# Financial statements

# Of

# Aequs Toys Private Limited

# For the Year ended

# 31st March 2026

1) MRL

3) MGT-14

| Aequs Toys Private Limited<br>CIN - U26400KA2021PTC150503 | |
|---|---|
| **Registered Office** | Aequs Tower, No. 55, Whitefield Main Road, Mahadevapura Post, Mahadevapura, Bangalore, Bangalore North, Karnataka, India, 560048 |
| **Directors** | **Rahul Sadanand Kalburgi**<br>*(DIN: 11203338)*<br><br>**Vijay Shrinivas** *(Additonal Director)*<br>*(DIN: 07143633)*<br><br>**Ravi D Kulkarni**<br>*(DIN: 11030626)* |
| **Company Secretary** | Smita Harish Bang |
| **Chief Financial Officer** | Shreeya Dandi |
| **Statutory Auditors** | **K. G. Acharya & Co.,**<br>Chartered Accountants,<br>No. 14, Girls School Street,<br>Kumarapark West,<br>Seshadripuram, Bangalore-20<br>Karnataka, India |

# INDEPENDENT AUDITOR'S REPORT

**To The Members of Aequs Toys Private Limited**

**Report On the Audit of The Financial Statements**

**Opinion**

We have audited the Financial Statements of Aequs Toys Private Limited, ("the Company"), which comprise the Balance Sheet as at March 31, 2026, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, the Statement of Cash Flow for the year then ended, and notes to the financial statement including a summary of the material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('The Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026 and its loss, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

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

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

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

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**Responsibilities of Management and Those Charged with Governance for the Financial Statements.**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total 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 Specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are also responsible for overseeing the company's financial reporting process.

**Auditor's Responsibility for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

**Report on Other Legal and Regulatory Requirements**

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

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

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

   b. In our opinion, except for the matters stated in the paragraph 2(h)(vi) below on reporting under Rule 11(g), of the Companies (Audit and Auditors) Rules, 2014, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

   e. On the basis of the written representations received from the directors as on March 31, 2026 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164(2) of the Act.

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f. With respect to the adequacy of the Internal Financial Controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **'Annexure - B'**.

g. In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

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

   ii. The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.

   iv.

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

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

      c. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (a) and (b) above, contain any material misstatement.

   v. The Company has neither declared nor paid dividends during the year under review, and hence reporting on compliance with section 123 of the Companies Act, 2013 is not applicable.

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vi. Based on our examination which included the test checks, except for the instances mentioned below, 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:

- not enabled for the period from 01 April 2025 to 15 December 2025 at database level to log any direct data changes: and
- 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 has been preserved by the company as per the statutory requirements for record retention.

**For M/s. KG Acharya & Co.**
Chartered Accountant
FRN-008019S

Harshith T P

**Harshith T P**
Partner
M. No 256698
**UDIN:** 26256698TAUGEQ1328

K.G. ACHARYA & CO. Bangalore Chartered Accountants

Bangalore
Date: 25/05/2026

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

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

**i.**

(a) (A) The company has maintained reasonable records showing full particulars including quantitative details and situation of Property, plant & Equipment.

(B) The company has maintained reasonable records showing full particulars of Intangible Assets.

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

(c) The company does not have any immovable property (other than immovable properties where the company is the lessee and the lease agreements are duly executed in favor of the lessee). Accordingly, clause 3(i)(c) of the order is not applicable.

(d) The company has not revalued its Property, Plant and Equipment and intangible assets during the year and therefore Paragraph 3(i)(d) of the order is not applicable.

(e) Based on our audit procedures, we report that no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

**ii.**

(a) The inventories have been physically verified by the management at reasonable intervals during the year. In our opinion, the coverage and procedure of such verification is appropriate. The discrepancies noticed on verification were in excess of 10% in aggregate for stores and spares and they have been properly dealt with in the books of account.

