

Independent Auditor's Report

To the Members of Aequs Force Consumer Products Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Aequs Force Consumer Products Private Limited (the "Company") which comprise the balance sheet as at 31 March 2026, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2026, and its loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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

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

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

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



Registered Office:

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

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

Independent Auditor's Report (Continued)

Aegus Force Consumer Products Private Limited

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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



Independent Auditor's Report (Continued)

Aegus Force Consumer Products Private Limited

- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on 31 March 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2026 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a. The Company does not have any pending litigations which would impact its financial position.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 33(vi)(a) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 33(vi)(b) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (iii) Based on the audit procedures 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 (i) and (ii) above, contain any material misstatement.
 - e. The Company has neither declared nor paid any dividend during the year.
 - f. Based on our examination which included test checks, except for the instances mentioned below,



Independent Auditor's Report (Continued)

Aegus Force Consumer Products Private Limited

the Company has used 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:

- i. not enabled for the period from 01 April 2025 to 15 December 2025 at the database level to log any direct data changes; and
- ii. not enabled for the period from 01 April 2025 to 09 October 2025 at the application level for certain fields / tables relating to all the significant financial processes.

Further, where audit trail (edit log) facility was enabled, we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail where enabled, has been preserved by the Company as per the statutory requirements for record retention.

A. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the Company has not paid any remuneration to its directors during the year. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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

Chartered Accountants

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



Sampad Guha Thakurta

Partner

Place: Chennai

Date: 26 May 2026

Membership No.: 060573

ICAI UDIN:26060573JYUMXK8538

Annexure A to the Independent Auditor's Report on the Financial Statements of Aequs Force Consumer Products Private Limited for the year ended 31 March 2026

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

- (i) (a) (A) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) According to the information and explanations given to us, the Company has maintained proper records showing full particulars of intangible assets.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable property (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. In the case of two classes of inventory the discrepancies noticed on verification between the physical stocks and the book records were more than 10% in the aggregate and these have been properly dealt with in the books of account.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided 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 during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.



Annexure A to the Independent Auditor's Report on the Financial Statements of Aequs Force Consumer Products Private Limited for the year ended 31 March 2026 (Continued)

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the products manufactured by it. Accordingly, clause 3(vi) of the Order is not applicable.

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

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees State Insurance, Income-Tax, Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Duty of Cutoms during the year.

(ii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Services Tax, Provident Fund, Employees State Insurance, Income-Tax, or Cess or other statutory dues were in arrears as at 31 March 2026 for a period of more than six months from the date they became payable. As explained to us, the Company did not have any dues on account of Duty of Cutoms during the year.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that the Company has used funds raised on short-term basis aggregating to INR 95 millions for long-term purposes.

(e) The Company does not hold any investment in any subsidiary, associates or joint ventures (as defined under the Act) during the year ended 31 March 2026. Accordingly, clause 3(ix)(e) is not applicable.

(f) The Company does not hold any investment in any subsidiary, associates or joint ventures (as defined under the Act) during the year ended 31 March 2026. Accordingly, clause 3(ix)(f) is not applicable.

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



Annexure A to the Independent Auditor's Report on the Financial Statements of Aequs Force Consumer Products Private Limited for the year ended 31 March 2026 (Continued)

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) During the course of our examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) Establishment of vigil mechanism is not mandated for the Company. As represented to us by the management, there are no whistle blower complaints received during the year under the vigil mechanism established voluntarily by the Company.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) The Company is a private limited company and accordingly the requirements as stipulated by the provisions of Section 177 of the Act are not applicable to the Company. In our opinion and according to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion and based on the information and explanations provided to us, the Company is not required to have an internal audit system as per Section 138 of the Act. However, the Company has an internal audit system which is commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) According to the information and explanations provided to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended) does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has incurred cash losses of INR 240 millions in the current financial year and INR 196 millions in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities,



Annexure A to the Independent Auditor's Report on the Financial Statements of Aequs Force Consumer Products Private Limited for the year ended 31 March 2026 (Continued)

our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, including the letter of support from Aequs Limited., the Holding Company (refer note 2(a)(iii) to the financial statements), nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

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

Chartered Accountants

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



Sampad Guha Thakurta

Partner

Place: Chennai

Date: 26 May 2026

Membership No.: 060573

ICAI UDIN:26060573JYUMXK8538

Annexure B to the Independent Auditor's Report on the financial statements of Aequs Force Consumer Products Private Limited for the year ended 31 March 2026

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

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

Opinion

We have audited the internal financial controls with reference to financial statements of Aequs Force Consumer Products Private Limited ("the Company") as of 31 March 2026 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2026, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

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

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Annexure B to the Independent Auditor's Report on the financial statements of Aequs Force Consumer Products Private Limited for the year ended 31 March 2026 (Continued)

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

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

Chartered Accountants

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



Sampad Guha Thakurta

Partner

Place: Chennai

Membership No.: 060573

Date: 26 May 2026

ICAI UDIN:26060573JYUMXK8538

Balance sheet

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

	Notes	As at March 31, 2026	As at March 31, 2025
ASSETS			
Non-current assets			
Property, plant and equipment	4 (i)	154	198
Right-of-use assets	4 (iii)	201	260
Capital work in progress	4 (ii)	-	-
Intangible assets	5	4	5
Financial assets			
Other financial assets	6 (iii)	106	100
Current tax assets	23	0	1
Other non-current assets	7	2	3
Total non-current assets		467	567
Current assets			
Inventories	8	18	90
Financial assets			
Trade receivables	6 (i)	3	51
Cash and cash equivalents	6 (ii)	1	22
Other financial assets	6 (iii)	0	3
Other current assets	7	2	6
Total current assets		24	172
Total assets		491	739
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	9	1,575	1,575
Instrument entirely equity in nature	9A	203	203
Other equity	10	(1,746)	(1,511)
Total equity		32	267
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	12 (i)	114	-
Lease liabilities	4 (iii)	226	296
Provision for employee benefits	11	0	0
Total non-current liabilities		340	296
Current liabilities			
Financial liabilities			
Borrowings	12 (i)	12	71
Lease liabilities	4 (iii)	71	60
Trade payables	12 (iv)	-	0
a Total outstanding dues of micro enterprises and small enterprises, and			
b Total outstanding dues of creditors other than micro enterprises and small enterprises		14	21
Other financial liabilities	12 (vi)	19	20
Provision for employee benefits	11	0	0
Other current liabilities	14	1	1
Contract liabilities	13	2	3
Total current liabilities		119	176
Total liabilities		459	472
Total equity and liabilities		491	739

Summary of material accounting policies

The accompanying notes are an integral part of these financial statements

As per our report of even date attached

for BSR & Co. LLP

Chartered Accountants

Firm Registration Number 101248W/W100022

for and on behalf of the Board of Directors

Aequis Force Consumer Products Private Limited

CIN: U28191KA2018PTC114901

Sampad Guha Thakurta

Partner

Membership No. 060573

Place: Chennai

Date: May 26, 2026

Basavant Appanna Patil

Whole Time Director

DIN: 07626985

Place: Belagavi

Date: May 26, 2026

Director

DIN: 09402216

Place: Belagavi

Date: May 26, 2026

Chief Financial Officer

Place: Belagavi

Date: May 26, 2026

Chaitanya Vinayak Bhat

Company Secretary

Membership No. A61933

Place: Bengaluru

Date: May 26, 2026

Aequis Force Consumer Products Private Limited

CIN: U28191KA

Statement of profit and loss

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

	Notes	Year ended March 31, 2026	Year ended March 31, 2025
Income			
Revenue from operations	15	2	212
Other income	16	12	40
Total income (A)		14	252
Expenses			
Cost of materials consumed	17	10	92
Changes in inventories of work-in-progress and finished goods	18	45	54
Employee benefits expense	19	2	42
Net impairment losses on financial assets	25	(1)	(1)
Other expenses	20	46	142
Total expenses (B)		101	330
Earnings before finance cost, depreciation and amortisation, exceptional items and tax (A-B)		(87)	(77)
Finance costs	22	44	49
Depreciation and amortisation	21	104	113
Loss before exceptional items and tax		(235)	(239)
Exceptional items			
Deferred business consideration no longer required written back	26	-	25
Loss before tax		(235)	(215)
Income tax expense			
- Current tax	23	-	-
- Deferred tax	23	-	-
Total tax expense		-	-
Loss for the year		(235)	(215)
Other comprehensive income / (loss)			
Items that will not be reclassified to profit or loss			
- Remeasurements of post-employment benefit obligations	11	0	1
- Income tax relating to these items		-	-
Other comprehensive (income)/loss for the year, net of tax		0	1
Total comprehensive loss for the year, net of tax		(235)	(214)
Earnings per equity share	31	(1.32)	(1.21)
(Basic & Diluted in INR) (Nominal value per share: INR 10)			
Summary of material accounting policies	2		

