured loan taken	-	21,000

Related party disclosures continued on next page



## Koppal Toys Molding COE Private Limited

CIN: U36999KA2021PTC150753

## Notes to financial statements for the year ended March 31, 2024

(All amounts are in ₹ (in thousand) unless otherwise stated)

## (C) Balances with related parties:

Name of entity	Nature of transactions	For the year ended March 31, 2024	For the year ended March 31, 2023
(a) ASEZ	Trade payable	12,941	20,816
	Security deposit	41,245	41,245
(b) AEPPL	Other Financial assets	-	36
	Other financial liabilities	2,356	743
	Trade payable	-	98
	Capital creditors	-	4,657
(c) AFCPPL	Trade payable	-	1,254
	Trade receivables	90	-
	Capital creditors	-	3,615
	Loans from related party	4,000	-
	Interest accrued but not due on borrowings	44	-
(d) APL	Other financial liabilities	-	4,165
(e) ASMIPL	Other financial liabilities	1	0
(f) ATPL	Other Financial assets	-	5
	Other financial liabilities	-	929
	Trade receivable	1,017	2,719
	Trade payable	91	-



## 28 Deferred tax assets (Net)

### A. Deferred tax recognition

Deferred tax asset on timing differences and on unabsorbed depreciation and business loss carried forward has not been recognised in these accounts in the absence of reasonable certainty supported by convincing evidence that sufficient future taxable income will be available for set-off. However, this position will be reassessed at every year end and the deferred tax asset will be accounted for, if appropriate. Deferred tax asset as at March 31, 2024 has been arrived at as follows:

#### Deferred Tax :

##### Movement in the deferred tax assets / (liabilities)

	As at April 1, 2022	Charge/(credit) to the statement of profit and loss	Charge/(credit) to other comprehensive income	As at March 31, 2023	Charge/(credit) to the statement of profit and loss	Charge/(credit) to other comprehensive income	As at March 31, 2024
<b>Deferred Tax Asset/(Liabilities) :</b>							
Property, plant & equipment , Intangible Asset	-	(2,465)	-	(2,465)	(1,350)	-	(3,814)
Right of use assets (net of lease liabilities)	-	(1,069)	-	(1,069)	(11,462)	-	(12,531)
Employment Benefit	-	-	-	-	122	-	122
Obligation - Gratuity and Leave Encashment	-	-	-	-	-	-	-
Bonus	-	-	-	-	35	-	35
Unabsorbed Depreciation	-	3,591	-	3,591	6,895	-	10,485
Loss carried forward	275	6,738	-	7,013	13,384	-	20,397
Other Items	-	185	-	185	(77)	-	108
<b>Net Deferred Tax Asset</b>	<b>275</b>	<b>6,979</b>	<b>-</b>	<b>7,254</b>	<b>7,547</b>	<b>-</b>	<b>14,801</b>
Deferred tax (Credit)/Charge for the year	-	-	-	-	-	-	-

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

Particulars	March 31, 2024	March 31, 2023
Profit/(Loss) before income tax expense	(1,49,166)	(58,959)
Tax at the rate of 17.16% for 2024 and 17.16% for 2023	-	-
<b>Total tax expense/(income)</b>	<b>-</b>	<b>-</b>

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:

Financial Year	March 31, 2024	March 31, 2023
2029-30	1,601	1,601
2030-31	39,267	40,676
2031-32	77,994	-
No expiry	61,104	20,924



**29 Segment information**

The Managing Director ("MD") Chief Operating officer ("COO") of the group has been identified as the Chief Operating Decision Maker ("CODM") as defined by Ind AS 108, operating segments. The CODM evaluates the company's performance as a whole. Accordingly, the entire company has been identified as one segment. Hence, no separate segment information has been presented.

The company is engaged in business of contract manufacturing. Hence no separate primary segment information is deemed necessary. Secondary segment reporting is performed on the basis of the geographical location of customers.

Each segment item reported is measured at the measure used to report to the Chief Operating Decision Maker for the purposes of making decisions about allocating resources to the segment and assessing its performance.

The accounting policies adopted in the preparation of the financial statements are also consistently applied to record revenue and expenditure and assets and liabilities in individual segments.

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, 2024	March 31, 2023
EBITDA	(23,714)	(25,779)

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

	March 31, 2024		March 31, 2023	
Customer	Revenue	% of total revenue	Revenue	% of total revenue
Customer 1	11,945	63%	2,719	100%
Customer 2	5,323	28%		

(i) All the other assets of the company, except as disclosed above are situated in India.