(b) The Company has not been sanctioned working capital limits in excess of Rs. 5 Crore, in aggregate, at any point of time of the year, from banks / financial institutions on the basis of security of current assets and therefore Paragraph 3(ii)(b) of the order is not applicable to the company.

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**iii.**

(a) During the year, the Company has not made any investments in, provided any guarantee or security, or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties, and therefore Paragraph 3(iii) of the order is not applicable to the company. However, the details of investment balance outstanding at the Balance Sheet date is tabulated as under:

| Particulars | Investments (Amounts in thousands) |
|---|---|
| Aggregate amount invested during the year Subsidiary | - |
| Balance outstanding as a balance sheet date in respect of such investment during the year Subsidiary(Gross i.e. before impairment) | 4,85,001 |

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

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

**iv.**

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

**v.**

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

**vi.**

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

**vii.**

(a) Undisputed statutory dues including Goods and services Tax, PF, ESI, income tax, sales tax, service tax, duty of custom, duty of excise, VAT, cess have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

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

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**viii.**

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

**ix.**

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

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

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

(d) On an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.

(e) On an overall examination of the financial statements of the company, we report that the company has taken funds from following entity to meet the obligations of its subsidiary as per details below:

| Name of the fund taken | Name of the lender | Amount involved *(Amounts in thousands)* | Name of the subsidiary | Relation | Nature for transaction for which funds utilized* | Remarks if any, |
|---|---|---|---|---|---|---|
| Equity Share Capital | Aequs Limited (AL) | 40,000 | Koppal Toys Molding COE Private Limited (KTM) | Subsidiary | Business operations | During the year, the company has issued Equity shares to AL and the funds are received with the understanding to invest in KTM, however, the investment is yet to be made as at reporting date. |

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

**x.**

(a) The Company has not raised any money by way of Initial Public Offer or Further Public Offer (including debt instruments) and hence clause (x)(a) of paragraph 3 of the order is not applicable to the Company.

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

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**xi.**

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

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

(c) The Company is not required to have Whistle Blower Mechanism under applicable rules and regulation. Further, as represented to us by the management, the Company has voluntarily established Whistle Blower Mechanism and there are no whistle blower complaints received by the company during the year..

**xii.**

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

**xiii.**

All the Related Party Transactions entered into by the Company during the year are in compliance with the provisions Section 188 of the Act and the details thereof have been disclosed in the Financial Statements as required by the Indian Accounting standard 24 "Related party disclosures". Further, in our opinion, the provisions of S. 177 of the Act are not Applicable to the Company and accordingly reporting under clause 3(xiii) in so far as it relates to section 177 of the Companies Act, 2013 is not applicable to the Company and hence not commented upon.

**xiv.**

(a) Based on the Audit procedures, we are of the opinion that the internal audit system of the company is commensurate with the size and nature of its business.

(b) We report that we have considered the reports of the Internal Auditors for the period under audit.

**xv.**

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

**xvi.**

(a) The Company is not required to be registered u/s 45-IA of the Reserve Bank of India Act, 1934. Paragraph 3(xvi)(a) of the Order is therefore not applicable to the Company.

(b) Based on our Audit procedures, we are of the opinion that the company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of Indian Act, 1934.

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(c) Based on our audit procedures, we are of the opinion that company is a not core investment company (CIC) as defined in the regulations made by the Reserve Bank of India. Paragraph 3(xvi) (c) and (d) of the Order is therefore not applicable to the Company.

**xvii.**

The company has incurred cash losses during the financial year of Rs. 1,56,706 thousands and of Rs. 1,17,949 thousands in the immediately preceding financial year.

**xviii.**

There was no resignation of the statutory auditors during the year under Audit. Hence, paragraph 3(xviii) of CARO is not applicable to the company.