The accompanying notes are an integral part of these financial statements

As per our report of even date attached

for BSR & Co. LLP

for and on behalf of the Board of Directors

Chartered Accountants
Firm Registration Number 101248W/W100022Aequis Force Consumer Products Private Limited
CIN: U28191KA2018PTC114901

Sampad Guha Thakurta

Basavant Appanna Patil

Basavaraj Siddalingappa Sugandhi

Simran Kashish Porwal

Chaitanya Vinayak Bhat

Partner
Membership No. 060573
Place Chennai
Date May 26, 2026Whole Time Director
DIN: 07626985
Place Belagavi
Date May 26, 2026Director
DIN: 09402216
Place Belagavi
Date May 26, 2026Chief Financial Officer
Place Belagavi
Date May 26, 2026Company Secretary
Membership No. A61933
Place Bengaluru
Date May 26, 2026

Statement of changes in equity

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

A. Equity share capital

	Note	Amount
Balance as at April 01, 2024		1,525
Changes during the year	9	50
Balance as at March 31, 2025		1,575
Changes during the year	9	-
Balance as at March 31, 2026		1,575

B. Other equity (refer note 10)

Other equity						
	Reserves and surplus					Total other equity
	Retained earnings	Securities premium	Common control capital reserve	Other reserve	Equity component of compulsorily convertible debentures	
Balance as at April 01, 2024	(1,343)	13	21	10	-	(1,299)
Loss for the year	(215)	-	-	-	-	(215)
Other comprehensive income/(loss)for the year	1	-	-	-	-	1
Total comprehensive loss for the year	(214)	-	-	-	-	(214)
Transactions with owners of the company						
Premium on shares issued during the year	-	-	-	-	-	-
Share issue expenses	-	-	-	-	-	-
Reclassification of compulsorily convertible debentures to equity (refer note 10(e))	-	-	-	-	-	-
Total contributions and distributions	-	-	-	-	-	-
Financial guarantee received during the year	-	-	-	1	-	1
Sub total	-	-	-	1	-	1
Balance as at March 31, 2025	(1,556)	13	21	11	-	(1,511)
Loss for the year	(235)	-	-	-	-	(235)
Other comprehensive (income)/loss for the year	0	-	-	-	-	0
Total comprehensive loss for the year	(235)	-	-	-	-	(235)
Balance as at March 31, 2026	(1,791)	13	21	11	-	(1,746)

Summary of Material accounting policies (Note 2)

The accompanying notes are an integral part of these financial statements

As per our report of even date attached

for BSR & Co. LLP

Chartered Accountants

Firm Registration Number: 101248W/W100022

for and on behalf of the Board of Directors

Aequs Force Consumer Products Private Limited

CIN: U28191KA2018PTC114901



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Partner
Membership No. 060573
Place: Chennai
Date: May 26, 2026



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Place: Belagavi
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Date: May 26, 2026



Simran Kashish Porwal

Chief Financial Officer
Place: Belagavi
Date: May 26, 2026



Chaitanya Vinayak Bhat

Company Secretary
Membership No. A61933
Place: Bengaluru
Date: May 26, 2026

Aequis Force Consumer Products Private Limited

CIN U28191KA2018PTC114901

Statement of cash flow

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

	Year ended March 31, 2026	Year ended March 31, 2025
Cash flow from operating activities		
Loss before tax	(235)	(214)
Adjustments for:		
Depreciation and amortisation expense	104	113
Net gain on disposal of property, plant and equipment	-	(19)
Liabilities no longer required written back	(6)	(10)
Deferred business consideration no longer required	-	(25)
Unrealised exchange gain	(0)	(2)
Provision for slow moving inventory	(38)	18
Net impairment losses on financial assets	-	(1)
Finance cost	44	49
Unwinding of discount on security deposit	(6)	(6)
	(137)	(97)
Working capital adjustments		
- Decrease / (increase) in trade receivables	47	45
- Decrease / (increase) in inventories	110	111
- Decrease / (increase) in other financial assets	4	10
- Decrease / (increase) in other assets	5	19
- (Decrease) / increase in trade payables	(1)	(39)
- (Decrease) / increase in other financial liabilities	(1)	(14)
- (Decrease) in other liabilities	(0)	(1)
- (Decrease) / increase in contract liabilities	(1)	(6)
- (Decrease) / increase in provision for employee benefits	(0)	(4)
Cash generated from / (used in) operations	26	24
Income taxes paid (net of refunds)	0	-
Net cash generated from / (used in) operating activities (A)	26	24
Cash flow from investing activities		
Acquisition of property, plant and equipment and intangible assets	0	(1)
Proceeds from sale of property, plant and equipment	2	15
Proceeds from maturity of bank deposits	-	4
Repayment of loan from related parties	-	4
Net cash generated from / (used in) investing activities (B)	2	22
Cash flow from financing activities		
Proceeds from issue of equity shares	-	50
Proceeds from long term borrowing	19	-
Proceeds from related party borrowing	30	70
Proceeds from / (repayment of) short term borrowings (net)	-	(48)
Principal payments of lease liabilities	(60)	(53)
Finance cost paid	(38)	(45)
Net cash (used in) / generated from financing activities (C)	(49)	(26)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(21)	20
Cash and cash equivalents at the beginning of the year	22	2
Cash and cash equivalents at end of the year	1	22
<i>Cash and cash equivalents comprise the following</i>		
Balances with banks		
-current accounts	1	2
-deposits with original maturity of three months or less	-	20
Cash on hand	0	0
Total cash and bank balance at the end of the year	1	22

Summary of material accounting policies (Note 2)

The accompanying notes are an integral part of these financial statements

As per our report of even date attached

for **BSR & Co. LLP**

Chartered Accountants

Firm Registration Number 101248W/W100022

for and on behalf of the Board of Directors

Aequis Force Consumer Products Private Limited

CIN U28191KA2018PTC114901



Sampad Guha Thakurta

Partner
Membership No 060573
Place Chennai
Date May 26, 2026



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Place Belagavi
Date May 26, 2026



Chaitanya Vinayak Bhat

Company Secretary
Membership No A61933
Place Bengaluru
Date May 26, 2026

Notes to the financial statements

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

1. Background

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

2. Summary of material accounting policies

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

(a) Basis of preparation

(i) Compliance with Ind AS

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

(ii) Historical cost convention

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

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

These financial statements have been prepared on a going concern basis. The accounting policies are applied consistently over the period.

The financial statements were approved for issue by the Board of Directors on May 26, 2026

(iii) The Company has incurred loss of ₹ 235 for the year ended March 31, 2026 (March 31, 2025: ₹ 214) and has accumulated losses of ₹ 1,791 as at that date (March 31, 2025: ₹ 1,556). Notwithstanding accumulated losses, as on March 31, 2026, the net worth of the Company is ₹ 32 (March 31, 2025: ₹ 267) and its current liabilities exceed its current assets by ₹ 95 for the year ended March 31, 2026, and ₹ 4 for the year ended March 31, 2025. The management of the Company believes that the Company will be able to continue to operate as a going concern for the foreseeable future and meet all its liabilities as they fall due for payment based on its future cash flow projection and support letter from the Holding Company.

(iv) Recent pronouncements

A) Standards/Specific amendments issued but not yet effective as at March 31, 2026 -

Ind AS 1, Presentation of Financial Statements – For accounting periods beginning on or after April 1, 2026, when an entity breaches any covenant 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, it classifies the liability as current, even 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. An entity classifies the liability as current because, at the end of the reporting period, it does not have the right to defer its settlement for at least 12 months after that date.