**30 Earnings per share**

	March 31, 2024	March 31, 2023
Earnings per share (basic and diluted)	(4.69)	(0.65)

Reconciliation of earnings used in calculating earnings per share	March 31, 2024	March 31, 2023
Loss attributable to the equity share holders	(1,49,284)	(58,959)

Weighted average number of shares used as denominator	March 31, 2024	March 31, 2023
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	31,828	90,778
Share held at the beginning of the year	27,159	80,100
Shares issued during the year	4,669	10,678
Adjustments for diluted earnings per share	-	-
(The company does not hold any potential equity shares for dilution)		
Weighted average number of equity shares and potential equity shares used as denominator in calculating diluted	31,828	90,778





### 31 Lease

#### (i) Lease commitments as lessee

The company has entered into agreements with lessors for taking factory and office premises on lease. The lease term is for a period of 10 years with escalation of 5% p.a. in the lease agreement of premises. Measurement of right-of-use assets and lease liabilities are calculated based on the fixed lease rentals payable under the lease agreements and component towards maintenance and any variable payments are excluded.

Particulars	Total
At March 31, 2022	-
Additions	2,99,019
Interest expense on lease liabilities	12,393
Payments	(13,111)
At March 31, 2023	2,98,301
Additions	63,432
Interest expense on lease liabilities	35,184
Payments	(48,674)
Other Non-cash adjustments	(91,703)
At March 31, 2024	2,56,540

	March 31, 2024	March 31, 2023
Current	5,556	11,132
Non-current	2,50,983	2,87,169
Total	2,56,539	2,98,301

(ii) The incremental borrowing rate of 10.00% p.a. has been applied to lease liabilities for premises recognised in the balance sheet.

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

Particulars	March 31, 2024	March 31, 2023
Depreciation of right-of-use assets (refer note 20)	38,399	15,971
Interest expense on lease liabilities (refer note 22)	35,184	12,393
Finance guarantee expense on lease liability	10,703	-

(iv) The total cash outflow for leases, including interest, for the year is ₹ 48,675.



32 Financial ratios

Ratio	Numerator	Denominator	March 31, 2024	March 31, 2023	Deviation (%)	Reasons for the Deviation
Current ratio (A/B) (times)	Current assets (A)	Current liabilities (B)	0.52	0.29	81%	Note - 2
Debt-equity ratio (A/B) (times)	Total debt (A)	Shareholders' equity (B)	0.79	1.49	-47%	Note - 3
Debt service coverage ratio (A/B) (times)	(A) Earnings available for debt service	(B) Debt service	(0.28)	(0.59)	53%	Note - 3
Return on equity (A/B) (%)	(A) PAT	(B) Average shareholders' equity	-43%	-34%	28%	Note - 4
Inventory turnover ratio (A/B) (times)	(A) Turnover	(B) Average inventory	6.04	2.98	103%	Note - 5
Trade receivables turnover ratio (A/B) (times)	(A) Net credit sales	(B) Average accounts receivables	6.76	2.00	238%	Note - 5
Trade payables turnover ratio (A/B) (times)	(A) Net credit purchases	(B) Average trade payables	0.10	0.11	-13%	Note - 1
Net capital turnover ratio (A/B) (times)	(A) Turnover	(B) Working capital	(0.80)	(0.04)	1995%	Note - 5
Net profit ratio (A/B) (%)	(A) Net profit/(loss) after tax	(B) Net sales	-785%	-2168%	64%	Note - 6
Return on capital employed (A/B) (%)	(A) Earnings before interest and tax	(B) Capital employed	-16%	-8%	-90%	Note - 4
Return on investment (A/B) (%)	(A) Earnings from investments	(B) Total investments	NA	NA	NA	NA

Notes:

- Reasons for the deviation are provided in cases where the deviation is greater than 25% compared to previous year.
- The increase in current ratio is due to better working capital management.
- Debt-Equity Ratio and Debt-Service Coverage Ratio has reduced due to repayments made during the year.
- ROE and Return on capital employed has worsened due to increase in losses during the year.
- Inventory turnover ratio, Trade receivables turnover ratio and Net capital turnover ratio has increased due to increase in revenue during the year.
- Net profit ratio has increased due to increased revenue during the year.



## Notes to financial statements for the year ended March 31, 2024

(All amounts are in ₹ (in thousand) unless otherwise stated)

## 33 Net debt reconciliation

Particulars	March 31, 2024	March 31, 2023
Cash and cash equivalents	2,765	23,189
Current borrowings (Inter-company loans)	4,000	-
Non-current borrowings (including current maturities)	-	(24,824)
Lease liabilities	(2,56,539)	(2,98,301)
<b>Net debt</b>	<b>(2,49,774)</b>	<b>(2,99,936)</b>