**xix.**

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

**xx.**

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

For **M/s. K G Acharya & Co.,**
Chartered Accountants
**FRN 008019S**

Harshith T P

**Harshith T P**
Partner
**M. No. 256698**

**Date** 25/05/2026
**Place: Bangalore**

K.G. ACHARYA & CO. Bangalore Chartered Accountants

**ANNEXURE – B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF Aequs Toys Private Limited ("THE COMPANY") AS AT 31ST MARCH, 2026.**

## Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

### Opinion

We have audited the Internal Financial Controls over financial reporting of **Aequs Toys Private Limited** ("the Company") as of March 31, 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 March 31, 2026, based on the internal financial control 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.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control 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. 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 Companies Act, 2013 of ("the Act").

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's Internal Financial Controls over Financial Reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 Over Financial Reporting was 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 Controls Over Financial Reporting and their operating effectiveness. Our audit of Internal Financial Controls Over Financial Reporting included obtaining an understanding of Internal Financial Controls Over Financial Reporting, 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.

K.G. ACHARYA & CO. Bangalore Chartered Accountants

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 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 control over financial reporting includes those policies and procedures that –

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized 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 **M/s. K G Acharya & Co.,**
Chartered Accountants
**FRN 008019S**

Harshith T P

**Harshith T P**
Partner
M. No 256698

K.G. ACHARYA & CO. Bangalore Chartered Accountants

**Bangalore**
25/05/2026

**Acqus Toys Private Limited**
**Balance Sheet as at March 31, 2026**

CIN: U26400KA2021PTC150503

*(All amounts are in ₹ thousand, 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) | 1,72,322 | 2,03,487 |
| Capital work in progress | 4(ii) | | |
| Intangible assets | 5(i) | 102 | 308 |
| Right of use assets | 5(ii) | 4,38,181 | 5,04,738 |
| Financial assets | | | |
| Investments | 6 (i) | 2,71,875 | 2,71,875 |
| Other financial assets | 6 (iv) | 47,953 | 44,817 |
| Other non-current assets | 8 | 3,543 | 9,119 |
| **Total Non-current assets** | | **9,33,977** | **10,34,344** |
| **Current assets** | | | |
| Inventories | 9 | 10,737 | 21,108 |
| Financial assets | | | |
| Trade receivables | 6 (ii) | 1,771 | 27,410 |
| Cash and cash equivalents | 6 (iii) | 1,44,359 | 22,917 |
| Other financial assets | 6 (iv) | 37,893 | 38,975 |
| Income tax assets | 7 | 98 | 164 |
| Other current assets | 8 | 73.046 | 66.500 |
| **Total Current assets** | | **2 67 904** | **1 77,075** |
| **Total assets** | | **12.01,881** | **12,11,418** |
| **Equity and liabilities** | | | |
| **Equity** | | | |
| Equity share capital | 10 (ii) | 13,49,598 | 12,59,598 |
| **Other equity** | | | |
| Reserves and surplus | 11 (i) | (9,29,402) | (8,25,328) |
| Other reserves | 11 (ii) | 1,27,804 | 1,27,804 |
| **Total equity** | | 5 48,000 | 5,62 074 |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Financial liabilities | | | |
| Lease liabilities | 12 (ii) | 4,21,232 | 4,56,957 |
| Employee benefit obligations | 13(i) | 2,924 | 1,745 |
| Deffered government grant | 13(ii) | 8,408 | 10,762 |
| **Total non-current liabilities** | | 4,32,564 | 4,69,465 |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| Borrowings | 12 (i) | 1,57,791 | 1,01,016 |
| Lease liabilities | 12 (ii) | 35,735 | 26,975 |
| Trade payables | 12 (iii) | | |
| (a) total outstanding dues of micro and small enterprises | | | 38 |
| (b) total outstanding dues of creditors other than (a) above | | 11,109 | 28,798 |
| Other financial liabilities | 12 (iv) | 10,756 | 11,664 |
| Employee benefit obligations | 13(i) | 1,485 | 1,440 |
| Deffered government grant | 13(ii) | 2,354 | 2,354 |
| Contract liabilities | 14 | 677 | 5,811 |
| Other current liabilities | 15 | 1.410 | 1 783 |
| **Total current liabilities** | | **2 21,317** | **1 79 879** |
| **Total liabilities** | | **6,53,881** | **6,49,344** |
| **Total equity and liabilities** | | 12,01 881 | **12,11 418** |