However, an entity classifies the liability as non-current if the lender agreed by the end of the reporting period to provide a period of grace ending at least 12 months after the reporting period, within which the entity can rectify the breach and during which the lender cannot demand immediate repayment.

This amendment is to be applied retrospectively for annual reporting periods beginning on or after April 1, 2026, in accordance with Ind AS 8, Accounting Policies, Accounting Estimates and Errors.

(v) Operating cycle

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

(vi) Accounting policy on earnings before finance costs, depreciation and amortization, exceptional items and tax

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 as a separate line item on the face of the Statement of profit and loss. The Company measures earnings before finance costs, depreciation and amortization, exceptional items and tax on the basis of profit/ (loss) from continuing operations. In its measurement, the Company does not include depreciation and amortization expense, finance costs, exceptional items gain/ (loss) and income tax expenses.

(b) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian Rupee (INR / ₹), which is the Company's functional and presentation currency. All amounts have been rounded to the nearest millions, unless otherwise indicated.

(This space is intentionally left blank)



Notes to the financial statements

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

(c) Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. Foreign exchange differences in respect of borrowings are presented in the statement of profit and loss, within finance costs.

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

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

(d) Revenue recognition

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

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

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

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

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

(e) Income tax

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

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

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

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

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

(f) Leases

Leases are recognized as a Right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

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

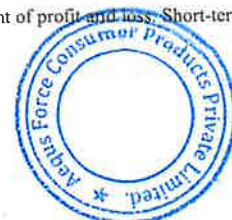
Variable lease payments that depend on sales are recognized in profit or loss in the period in which the condition that triggers those payments occurs.

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

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

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

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



Notes to the financial statements**(All amounts are in INR millions, except share data, unless otherwise stated)****(g) Impairment of assets**

At each balance sheet date, the Company reviews the carrying value of its property, plant and equipment, intangible assets and right of use assets to determine whether there is any indication that the carrying value of those assets may not be recoverable through continuing use. If any such indication exists, the recoverable amount of the asset is reviewed in order to determine the extent of impairment loss, if any. Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. An impairment loss is recognised in the statement of profit and loss as and when the carrying value of an asset exceeds its recoverable amount.

Where an impairment loss subsequently reverses, the carrying value of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying value does not exceed the carrying value that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior period / years. A reversal of an impairment loss is recognised in the statement of profit and loss immediately.

(h) Cash and cash equivalents

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

i) Inventories

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

Cost of raw materials comprises cost of purchases net of rebates and discounts. Cost of work-in-progress and finished goods comprises direct materials, direct labor and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items on weighted average basis.

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

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

j. Financial instruments –**(i). Trade receivables**

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

(ii) 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 amortized cost.

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

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

(ii) Initial recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognised at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value on initial recognition.

(iii) Subsequent measurement

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

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

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

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

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



Notes to the financial statements

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

j. Financial instruments(continued)**(iv) Impairment of financial assets**

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

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.

(v) Derecognition of financial assets

A financial asset is derecognized only when

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

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

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

(vi) Income recognition

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

(vii) Financial liabilities

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

(Viii) Borrowings

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

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

(ix) Borrowing costs

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

(x) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

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Notes to the financial statements

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

j. Financial Instruments(continued)**(xi) Financial guarantee contracts**

Financial guarantee contracts are recognized as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the (i) amount determined in accordance with the expected credit loss model as per Ind AS 109 and the amount initially recognized less, where appropriate, cumulative amount of income recognized in accordance with the principles Ind AS 115. The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligation.

Where guarantees in relation to loans or other payables of other entities are provided for no compensation, the fair values are accounted for as contributions and recognized as part of the cost of the investments.

(xii) Compound financial instruments

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

(k) Property, plant and equipment

All items of property, plant and equipment are stated at historical cost or deemed cost applied on transition to Ind AS less depreciation. Capital work-in-progress is stated at cost. Historical cost includes expenditure that is directly attributable to the acquisition of the items, net of refundable taxes. 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 Group and the cost of the item can be measured reliably. 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. 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.

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)
Office equipment	1 year to 10 years
Leasehold improvements	10 years or lease period, whichever is lower
Plant and machinery	1 year to 10 years
Computer equipment	3 years

The useful lives have been determined based on technical evaluation done by the management which are different from those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Assets in the course of development or construction are not depreciated.

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

(l) Intangible assets

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

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

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

(m) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in provision due to passage of time is recognised as an interest expense.



Notes to the financial statements

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

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

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

(ii) Other long-term employee benefit obligations

The liability recognised in the balance sheet in respect of leave obligations is the present value of the obligation at the end of the reporting period. The liability is calculated annually by independent actuaries using the projected unit credit method. Leave obligations are presented as current liabilities in the balance sheet since the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

(a) defined benefit plans i.e. gratuity; and

(b) defined contribution plans i.e. provident fund and Employee state insurance (ESI).

(a) Gratuity obligations

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

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

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

(b) Defined Contribution Plans:

The Company pays provident fund contributions to Employees' Provident Fund Organization and ESI contributions to Employees' State Insurance Corporation as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(o) Earnings per share

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

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

(p) Exceptional items

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

Note: 3**Use of judgements and estimates**

In preparing these financial statements, management has made judgements and estimates that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

In preparing these financial statements, management has made judgements and estimates that affect the application of the Companies's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

(i) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

Note 4(iii): lease term: whether the Group is reasonably certain to exercise extension options.

(ii) Assumption and estimation uncertainties

Information about assumptions and estimation uncertainties at the reporting date that have a risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial period / year is included in the following notes:

Note 11: measurement of defined benefit obligations: key actuarial assumptions;

Note 23: recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised;

Note 6(i): measurement of ECL allowance for trade receivables: key assumptions in determining the weighted-average loss rate.

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Notes to the financial statements

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

4 (i) Property, plant and equipment

Particulars	Office equipment	Leasehold improvements	Plant and machinery	Computer equipment	Total
Gross block					
As at April 01, 2024	9	10	455	10	485
Additions	1	-	31	0	32
Disposals	(0)	(0)	(26)	-	(27)
As at March 31, 2025	10	10	460	10	490
Additions	-	-	0	-	0
Disposals	-	-	(4)	-	(4)
As at March 31, 2026	10	10	456	10	486
Accumulated depreciation					
As at April 01, 2024	7	3	237	8	255
Charge for the year	1	1	46	1	49
Disposals	(0)	(0)	(12)	-	(12)
As at March 31, 2025	8	4	271	9	292
Charge for the year	0	1	42	0	43
Disposals	-	-	(3)	-	(3)
As at March 31, 2026	8	5	310	9	332
Net carrying amount					
As at March 31, 2025	2	6	189	1	198
As at March 31, 2026	2	5	146	1	154

Refer to Note 12(iii) for information on property, plant and equipment pledged as security.

4 (ii) Capital work in progress (CWIP)

Particulars	Amount
As at April 01, 2024	30
Additions	(0)
Capitalised during the year	(30)
As at March 31, 2025	-
Additions	-
Capitalised during the year	-
As at March 31, 2026	-

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Notes to the financial statements

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

4(iii) Right-of-use assets

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

Particulars	Building	Total
Gross block		
As at April 01, 2024	679	679
Additions	-	-
Disposals	(68)	(68)
As at March 31, 2025	611	611
Additions	-	-
Disposals	-	-
As at March 31, 2026	611	611
Accumulated depreciation		
As at April 01, 2024	308	308
Charge for the year	63	63
Disposals	(20)	(20)
As at March 31, 2025	351	351
Charge for the year	59	59
Disposals	-	-
As at March 31, 2026	410	410
Net carrying amount		
As at March 31, 2025	260	260
As at March 31, 2026	201	201

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

(i) Lease liability

Particulars	March 31, 2026	March 31, 2025
Current	71	60
Non-current	226	296
Total	297	356

(ii) Maturity analysis (undiscounted lease payments) :

Particulars	March 31, 2026	March 31, 2025
Less than one year	97	92
Between one and five years	255	351
After five years	-	-
Total minimum lease payments	352	443
Less: imputed interest	55	87
Present value of lease payments	297	356