Particulars	Other assets	Liabilities from financing activities				Total
	Cash and cash equivalents	Lease obligations	Non-current borrowings	Current borrowings (Working capital loans)	Current borrowings (related party loans)	
<b>Net debt as at March 31, 2022</b>	<b>27,913</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27,913</b>
Cashflows	(4,724)	-	-	-	-	(4,724)
Acquisition of leases/ new borrowings	-	(2,99,018)	(30,179)	-	21,000	(3,08,198)
Foreign exchange adjustments	-	-	-	-	-	-
Repayments	-	717	607	-	(21,000)	(19,676)
Interest expense	-	(12,393)	(73)	-	(1,729)	(14,195)
Interest paid	-	12,393	51	-	1,729	14,173
Other Non-cash adjustments:	-	-	4,770	-	-	4,770
<b>As at March 31, 2023</b>	<b>23,189</b>	<b>(2,98,301)</b>	<b>(24,824)</b>	<b>-</b>	<b>-</b>	<b>(2,99,937)</b>
Cashflows	(20,424)	-	-	-	-	(20,424)
Acquisition of leases/ new borrowings	-	(63,432)	-	-	4,000	(59,432)
Foreign exchange adjustments	-	-	-	-	-	-
Repayments	-	13,490	24,824	-	-	38,314
Interest expense	-	(35,184)	(6,201)	-	(214)	(41,599)
Interest paid	-	35,184	6,201	-	214	41,599
Other Non-cash adjustments:	-	91,703	-	-	-	91,704
<b>As at March 31, 2024</b>	<b>2,765</b>	<b>(2,56,540)</b>	<b>-</b>	<b>-</b>	<b>4,000</b>	<b>(2,49,774)</b>



**Koppal Toys Molding COE Private Limited**  
**Notes to financial statements for the year ended March 31, 2024**  
*(All amounts are in ₹ (in thousand) unless otherwise stated)*

CIN: U36999KA2021PTC150753

**34 Assets pledged as security**

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

Particulars	March 31, 2024	March 31, 2023
<b>Non current</b>		
<b>A. Non financial assets:</b>		
<i>First Charge</i>		
Plant and machinery	-	2,55,195
<b>Total non-current assets pledged as security</b>	-	<b>2,55,195</b>
<b>Total assets pledged as security</b>	-	<b>2,55,195</b>





35 Additional regulatory information required by Schedule III

- (i) Details of benami property held: No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- (ii) Wilful defaulter: The company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (iii) Relationship with struck off companies: The company has no transactions with the companies struck off under companies Act, 2013 or Companies
- (iv) Compliance with number of layers of companies: The Company does not have any subsidiaries and hence compliance with Section 2(87) of the Companies Act, 2013 read with Companies (Restriction on Number of Layers Rules, 2017) ('Layering Rules') is not applicable.
- (v) Compliance with approved scheme(s) of arrangements: The company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- (vi) Utilisation of borrowed funds and share premium  
The company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:  
a. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate  
b. Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries  
The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:  
(vii) There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the income tax act, 1961, that has not been recorded in the books of account.  
(viii) The company has not traded or invested in crypto currency or virtual currency during the current or previous year.  
(ix) The company has not revalued its Property, plant and equipment or intangible assets during the current or previous year.  
(x) The company does not own any immovable properties.  
(xi) There are no charges or satisfaction which are yet to be registered with the registrar of companies beyond the statutory period.  
(xii) The borrowings obtained by the Company from bank have been applied for the purposes for which such loans were taken.  
(xiii) The company was not required to recognise any provision as at March 31, 2024 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contracts. The company did not have any derivative contracts as at March 31, 2024.  
(xiv) The company has one Core Investment Company (CIC) as part of the Group, viz., Aerospace Manufacturing Holdings Private Limited, India which is not required to be registered with the Reserve Bank of India.  
(xv) The Company has not granted any Loans or Advances in the nature of loans to Promoters /Directors / KMPs and Related Parties during the year therefore disclosure under this heading is not applicable.  
(xvi) The provisions of Section 135 of the Companies Act, 2013 with respect to the Corporate Social Responsibility are not applicable to the Company.

36 Dues to micro and small enterprises

The identification of the micro, small and medium enterprise suppliers as defined under the provisions of "The Micro, Small and Medium Enterprises Development 2006" is based on management's knowledge of their status. The Company has following dues to suppliers registered under the Micro, Small and Medium Enterprise Development Act, 2006 ('MSMED Act').

Particulars	March 31, 2024	March 31, 2023
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Interest due thereon to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but	-	-
Interest accrued and remaining unpaid at the end of each accounting year	-	-
Amount of further interest remaining due and payable even in the succeeding years, until such date when the	-	-

37 Previous year's figures have been reclassified/regrouped wherever necessary to confirm to current year presentation.

38 The financial statements were approved for issue by the Board of Directors on

For M/s K G Acharya & Co.,  
Chartered Accountants  
Firm Registration Number-0080195



Chirag Aggarwal  
Partner  
Membership No.: 243971  
Place: Bengaluru  
Date: 02/09/24

For and on behalf of the Board of Directors of  
Koppal Toys Molding COE Private Limited

Dinesh Iyer      Harish Bang      Smita Bang  
Director      Director      Company Secretary  
DIN-09515485      DIN-08383723      M No: A45081  
Place: Belagavi      Place: Belagavi      Place: Belagavi  
Date: 02/09/24      Date: 02/09/24      Date: 02/09/24