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

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

Harshith T P

Harshith T P
Partner
Membership No :256698
Place: Bengaluru
Date: 25/05/2026

**For and on behalf of the Board of Directors**
**Acqus Toys Private Limited**

Ravi D Kulkarni
Whole Time Director
DIN-11030626
Place: Belagavi
Date: 25/05/2026

Rahul Sadanand Kalburgi
Director
DIN-11120338
Place: Belagavi
Date: 25/05/2026

Smita Harish Bang
Company Secretary
M No- A45081
Place: Belagavi
Date: 25/05/2026

Shreeya Dandi
Chief Financial Officer
Place: Belagavi
Date: 25/05/2026

K.G. ACHARYA & CO.
Bangalore
Chartered Accountants

**Aequs Toys Private Limited** CIN: U26400KA2021PTC150503

**Statement of Profit and Loss for the year ended March 31, 2026**

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

| | Notes | Year ended March 31, 2026 | Year ended March 31, 2025 |
|---|---|---|---|
| **Income** | | | |
| Revenue from operations | 16 | 22,561 | 91,404 |
| Other gains/(losses) - net | 17 | 3,532 | 46,545 |
| **Total income (A)** | | 26,093 | 1,37,949 |
| | | | |
| **Expenses** | | | |
| Cost of materials consumed | 18 | 20,301 | 49,852 |
| Changes in inventories of work-in-progress and finished goods | 19 | 68 | 7,217 |
| Employee benefits expense | 20 | 28,542 | 37,690 |
| Other expenses | 21 | 46,360 | 84,295 |
| **Total direct cost (B)** | | 95,271 | 1,79,053 |
| | | | |
| **Loss before interest, tax, depreciation and amortisation (A-B)** | | **(69,179)** | **(41,105)** |
| | | | |
| Depreciation and amortisation expense | 22 | 98,553 | 98,312 |
| Finance income | 23 | (3,388) | (3,299) |
| Finance costs | 24 | 78,752 | 71,726 |
| **Total expenses** | | 1,73,917 | 1,66,739 |
| | | | |
| **Loss before exceptional items and tax** | | (2,43,095) | (2,07,843) |
| | | | |
| **Exceptional items** | | | |
| Impairment loss on assets | 21 A | - | 74,425 |
| Write Off of investments | 21 B | - | 34,900 |
| **Total Exceptional items** | | - | 1,09,325 |
| | | | |
| **Loss before tax** | | **(2,43,095)** | **(3,17,168)** |
| Income tax expense | | | |
| - Current tax | | - | - |
| - Deferred tax | 34 | - | - |
| Total tax expense | | - | - |
| | | | |
| **Loss for the year** | | **(2,43,095)** | (3,17,168) |
| | | | |
| **Other comprehensive income** | | | |
| **Items that will not be reclassified to profit or loss** | | | |
| - Remeasurements (gain)/loss on defined benefit obligations | 13 | (24) | 727 |
| - Income tax effect to these items | | - | - |
| **Other comprehensive income for the year, net of tax** | | (24) | 727 |
| **Total comprehensive loss for the year** | | (2,43,118) | (3,16,441) |
| Earnings per equity share - Basic [Nominal value per share: ₹ 10 (March 31, 2025: ₹10)] | 31 | (1.86) | (2.55) |

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

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

Harshith T P

Harshith T P
Partner
Membership No.:256698
Place: Bengaluru
Date: 25/05/2026

**For and on behalf of the Board of Directors**
**Aequs Toys Private Limited**

Ravi D Kulkarni
Whole Time Director
DIN-11030626
Place: Belagavi
Date: 25/05/2026