(iii) The following are the amounts recognized in the statement of profit and loss and statement of cash flows:

Particulars	March 31, 2026	March 31, 2025
Depreciation of right-of-use assets	59	63
Interest expense on lease liabilities	33	41
Expense relating to leases of low-value assets (included in other expenses)	0	0
Cash flow for leases (principal and interest)	92	94



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Notes to the financial statements

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

5 Intangible assets

Particulars	Computer software	Total
Gross block		
As at April 01, 2024	10	10
Additions	1	1
Disposals	-	-
As at March 31, 2025	11	11
Additions	-	-
Disposals	-	-
As at March 31, 2026	11	11
Accumulated amortization		
As at April 01, 2024	5	5
Charge for the year	1	1
Disposals	-	-
As at March 31, 2025	6	6
Charge for the year	1	1
Disposals	-	-
As at March 31, 2026	7	7
Net carrying amount		
As at March 31, 2025	5	5
As at March 31, 2026	4	4



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6 Financial assets**6 (i) Trade receivables****(Unsecured)**

Trade receivables from other than related parties (considered good)

Receivables from related parties (refer note 29)

Less: Loss allowance (refer note 25)

	As at March 31, 2026	As at March 31, 2025
	-	12
	3	40
	-	(1)
	3	51

Ageing of trade receivables as at March 31, 2026

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

Ageing of trade receivables as at March 31, 2025

Particulars	Not due	Outstanding for following periods from due date					Total
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables	4	39	5	3	-	1	52
Considered good	4	39	5	3	-	1	52
Less: Loss allowance	-	-	-	-	-	(1)	(1)
Unbilled revenue	4	39	5	3	-	-	51

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6 (ii) Cash and cash equivalents

Balances with banks:
 -in current accounts
 -Deposits with original maturity of 3 months or less
 Cash on hand

As at March 31, 2026	As at March 31, 2025
1	2
-	20
0	0
1	22

6 (iii) Other financial assets

(Unsecured, considered good, unless otherwise specified)

Non-current

Security deposits

106	100
106	100

Current

Recoverable from related parties (refer note 29)

0	3
0	3

7 Other assets**Non-current**

Capital advances

Prepaid expenses

1	1
1	2
2	3

Current

Advance to suppliers

Advance to employees

Prepaid expenses

Balances with government authorities

Less : Provision for advances

2	4
-	0
2	2
0	0
(2)	-
2	6

8 Inventories

Raw materials

Work-in-progress

Finished goods

Stores and spares

29	68
9	60
5	24
3	4
46	156
(28)	(66)
18	90

Less: Provision for slow moving stock (refer note (iii) below)

Note:

(i) Write-down of inventories to net realizable value amounted to ₹1 (March 31, 2025: ₹4). These were recognized as an expense during the year and included in 'changes in inventories of work-in-progress and finished goods in statement of profit and loss

(ii) For lien/charge against inventory refer note 12(iii)

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

Raw materials

Work in progress

Finished goods

Stores and spares

19	33
5	18
3	14
1	0
28	66

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Notes to the financial statements

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

9 Equity share capital

Authorised equity share capital

Equity shares of INR 10 each

Issued, subscribed and fully paid

Equity shares of INR 10 each

As at March 31, 2026		As at March 31, 2025	
No. of shares	Amount	No. of shares	Amount
168,000,000	1,680	158,000,000	1,580
168,000,000	1,680	158,000,000	1,580
157,545,187	1,575	157,545,187	1,575
157,545,187	1,575	157,545,187	1,575

(i) Reconciliation of the number of shares and amount authorised at the beginning and at the end of the year :

At the beginning of the year

Increase during the year

Outstanding at the end of the year

As at March 31, 2026		As at March 31, 2025	
No. of shares	Amount	No. of shares	Amount
158,000,000	1,580	156,000,000	1,560
10,000,000	100	2,000,000	20
168,000,000	1,680	158,000,000	1,580

(ii) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

At the beginning of the year

Add: Issued during the year

Outstanding at the end of the year

As at March 31, 2026		As at March 31, 2025	
No. of shares	Amount (₹)	No. of shares	Amount (₹)
157,545,187	1,575	152,545,187	1,525
-	-	5,000,000	50
157,545,187	1,575	157,545,187	1,575

(iii) Terms & rights attached to equity shares

The Company has only one class of equity shares having par value of INR 10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed, if any by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, equity share holders are eligible to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iv) Details of shares held by holding/ultimate holding company or its subsidiaries or associates

Name of the shareholder	As at March 31, 2026		As at March 31, 2025	
	No. of shares	Amount	No. of shares	Amount
Aequis Limited (formerly known as Aequis Private Limited), the holding company	157,545,087	1,575	157,545,087	1,575
Aequis Engineered Plastics Private Limited (subsidiary of holding company)	100	0	100	0
	157,545,187	1,575	157,545,187	1,575

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

Name of the shareholder	As at March 31, 2026		As at March 31, 2025	
	No. of shares	% holding	No. of shares	% holding
Aequis Limited (formerly known as Aequis Private Limited)	157,545,087	100.00%	157,545,087	100.00%
	157,545,087	100.00%	157,545,087	100.00%

(vi) Details of shareholding of Promoters

Name of the Promoter	As at March 31, 2026		As at March 31, 2025		Percentage change during the year
	No. of shares	% of total number of shares	No. of shares	% of total number of shares	
Aequis Limited (formerly known as Aequis Private Limited)	157,545,087	100.00%	157,545,087	100.00%	0.00%
Aequis Engineered Plastics Private Limited	100	0.00%	100	0.00%	0.00%

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

(viii) There are no instances of shares allotted as fully paid by way of bonus shares and shares bought back during the period of five years immediately preceding the year end.

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Notes to the financial statements

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

9A Instruments entirely equity in nature

	As at March 31, 2026		As at March 31, 2025	
	No. of shares	Amount	No. of shares	Amount
Authorised				
Compulsorily Convertible Debentures	20,325,300	203	20,325,300	203
	20,325,300	203	20,325,300	203

Zero coupon unsecured compulsorily convertible debentures

Reconciliation of the number of debentures and amount outstanding at the beginning and at the end of the year :

	As at March 31, 2026		As at March 31, 2025	
	No. of shares	Amount (₹)	No. of shares	Amount (₹)
Balance outstanding at the beginning of the year*	20,325,300	203	20,325,300	203
Add: Issued during the year	-	-	-	-
Balance outstanding at the end of the year (Aequs Limited)	20,325,300	203	20,325,300	203

*Refer note 10(c)

10 Other equity

	As at March 31, 2026	As at March 31, 2025
Retained earnings	(1,791)	(1,556)
Securities premium	13	13
Common control capital reserve	21	21
Other reserve	11	11
	(1,746)	(1,511)

Nature and purpose of reserves

(a) Retained earnings

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

(b) Securities premium reserve

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

(c) Common control capital reserve

Refer note 26

(d) Other reserves

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

(e) Equity component of Compulsory Convertible Debentures

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

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

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Notes to the financial statements

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

	As at March 31, 2026	As at March 31, 2025
11 Provision for employee benefits		
Non-current		
Provision for gratuity	0	0
	<u>0</u>	<u>0</u>
Current		
Provision for gratuity	0	0
Provision for leave obligation	0	0
	<u>0</u>	<u>0</u>

(i) Leave obligations

The entire amount of the provision of ₹ 0 (March 31, 2025: ₹ 0) is presented as current since the Company does not have an unconditional right to defer settlement for any of these obligations.

(ii) Defined contribution plans

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

	For the year ended March 31, 2026	For the year ended March 31, 2025
Provident fund	0	2
Employees State Insurance	0	0
	<u>0</u>	<u>2</u>

(iii) Defined benefit 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 wages per month computed proportionately for 15 days multiplied for the number of years of service. The gratuity plan is a non-funded plan.

A. Reconciliation of the projected benefit obligations

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
(a) Total amount recognised in the statement of profit and loss account		
Current service cost	0	1
Interest on defined benefit obligation	0	0
Total amount recognised in statement of profit and loss (A)	<u>0</u>	<u>1</u>
(b) Total amount recognised in other comprehensive income		
Actuarial (gains)/losses arising from changes in		
- demographic assumptions	(0)	(0)
- financial assumptions	0	0
- experience adjustments	0	(1)
Total amount recognised in other comprehensive income (B)	<u>0</u>	<u>(1)</u>
Total amount recognised in statement of profit and loss and other comprehensive income (A+B)	<u>0</u>	<u>0</u>
(c) Changes in the defined benefit obligation during the year		
Obligations at the beginning of the year	0	2
Current service cost	0	1
Interest cost	0	0
Benefits paid	-	(1)
Liabilities (transferred) / assumed	(1)	(1)
Remeasurement (gains)/ losses		
- arising from change in demographic assumptions	(0)	(0)
- arising from change in financial assumptions	0	0
- arising from change in experience adjustments	0	(1)
Defined benefit obligation as the end of the year	<u>(1)</u>	<u>(0)</u>

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11 Provision for employee benefits (continued)

	As at March 31, 2026	As at March 31, 2025
(d) Classification		
Current	0	0
Non-current	0	0
B. Actuarial assumptions		
Significant actuarial assumptions		
Discount rate per annum	7.50%	6.95%
Salary escalation rate per annum	10%	10%
Other actuarial assumptions		
Attrition rate	25% at 21 to 30 years age and reducing to 1% at older ages according to graduated scale.	33% at 21 to 30 years age and reducing to 1% at older ages according to graduated scale.
Retirement age	58 Years	58 Years

Assumptions regarding mortality are based on published rates under the Indian Assured Lives Mortality (2012-14) table.

C. Sensitivity analysis

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

Changes in assumption	As at March 31, 2026	As at March 31, 2025
Discount rate		
Defined benefit obligation (DBO) on increase in 50 bps	0	(0)
Discount rate +50 basis points impact (%)	-8%	-7%
Defined benefit obligation (DBO) on decrease in 50 bps	0	0
Discount rate -50 basis points impact (%)	9%	7%
Salary increase rate		
Defined benefit obligation (DBO) on increase in 50 bps	0	0
Impact of increase in 50 bps on DBO	9%	7%
Defined benefit obligation (DBO) on decrease in 50 bps	0	(0)
Impact of decrease in 50 bps on DBO	8%	-7%

Sensitivity analysis for each significant actuarial assumptions namely discount rate and salary assumptions have been shown in the table above at the end of the reporting period, showing how the defined benefit obligation would have been affected by the changes.

The method used to calculate the liability in these scenarios is by keeping all the other parameters and the data same as in the base liability calculation except the parameters to be stressed. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analyses.

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

Maturity profile of the defined benefit obligation

D. Shown below is the maturity analysis of the undiscounted benefit payments (in million)

Particulars	March 31, 2026	March 31, 2025
Less than one year	0	0
Between one and five years	0	0
After five years	1	1
Total	1	1

Weighted average duration of the defined benefit obligations is 17.85 years as of March 31, 2026 (March 31, 2025: 14.06 years)

Risk exposure

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

(i) Market risk (discount rate)

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

(ii) Longevity risk

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

(iii) Annual risk

Salary increase assumption

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

Attrition/withdrawal assumption

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



Notes to the financial statements

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

	As at March 31, 2026	As at March 31, 2025
12 Financial liabilities		
12 (i) Borrowings		
Non current:		
Loans from related party (unsecured) (refer note 29) (b)	100	-
Term loans	19	-
Less: Current maturities of long term borrowings	(5)	-
	114	-
Current:		
Loans from related party (unsecured) (refer note 29) (b)	-	71
Current maturities of long-term borrowings	5	-
Interest accrued but not due on borrowings	7	-
	12	71

Note:

Details of security and terms of repayment for the borrowings:

	As at March 31, 2026	As at March 31, 2025
a) Term loans from banks (Vivriti Capital Limited)	19	-
Security: - A second ranking pari passu and continuing charge by way of hypothecation over all current assets of Borrower 1 (Aerostructures Manufacturing India Private Limited)(whether present or future) and as more particularly stated in the Deed of Hypothecation; - A first ranking exclusive and continuing charge by way of hypothecation over entire plant and machinery of Borrower 2 (Koppal Toys Molding COE Private Limited) and Borrower 3 (Aequis Force Consumer Products Private Limited) (whether present or future) and as more particularly defined in the Deed of Hypothecation; - A first ranking exclusive charge on cash collateral of 20% (Twenty Percent) of the Facility Amount (in proportion to the Drawdown amount) in the form of an interest free security deposit with a lien and set off marked in favour of the Lender and placed with the Lender. - Security Breach Cash Collateral, if furnished in accordance with Clause 33 (Security Covenant Breach and Security Breach Cash Collateral) of this Sanction Letter; Rate of interest: 11.80% p.a Repayment terms: 45 monthly instalments		
b) Loans from Related Parties	100	70
Rate of Interest: 12% p.a. Repayment is due within three (3) years from the date of disbursement, subject to the lender's right to call for repayment on demand, after 31 March 2027.		

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Notes to the financial statements

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

12(ii). Net debt reconciliation:

Particulars	As at	As at
	March 31, 2026	March 31, 2025
Cash and cash equivalents	1	22
Current borrowings	-	(71)
Non-current borrowings	(126)	-
Lease liabilities	(297)	(356)
Net debt	(422)	(405)

Particulars	Cash and cash equivalents	Liabilities from financing activities				Total
		Lease liabilities	Current borrowings (working capital loan)	Current borrowings	Non-Current borrowings	
Net debt as on April 01, 2024	6	(472)	(48)	-	-	(514)
Cash flows	16	-	-	-	-	16
New leases/ new borrowings	-	-	-	(70)	-	(70)
Repayments	-	53	48	-	-	101
Interest expense	-	(41)	(2)	(3)	-	(46)
Interest paid	-	41	2	2	-	45
Other non-cash adjustments	-	63	-	-	-	63
Reclassification to equity	-	-	-	-	-	-
Net debt as on March 31, 2025	22	(356)	-	(71)	-	(405)
Net debt as on April 01, 2025	22	(356)	-	(71)	-	(405)
Cash flows	(21)	-	-	-	-	(21)
New leases/ new borrowings	-	-	-	-	(50)	(50)
Repayments	-	60	-	-	1	61
Interest expense	-	(41)	-	-	(11)	(52)
Interest paid	-	41	-	-	5	46
Other non-cash adjustments	-	(1)	-	71	(71)	(1)
Net debt as on March 31, 2026	1	(297)	-	-	(126)	(422)

12(iii) Assets pledged as security

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

	As at March 31, 2026	As at March 31, 2025
Total current assets pledged as security	-	-
Non current		
A. Non financial assets:		
- Plant and machinery	146	-
- Office equipment	2	-
- Computer equipment	1	-
Total assets pledged as security	149	-

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Aequis Force Consumer Products Private Limited
Notes to the financial statements
(All amounts are in INR millions, except share data, unless otherwise stated)

CIN: U28191KA2018PTC11490

	As at March 31, 2026	As at March 31, 2025
12 (iv) Trade payables		
- Dues to micro enterprises and small enterprises ("MSME")	-	0
- Dues to related parties (refer note 29)	7	7
- Other trade payables	7	14
	14	21

Ageing of trade payables as at March 31, 2026

Particulars	Not due	Outstanding for following periods from due date				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed dues -MSME	-	-	-	-	-	-
(ii) Undisputed dues -Others	0	0	1	4	3	8
Unbilled	6	-	-	-	-	6
	6	0	1	4	3	14

Ageing of trade payables as at March 31, 2025

Particulars	Not due	Outstanding for following periods from due date				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed dues -MSME	0	-	0	-	-	0
(ii) Undisputed dues -Others	0	3	5	2	1	11
Unbilled	10	-	-	-	-	10
	10	3	5	2	1	21

12(v) Dues to micro and small enterprises

The Company has a process of identifying Micro, Small and Medium Enterprises (MSME), as defined under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), by requesting vendor confirmation to the letters circulated by the Company. Disclosures of dues/payments to Micro, Small and Medium Enterprises to the extent such enterprises are identified by the Company, based on the responses received from vendors against request for confirmations. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