Rahul Sadanand Kalburgi
Director
DIN-1120338
Place: Belagavi
Date: 25/05/2026

Smita Harish Bang
Company Secretary
M No- A45081
Place: Belagavi
Date: 25/05/2026

Shreeya Dandi
Chief Financial Officer
Place: Belagavi
Date: 25/05/2026

K.G. ACHARYA & CO. Bangalore Chartered Accountants

CIN: U26400KA2021PTC150503

**Aequs Toys Private Limited**
**Statement of Cashflows for the year ended March 31, 2026**
*(All amounts are in ₹ thousand, except share data, unless otherwise stated)*

| | Year ended March 31, 2026 | Year ended March 31, 2025 |
|---|---|---|
| **Cash flow from operating activities** | | |
| Loss before tax | (2,43,095) | (3,17,168) |
| **Adjustments for:** | | |
| Depreciation and amortisation expense | 98,553 | 98,312 |
| Provision for slow-moving inventory | 6,406 | 1,310 |
| Employee stock option expense | 2,170 | 972 |
| Provision for doubtful advances/ balances (net) | 3,366 | 7,458 |
| Liabilities no longer required written back | (1,104) | (137) |
| Write off of investments in subsidairies | - | 34,900 |
| Impairment loss on investments in subsidairies | - | 74,425 |
| Loss allowance on trade receivables (net) | 5,960 | (2,074) |
| Income from government grant not received | (2,354) | (35,316) |
| Advances written off. | 120 | 815 |
| Finance income | (3,388) | (3,299) |
| Finance costs | 78,752 | 71,726 |
| Unrealized foreign exchange (gain)/loss (net) | 638 | (385) |
| **(Increase)/ decrease in** | | |
| - trade receivables | 19,249 | 12,631 |
| - inventories | 3,965 | 7,317 |
| - other financial assets | 37 | (339) |
| - other assets | (7,334) | (4,156) |
| **Increase/ (decrease) in** | | |
| - trade payables | (17,936) | (3,452) |
| - other financial liabilities | 2,817 | (3,850) |
| - other liabilities | (372) | (627) |
| - contract liabilities | (5,134) | (3,642) |
| - employee benefit obligations | 1,200 | 2,297 |
| **Cash generated from/(used in) operations** | **(57,484)** | **(62,278)** |
| Income taxes paid (net of refunds) | 66 | 237 |
| **Net cash outflow from operating activities (A)** | **(57,417)** | **(62,042)** |
| | | |
| **Cash flows from investing activities** | | |
| Purchase of property, plant and equipment and intangible assets and capital work-in-progress | (370) | (66,018) |
| Interest received | 252 | 364 |
| Investment in subsidiaries | - | (50,000) |
| Proceeds from government grant for investment in plant and machinery | 1,045 | 10,000 |
| **Net cash outflow from investing activities (B)** | **927** | **(1,05,654)** |
| | | |
| **Cash flows from financing activities** | | |
| Proceeds from issue of shares (net of share issue expenses) | 86,875 | 99,125 |
| Proceeds from share application money pending allotment | 1,40,000 | - |
| Proceeds/(repayment) from long-term external borrowings | 43,984 | 1,00,000 |
| Principal repayment of lease liabilities (including interest) | (91,315) | (47,397) |
| Interest paid | (1,611) | (2,629) |
| **Net cash inflow from financing activities (C)** | **1,77,933** | **1,49,100** |
| | | |
| **Net increase (decrease) in cash and cash equivalents [(A)+(B)+(C )]** | **1,21,442** | **(18,597)** |
| Cash and cash equivalents at the beginning of the year | 22,918 | 41,514 |
| **Cash and cash equivalents at end of the period (Refer Note no :6 (iii))** | **1,44,359** | **22,918** |