Particulars	As at March 31, 2026	As at March 31, 2025
(i) Principal amount due to the suppliers registered under MSMED Act and remaining unpaid at the end of each accounting year;	-	-
(ii) Interest due to suppliers registered under MSMED Act and remaining unpaid as at the end of each accounting year	-	0
(iii) Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	2
(iv) Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
(v) Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	0
(vi) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year).	-	0
(vii) Interest accrued and remaining unpaid at the end of the accounting year	-	-
(viii) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act	-	-

12(vi) Other financial liabilities
Current:

Capital creditors

Dues to related parties (refer note 29)

1	1
18	19
19	20

13 Contract liabilities
Current:

Unearned revenue

Advance from customers

2	-
0	3
2	3

Note:

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

3	9
---	---

14 Other liabilities
Current:

Statutory dues payable

1	1
1	1



Notes to the financial statements

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

	Year ended March 31, 2026	Year ended March 31, 2025
15 Revenue from operations		
Revenue from contracts with customers		
- Sale of products	1	199
- Sale of services	1	11
	2	210
Other operating income		
- Scrap sales	0	2
	0	2
	2	212

Notes:

(i) Trade receivables are non-interest bearing and generally carry credit period of 0 to 60 days.

(ii) Revenue from major customers are as follows:

Customers	March 31, 2026		March 31, 2025	
	Revenue	% of total revenue	Revenue	% of total revenue
Customer 1	1	49%	109	51%
Customer 2	-	0%	73	34%
Customer 3	1	49%	11	3%

16 Other income

Gain on derecognition of lease	-	19
Liabilities no longer required	6	10
Interest income	0	0
Unwinding of discount on security deposit	6	6
Exchange differences (other than on borrowings)	0	3
Miscellaneous income	0	2
	12	40

17 Cost of materials consumed

Opening stock	68	153
Less: Movement in provision for slow moving inventory	(33)	(45)
Add: Purchases during the year	(15)	19
Closing stock	29	68
Less: Movement in provision for slow moving inventory	(19)	(33)
	10	92

18 Changes in inventories of work-in-progress and finished goods

Inventory at the end of the year (a)		
Work-in-progress	9	60
Finished goods	5	24
Provision for slow moving inventory	(8)	(33)
	6	51
Inventory at the beginning of the year (b)		
Work-in-progress	60	67
Finished goods	24	42
Provision for slow moving inventory	(33)	(4)
	51	105
	45	54

Change in inventories of work-in-progress and finished goods (b-a)

19 Employee benefits expense

Salaries, wages and bonus	1	33
Contribution to provident and other funds	0	2
Gratuity (refer note 11)	0	1
Staff welfare expenses	1	6
	2	42



Aequs Force Consumer Products Private Limited

CIN: U28191KA2018PTC114901

Notes to the financial statements
(All amounts are in INR millions, except share data, unless otherwise stated)

	Year ended March 31, 2026	Year ended March 31, 2025
20 Other expenses		
Consumption of stores and spares	4	18
Outsourced manpower cost	2	40
Power and fuel	11	16
Subcontracting expenses	-	18
Testing charges	-	1
Freight and forwarding	0	3
Repairs and maintenance :		
Machinery	0	1
Building	20	25
Others	2	5
Legal and professional fees	1	3
Payment to auditors [refer note (i) below]	1	1
Rental charges	0	0
Insurance	2	2
Printing and stationery	-	0
Rates and taxes	1	1
Travelling and conveyance	-	1
Communication	-	1
Provision for doubtful advances	2	-
Bank charges	0	2
Miscellaneous expenses	0	4
	46	142
(i) Payments to auditors		
As auditor:		
- Audit fee	1	1
- Reimbursement of expenses	0	0
	1	1
21 Depreciation and amortisation expense		
Depreciation of property, plant and equipment	43	49
Amortisation of intangible assets	1	1
Depreciation of right of use assets	59	63
	104	113
22 Finance cost		
Interest expense on borrowings	1	2
Interest expense on intercompany loans	10	3
Interest expense on lease liabilities	33	41
Financial guarantee expense	0	3
	44	49


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Notes to the financial statements

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

Year ended March 31, 2026	Year ended March 31, 2025
------------------------------	------------------------------

23 Income taxes

A. Income tax expense

Current tax expense

Deferred tax expense/(benefit)

Income tax expense/ (benefit)

B. Reconciliation of tax expense and accounting profit multiplied by applicable tax rate

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Tax expenses under general provision of income tax	(235)	(214)
Loss before income tax expense	26%	26%
Tax rate	(61)	(56)
Tax at the above rate	0	1
Tax impact of permanent difference	1	(2)
Tax impact on income not chargeable to tax	60	56
Tax impact of business loss and other items on which no deferred tax has been recognized	-	-
Total tax expense/(benefit)	-	-

C. Income tax assets

Advance income tax (tax deducted/collected at source)

Year ended March 31, 2026	Year ended March 31, 2025
0	1
0	1

Tax losses for which no deferred tax asset was recognised expire as follows

	Year ended March 31, 2026	Expiry date	Year ended March 31, 2025	Expiry date
Expire	1,231	2027-35	942	2026-34
Never expire (unabsorbed depreciation)	357	-	408	-

D. Deferred tax asset recognition

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

Deferred tax assets (net)

Particulars	As at March 31, 2026	As at March 31, 2025
Deferred tax liabilities	(1)	(1)
Property, plant and equipment and intangible assets	(52)	(68)
Right of use asset	(53)	(69)
Deferred tax assets	413	351
Tax losses and unabsorbed depreciation	77	93
Lease liability	7	17
Provision for inventory obsolescence	7	8
Provisions allowed on payment basis and others	504	469
Total - Deferred tax assets (net)	451	400

(a) Movement in deferred tax liabilities

	Property, plant and equipment and intangible assets	Right-of-use assets	Total
Balance at April 1, 2024	(9)	(96)	(105)
Recognised in profit or loss	-	-	-
Recognised in OCI	-	-	-
Unrecognised deductible temporary differences	8	28	36
Balance at March 31, 2025	(1)	(68)	(69)
Balance at April 1, 2025	(1)	(68)	(69)
Recognised in profit or loss	-	-	-
Recognised in OCI	-	-	-
Unrecognised deductible temporary differences	-	16	16
Balance at March 31, 2026	(1)	(52)	(53)



23 Income taxes (continued)

(b) Movement in deferred tax assets

	Tax losses and unabsorbed depreciation	Lease liability	Provision for inventory obsolescence	Others	Total
Balance at April 1, 2024	342	123	12	21	498
Recognised in profit or loss	-	-	-	-	-
Recognised in OCI	-	-	-	-	-
Unrecognised Deductible Temporary Differences	9	(30)	5	(13)	(29)
Balance at March 31, 2025	351	93	17	8	469
Balance at April 1, 2025	351	93	17	8	469
Recognised in profit or loss	-	-	-	-	-
Recognised in OCI	-	-	-	-	-
Unrecognised Deductible Temporary Differences	62	(16)	(10)	(1)	35
Balance at March 31, 2026	413	77	7	7	504

The tax impact for the above purpose has been arrived at by applying tax rate of 26% (2025: 26%) being the substantively enacted prevailing tax rate for Indian Companies under Income the Tax Act, 1961.

E. Transfer pricing:

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

For the year ended March 31, 2025, the Company had undertaken a study to comply with the said transfer pricing regulations for which the prescribed certificate of the accountant has been obtained which does not envisage any tax liability.

For the year ended March 31, 2026, the Company would be carrying out a study to comply with transfer pricing regulations for which the prescribed certificate of accountant will be obtained. In the opinion of management, no adjustment is expected to arise based on completion of Transfer Pricing Study.

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Notes to the financial statements

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

24 Fair value measurement

Financial instruments by category

	Category	As at March 31, 2026	As at March 31, 2025
Financial assets			
Trade receivables	Amortised cost	3	51
Cash and cash equivalents	Amortised cost	1	22
Other financial assets	Amortised cost	106	103
Total financial assets		110	176
Financial liabilities			
Borrowings	Amortised cost	126	71
Lease liabilities	Amortised cost	296	356
Trade payables	Amortised cost	14	21
Other financial liabilities	Amortised cost	19	20
Total financial liabilities		455	468

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

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

The fair values for interest free security deposits were calculated based on cash flows discounted using a risk free rate of interest.

The lease liabilities are discounted using the interest rate implicit in the lease. If the rate cannot be readily determined, as in the case of lease of buildings, the Company incremental borrowing rate is used.

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

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Notes to the financial statements

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

25 Financial risk management

The Company's business activities exposes it to a variety of financial risks such as liquidity risk, credit risk and market risk. The Company's senior management under the supervision of the Board of Directors and its risk management committee has the overall responsibility for establishing and governing the Company's risk management and have established policies to identify and analyse the risks faced by the Company. They help in identification, measurement, mitigation and reporting all risks associated with the activities of the Company. These risks are identified on a continuous basis and assesses for the impact on the financial performance. The below table broadly summarises the sources of financial risk to which the Company is exposed to and how the Company manages the risk.

A. Credit risk

Credit risk is a risk where the counterparty will not meet its obligations under a financial instrument leading to a financial loss. Credit risk arises from cash and cash equivalents and deposits with banks, as well as credit exposures to customers including outstanding receivables, other receivables and loans and deposits. The Company usually deals with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The exposure is continuously monitored.

Provision for expected credit losses.

The Company's financial assets mainly comprise of investments, trade receivables, deposits with bank, loans & lease deposits. The assessment of ECL is done as follows:

1) Deposits:

Deposits comprises of mainly refundable security deposits made on buildings (leased premises). Deposits have negligible or nil risk based on past history of defaults and reasonable forward looking information. 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 banks having strong credit ratings and the period of such deposits is generally not exceeding one year.

3) Trade receivables and other dues from related parties

No significant expected credit loss provision has been created for trade receivables. Further, receivables are expected to be collected considering the past trend of no defaults and that the balances are not significantly aged. Full provision is made for balances that management believes are credit impaired.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment, that includes forward-looking information.

Reconciliation of loss allowance provision - Trade receivables

Particulars	Amount
Balance as at April 01, 2024	2
Charge for the year	-
Utilisation/ reversal in loss allowance	(1)
As at March 31, 2025	1
Charge for the year	-
Utilisation/ reversal in loss allowance	(1)
As at March 31, 2026	-

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Notes to the financial statements

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

25 Financial risk management (Continued)

B. Liquidity risk

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

(i) Maturities of financial liabilities

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

Contractual maturities of financial liabilities

	Less than 1 year	1 to 5 years	More than 5 years	Total
As at March 31, 2026				
Borrowings	12	114	-	126
Trade payables	14	-	-	14
Other financial liabilities	19	-	-	19
Lease liabilities	97	255	-	352
	142	369	-	511

	Less than 1 year	1 to 5 years	More than 5 years	Total
As at March 31, 2025				
Borrowings	71	-	-	71
Trade payables	21	-	-	21
Other financial liabilities	20	-	-	20
Lease liabilities	92	351	-	443
	204	351	-	555

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.

(i) Foreign currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (INR). The risk is measured through sensitivity analysis of probable movement in exchange rate as at the reporting period.

The Company primarily imports materials which are denominated in foreign currency which exposes it to foreign currency risk. The Company has a natural hedge in terms of its receivables and payables being in USD. Further, any additional exposure is continuously monitored and hedging options like forward contracts are taken whenever they are expected to be cost effective.

(a) Foreign currency risk exposure

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

	March 31, 2026		March 31, 2025	
	HKD	USD	HKD	USD
Financial asset				
Trade receivable	-	-	-	12
Net exposure to foreign currency risk (assets)	-	-	-	12
Financial liability				
Trade payables	-	0	-	1
Other financial liabilities	-	-	-	0
Net exposure to foreign currency risk (liabilities)	-	0	-	1
Net exposure to foreign currency risk (assets - liabilities)	-	(0)	-	11

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Notes to the financial statements

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

25 Financial risk management (Continued)

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

Impact on loss before tax	As at March 31, 2026	As at March 31, 2025
USD Sensitivity		
INR/USD - Increase by 5%	(0)	1
INR/USD - decrease by 5%	0	(1)
HKD Sensitivity		
INR/HKD - Increase by 5%	-	-
INR/HKD- decrease by 5%	-	-

(iii) Interest rate risk

(a) The exposure of Company's borrowings to the interest rate changes at the end of the reporting period

Particulars	As at March 31, 2026	As at March 31, 2025
Fixed rate borrowings (including lease liabilities)	124	71
Total borrowings	124	71

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26 Business combination

Pursuant to the sale agreement dated March 14, 2024, the Company acquired the business of Koppal Toys Tooling COE Private Limited (KTTPL), a fellow subsidiary of the Company, with effect from February 29, 2024. The total consideration for the acquisition was ₹ 35 million, payable three years from the date of execution of the agreement.

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

During the year ended March 31, 2025, the Board of Directors of the Company resolved to initiate the winding-up of KTTPL by way of striking off its name from the Register of Companies under Section 248 of the Companies Act, 2013, read with the Companies (Removal of Names of Companies from the Register of Companies) Rules, 2016 and, inter-alia, de-recognized, in the books of KTTPL, the receivable from Aequs Force Consumer Products Private Limited towards the consideration payable. Consequently, as at March 31, 2025, the Company derecognised the outstanding payable of ₹ 25 million to KTTPL.

27 Capital management

For the purpose of Company's capital management, capital includes issued equity share capital, instruments entirely equity in nature and all other reserves attributable to the equity holders of the Company.

The Company's objectives while managing capital are to:

- (i) Safeguard their ability to continue as a going concern, so that they can continue to provide returns to shareholders and benefits to other stakeholders;
- (ii) Maintain an optimal capital structure to reduce the cost of capital.

The Company monitors capital using gearing ratio and is measured by net debt.

(i) Net debt to equity ratio

	As at March 31, 2026	As at March 31, 2025
Net debt (refer note 12 (ii))	422	405
Total equity	32	267
Net debt to equity ratio	13.19	1.52

28 Commitments

	As at March 31, 2026	As at March 31, 2025
Capital commitments		
Estimated amount of contracts remaining to be executed on capital account net of advances and not provided for:		
(i) Property, plant and equipment	-	0
	-	0

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Notes to the financial statements

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

29 Related party disclosures**(A) Name of related parties and their relationship**

Relationship	Name of the related party
(i) Name of related parties where control exists.	
Ultimate holding company	: Aequs Inc, Cayman Islands (100% beneficially owned and controlled by the Melligiri Foundation) (up to December 10, 2025)
Holding company	: Aequs Limited (formerly known as Aequs Private Limited) (AL),
(ii) Names of other related parties with whom transactions have taken place during the year.	
Subsidiaries	: Aequs Force Technology Company Limited (AFTCL), Hong Kong (dissolved w.e.f. December 27, 2024)
Fellow subsidiaries	: Aequs Engineered Plastics Private Limited (AEPPL) : Aerostructures Manufacturing India Private Limited (ASMIPL) : Aequs Consumer Products Private Limited (ACPPL) : Aequs Toys Private Limited (ATPL) : Koppal Toys Tooling COE Private Limited (KTTPL), struck off w.e.f. November 30, 2024 : Koppal Toys Molding COE Private Limited (KTMPL) : Aequs Rajas Extrusion Private Limited (AREPL)
Enterprises in which individuals owning interest in the holding/ultimate holding company/erstwhile joint venturers, or their relatives have control or significant influence	: Aequs SEZ Private Limited (ASEZ) : Industrial Knowledge Centre (IKC) : SQuAD Forging India Private Limited (SQUAD)
(iii) Key managerial personnel** :	: Dinesh Iyer (upto August 07, 2025), Director : Suraj Hukkeri (upto August 07, 2025), Director : Basavant Appanna Patil (from August 06, 2025), Whole Time Director : Basavaraj Siddalingappa Sugandhi (from August 06, 2025), Director : Chaitanya Vinayak Bhat (From July 17, 2024), Company Secretary : Neha Chaugule (From March 27, 2026), Director : Simram Kashish Porwal (From September 18, 2025), CFO

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Notes to the financial statements

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

B. Transactions with related parties

Name	Nature of transactions	For the year ended March 31, 2026	For the year ended March 31, 2025
Remuneration	Chaitanya Vinayak Bhat	0	-
AEPPL	Sale of products	14	39
	Sale of services	-	3
	Sale of property, plant and equipment	-	14
	Purchase of raw materials	0	6
	Reimbursement of expenses paid	0	2
	Reimbursements received	1	-
	Subcontracting expenses	0	0
AFTCL	Sale of investment	-	2
	Gain on derecognition of investment	-	2
ASEZ	Reimbursement of expenses paid	-	0
	Interest expenses on lease liability	-	41
	Repayment of lease liability	-	53
	Surrender of lease liability	-	63
	Services received	122	44
	Reimbursement of expenses paid	0	-
	Refund of security deposit	-	14
AL	Reimbursement of expenses paid	0	0
	Reimbursements received	-	0
	Sale of property, plant and equipment	-	0
	Borrowings availed	30	70
	Interest on borrowings	10	3
	Fair value of financial guarantee received	-	1
	Financial guarantee expense	-	3
	Equity shares issued	-	50

Note: Amount presented as "0" are on account of rounding off to INR million.