K.G. ACHARYA & CO. Bangalore Chartered Accountants

**Aequs Toys Private Limited**
**Statement of Cashflows for the year ended March 31, 2026**
*(All amounts are in ₹ thousand, except share data, unless otherwise stated)*

| | Year ended March 31, 2026 | Year ended March 31, 2025 |
|---|---|---|
| **Non cash investing activities** | | |
| Additions to Right of Use assets (Buildings) | - | 39,002 |
| **Non cash financing activities** | | |
| Unamortized financial guarantee expense | 63,316 | 72,921 |
| **Cash and Bank Balances as per above comprise of the following:** | | |
| Balances with banks: | | |
| - on current accounts | 1,44,353 | 2,917 |
| - Deposit with bank having original maturity of less than 3 months | - | 20,000 |
| Cash on Hand | 6 | - |
| **Total** | 1,44,359 | 22,917 |

The accompanying notes are integral part of these interim financial statements

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

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

Harshith T P

Harshith T P
Partner
Membership No.:256698
Place: Bengaluru
Date: 25/05/2026

**For and on behalf of the Board of Directors**
**Aequs Toys Private Limited**

Ravi D Kulkarni
Whole Time Director
DIN-11030626
Place: Belagavi
Date: 25/05/2026

Rahul Sadanand Kalburgi
Director
DIN-1120338
Place: Belagavi
Date: 25/05/2026

Smita Harish Bang
Company Secretary
M No- A45081
Place: Belagavi
Date: 25/05/2026

Shreeya Dandi
Chief Financial Officer
Place: Belagavi
Date: 25/05/2026

K.G. ACHARYA & CO. Bangalore Chartered Accountants

**Aequs Toys Private Limited** CIN: U26400KA2021PTC150503

**Statement of changes in equity for the year ended March 31, 2026**

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

**A. Equity share capital**

| | Note | Amount |
|---|---|---|
| **Balance as at March 31, 2024** | | **11,59,598** |
| Changes during the year | 10 | 1,00,000 |
| **Balance as at March 31, 2025** | | **12,59,598** |
| Changes during the year | 10 | 90,000 |
| **Balance as at March 31, 2026** | | 13,49,598 |

**B. Other equity**

| | Share application money pending | Reserves and surplus | | | Other reserves | Total other equity |
|---|---|---|---|---|---|---|
| | | Retained earnings | Securities premium | Share option outstanding account | | |
| **Balance as at March 31, 2024** | - | (5,15,708) | 6,124 | 599 | 98,427 | (4,10,557) |
| Loss for the year | - | (3,17,168) | - | - | - | (3,17,168) |
| Other comprehensive income/(loss) for the year | - | 727 | - | - | - | 727 |
| **Total comprehensive loss for the year** | - | (3,16,441) | - | - | - | (3,16,441) |
| Premium received on shares issued during the year | - | - | - | - | - | - |
| Share issue expenses | - | - | (875) | - | - | (875) |
| Employee stock option expense | - | - | - | 972 | - | 972 |
| Finance guarantee received during the year | - | - | - | - | 29,377 | 29,377 |
| **Balance as at March 31, 2025** | - | (8,32,149) | 5,249 | 1,571 | 1,27,804 | (6,97,525) |
| Loss for the year | - | (2,43,095) | - | - | - | (2,43,095) |
| Other comprehensive income/(loss) for the year | - | (24) | - | - | - | (24) |
| **Total comprehensive loss for the year** | - | (2,43,118) | - | - | - | (2,43,118) |
| Premium received on shares issued during the year | - | - | - | - | - | - |
| Share issue expenses | - | - | (3,125) | - | - | (3,125) |
| Employee stock option expense | - | - | - | 2,170 | - | 2,170 |
| Finance guarantee received during the year | - | - | - | - | - | - |
| Share application moneypending for allotment received during the year | 1,40,000 | - | - | - | - | 1,40,000 |
| **Balance as at March 31, 2026** | 1,40,000 | (10,75,267) | 2,124 | 3,742 | 1,27,804 | (8,01,597) |