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Notes to the financial statements

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

29 Related party disclosures (continued)

B. Transactions with related parties (continued)

Name	Nature of transactions	For the year ended March 31, 2026	For the year ended March 31, 2025
ATPL	Sale of property, plant and equipment	-	1
	Sale of products	0	2
IKC	Expense incurred on behalf of related party	-	0
KT MPL	Sale of property, plant and equipment	2	4
	Sale of products	0	-
	Repayment of loan given	-	4
	Interest income	-	0
	Subcontracting expenses	-	0
KT TPL	Purchase consideration payable written off	-	35
AS MPL	Reimbursement of expenses paid	-	0
	Sale of property, plant and equipment	0	0
AC PPL	Expenses incurred by related party	-	0
SQUAD	Expenses incurred by related party	-	0

Note: Amount presented as "0" are on account of rounding off to INR million.

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Notes to the financial statements

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

29 Related party disclosures (continued)

C Balance as at the year end

Name	Nature of transactions	As at March 31, 2026	As at March 31, 2025
AEPPL	Dues to related party	1	2
	Trade payables	0	-
	Trade receivables	0	30
ASEZ	Trade payables	0	0
	Security deposits	124	124
AL	Dues to related party	17	17
	Dues from related party	-	0
	Trade payables	6	6
	Borrowings	100	70
	Interest accrued but not due on borrowings	6	1
ASMIPL	Dues to related party	0	0
ATPL	Trade receivables	2	10
	Dues from related party	0	0
IKC	Trade payables	-	0
KTMPPL	Dues from related party	-	0
	Trade payables	-	-
	Trade receivables	-	3
KTTPPL	Trade receivables	-	0
AREPL	Recoverable from related parties	0	0

Note: Amount presented as "0" are on account of rounding off to INR million.

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Notes to the financial statements*(All amounts are in INR millions, except share data, unless otherwise stated)***30 Segment information****(a) Description of segments and principal activities**

The Company is primarily engaged in a single line of business of manufacturing engineered toys. The Company's Chief Operating Decision Maker (CODM) is identified to be the Executive Chairman and Chief Executive officer of the Holding company, who plans the allocation of resources and assess the performance of the segments. The Company's CODM reviews the financial information by considering the Company as a whole, hence the operating segment is the Company as one single segment.

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

Revenue from contract with customers

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
India	0	18
Outside India		
Hongkong	1	177
Others	1	17
Total	2	212

Note:

There are no non-current assets which are outside India.

31 Earnings per share

	For the year ended March 31, 2026	For the year ended March 31, 2025
(a) Loss per share (basic and diluted)	(1.32)	(1.21)
(b) Loss attributable to the equity share holders used in calculating basic and diluted earning per share	(235)	(215)
Weighted average number of equity shares of ₹ 10 each	157,545,187	156,641,077
(c) Weighted average number of equity shares considered for basic EPS	177,870,487	176,966,377

Note :

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

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Notes to the financial statements

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

32 Financial ratios

Ratios	Numerator	Denominator	As at March 31, 2026	As at March 31, 2025	% of variance	Reason for variance
Current ratio	Current assets	Current liabilities	0.20	0.98	-79.31%	Note 1
Debt-equity ratio	Total debt	Shareholders' equity	13.15	1.60	723.32%	Note 2
Debt service coverage ratio (DSCR)	Earnings available for debt Service	Debt service	(0.56)	(0.38)	47.43%	Note 3
Return on equity (ROE)	Profit/(loss) after tax	Average shareholders' equity	-1.57	-0.61	155.62%	Note 5
Inventory turnover ratio	Turnover	Average inventory	0.04	1.37	-96.88%	Note 6
Trade receivables turnover ratio	Credit sales	Average accounts receivables	0.09	2.91	-97.06%	Note 8
Trade payables turnover ratio	Credit purchases	Average trade payables	1.61	3.45	-53.25%	Note 7
Net capital turnover ratio	Turnover	Working capital	(0.02)	(48.36)	-99.95%	Note 4
Net profit ratio	Net profit/(loss) after tax	Turnover	-101.89	-1.01	10000.31%	Note 9
Return on capital employed (RoCE)	Earnings before interest and tax	Capital employed	-42.26%	-24.00%	76.09%	Note 10
Return on investment	Earnings before interest and tax	Average total assets	-30.97%	-18.08%	71.34%	Note 11

Notes:

1. Current ratio has decreased on account of increase of intercompany borrowings during the year.
2. Debt equity ratio has increased due to increase in borrowings and further the overall equity has reduced due to the losses incurred.
3. Debt service coverage has decreased due to reduction in earnings available for debt service during the year.
4. Net capital turnover ratio decreased due to reduction in turnover and increase in working capital during the year.
5. ROE has decreased due to increase in losses incurred.
6. Reduction in inventory turnover is on account of reduced sales for the year.
7. Reduction in trade payable turnover is on account of decrease in net purchases for the year.
8. Reduction in trade receivable turnover is on account of reduction in net credit sales for the year.
9. Net profit ratio has decreased on account of reduced sales for the year.
10. Return on capital employed has decreased on account of increased losses.
11. Return on investment has decreased on account of increased losses.

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Notes to the financial statements

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

33. Additional regulatory information required by Schedule III

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

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

(iii) Relationship with struck off companies: The Company has entered into below transaction with struck off company under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 during the year ended March 31, 2026.

Name of the struck off company	Nature of transaction with struck off company	Balance outstanding as at March 31, 2026	Relationship with the struck off company, if any, to be disclosed	Balance outstanding as at March 31, 2025	Relationship with the struck off company, if any
Matrix Plus Private Limited	Trade Payable	-	Third party	-	Third party

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

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

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

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

(vi)(b) 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:

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

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

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

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

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

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

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

(xiii) The Company was not required to recognise any provision as at March 31, 2026 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, 2026.

(xiv) The Group does not have any Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

34. Events occurring after balance sheet date

The Company, vide its board resolution dated April 23, 2026, has approved the Scheme of Amalgamation with its Holding Company, Aequs Limited (formerly known as Aequs Private Limited). As of the date of adoption of these financial statements, the Scheme and the related petition are yet to be filed with requisite authorities, and necessary approvals are still pending.

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

for BSR & Co. LLP

Chartered Accountants

Firm Registration Number : 101248W/W100022

for and on behalf of the Board of Directors

Aequs Force Consumer Products Private Limited

CIN: U28191KA2018PTC114901

Sampad Guha Thakurta

Partner

Membership No.: 060573

Place: Chennai

Date: May 26, 2026

Basavant Annappa Patil

Whole Time Director

DIN: 07626985

Place: Belagavi

Date: May 26, 2026

Basavaraj Siddalingappa Sugandhi

Director

DIN: 09402216

Place: Belagavi

Date: May 26, 2026

Simran Kashish Porwal

Chief Financial Officer

Place: Belagavi

Date: May 26, 2026

Chaitanya Vinayak Bhat

Company Secretary

Membership No.: A61933

Place: Bengaluru

Date: May 26, 2026