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

This is the Statement of Changes in Equity referred to in our report of even date

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

Harshith T P

Harshith T P
Partner
Membership No.:256698
Place: Bengaluru
Date 25/05/2026

K.G. ACHARYA & CO.
Bangalore
Chartered Accountants

**For and on behalf of the Board of Directors**
**Aequs Toys Private Limited**

Ravi D Kulkarni
Whole Time Director
DIN-11030626
Place Belagavi
Date: 25/05/2026

Rahul Sadanand Kalburgi
Director
DIN-1120338
Place: Belagavi
Date: 25/05/2026

Smita Harish Bang
Company Secretary
M No- A45081
Place: Belagavi
Date: 25/05/2026

Shreeya Dandi
Chief Financial Officer
Place: Belagavi
Date: 25/05/2026

## 1. Background

Aequs Toys Private Limited ('the Company') was incorporated on August 6, 2021 (Corporate Identity Number (CIN): U26400KA2021PTC150503) under the Companies Act 2013, in India, as a wholly owned subsidiary of Aequs Limited (formerly known as Aequs Private Limited) ('AL'). The Company is engaged in the business of contract manufacturing plastic products, being carried out from Aequs Special Economic Zone ('Aequs SEZ') at Kukanoor, Koppal.

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

## 2. Summary of 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 a historical cost basis, except for the following:

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

**(iii) Going concern assumption**

The company has incurred a total comprehensive loss of ₹ (2,43,118) [March 31, 2025: ₹ (316,441)] for the year ended March 31, 2026. The company's accumulated loss and net worth are ₹ (10,75,267) [March 31, 2025: ₹ (832,149)] and ₹ 5,48,000 [(March 31, 2025: ₹ 5,62,074] respectively. These financial statements have been prepared on the assumption that the Company will continue as a going concern based on business plans approved by the Board of Directors for the period ended March 31, 2026 and a letter of continuing financial support received from its holding company.

**(iv) New and amended standards issued but not effective:**

• Amendment to IND AS 1 - Amendments made to provide guidance on classification of liabilities as current or non-current. A liability is classified as non-current only if the entity has the right to defer its settlement for at least twelve months after the reporting period. This right must have substance and exist at the end of the reporting period. If a right to defer settlement is subject to the entity complying with specified conditions (covenants), then those covenants are required to be complied on or before the reporting date to continue non-current liability classification.

• Amendment to IND AS 7 and 107 - Additional disclosure requirements introduced for Supplier Finance Arrangements.

• Amendment to IND AS 12 - A mandatory temporary exception is introduced, where an entity shall neither recognize nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

• Amendment to IND AS 21 - Amendments made to introduce a framework for handling the "Lack of Exchangeability" between currencies.A currency is exchangeable if it can be obtained within a normal administrative delay through a mechanism creating enforceable rights and obligations. It is deemed non-exchangeable if only an "insignificant amount" is obtainable for a specified purpose. When exchangeability is lacking, entities must estimate a spot exchange rate that reflects an orderly transaction between market participants and disclose the nature and financial impact of the non-exchangeability, the estimation process used, and the associated risks.

The amendments listed above did not have any significant impact on the amounts recognised in current and prior periods and are not expected to significantly affect any future periods.

**(v) Rounding off norms adopted by the Company**

All amounts disclosed in the financial statements and notes have been rounded to nearest thousands as per the requirement of Schedule III of Companies Act, 2013, unless otherwise stated. Amount mentioned as "0" in the financial statements denote amounts rounded-off, being less than ₹ 500 and amount mentioned as "-"in the financial statements denotes ₹ Nil amount.

K.G. ACHARYA & CO. Bangalore Chartered Accountants

**(vi) Operating cycle**

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

b) **Segment reporting**
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Company's Chief Operating Decision Maker (CODM) is identified to be Managing Director and Chief Operating Officer of the Holding company. The CODM evaluates the Company's performance as a whole. Accordingly, the entire Company is identified as one segment. The Company is engaged in business of contract manufacturing of engineered plastic toys. Refer Note 30 for segment information presented.

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

(ii) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. Foreign exchange differences in respect of borrowings are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/(losses).

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

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

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

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

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

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

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

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

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

K.G. ACHARYA & CO. Bangalore * Chartered Accountants *

f) **Income tax**

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

***Current income tax***

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

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

***Deferred tax***

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

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

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

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

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

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

g) **Leases**

***Company as a lessee***

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

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

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

K.G. ACHARYA & CO. Bangalore Chartered Accountants

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

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

Right-of-use assets are measured at cost comprising the following:
- the amount of initial measurement of lease liability
- any lease payments made on or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs

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

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

h) **Impairment of non-financial assets**

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

i) **Cash and cash equivalents**

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

j) **Trade receivables**

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

k) **Inventories**

***Raw materials and stores, work in progress and finished goods***

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

l) **Investment in subsidiaries and joint venture**

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

K.G. ACHARYA & CO. Bangalore Chartered Accountants

m) **Investments and other financial assets**

**(i) Classification**

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

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

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

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

**(ii) Initial recognition**

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

**(iii) Subsequent measurement**

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

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

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

**(iv) Impairment of financial assets**

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

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

For Investments in subsidiaries and other investments an impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

**(v) Derecognition**

A financial asset is derecognised only when

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

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

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

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

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

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

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

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

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

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

| Asset | Useful life adopted by the Company (in years) | Useful life as per Schedule II (in years) |
|---|---|---|
| Office Equipment | 1.5 to 7 years | 5 years |
| Leasehold Improvements | 10 years | Not applicable |
| Plant and Machinery | 1.5 to 10 years | 8 to 15 years |
| Computers | 1 to 3 years | 3 to 6 years |

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

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

o) **Intangible assets**
Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets include Computer software. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Costs associated with maintaining software programmes are recognised as an expense as incurred. The Company amortises intangible assets with finite useful life using the straight-line method over the following estimated useful lives:

| Asset | Useful life adopted by the Company (in years) | Useful life as per Schedule II (in years) |
|---|---|---|
| Computer Software | 3 to 10 years | Not applicable |

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p) **Accounting policy on EBITDA**
As permitted by the Guidance Note on Division II -Ind AS Schedule III to the Companies Act 2013, the Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the Company does not include depreciation and amortization expense, finance income, finance costs and tax expense.

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

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

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

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

t) **Financial guarantee contracts**
Financial guarantees provided for no compensation by the holding company or other group companies to banks on behalf of the company against the credit facilities availed are recognised at fair value akin to a prepaid asset when such guarantees are issued to the bank, with a corresponding increase in equity.
The asset is amortized in the statement of profit and loss, within finance costs, over the term of the underlying credit facility starting from the date when amounts from such facility are first drawn. The unamortised balance of the asset at the end of the financial year is set off against the respective outstanding credit facilities.

u) **Provisions**
Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.
Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

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

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

(iii) Post-employment obligationsThe Company operates the following post-employment schemes:

(a) defined benefit plans such as gratuity; and
(b) defined contribution plans such as provident fund.

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

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

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

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

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

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

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

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

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

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

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

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x) **Earnings per share**

Basic earnings per share is calculated by dividing:

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

Diluted earnings per share

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

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

y) **Government Grants**

Government grants are recognised when there is reasonable assurance that the Company will comply with the relevant conditions and the grant will be received. Government grants are recognised in the statement of profit and loss, either on a systematic basis when the Company recognizes, as expenses, the related costs that the grants are intended to compensate or, immediately if the costs have already been incurred. Government grants related to assets are deferred and amortised over the useful life of the asset.

## 3. Significant accounting judgements, estimates and assumptions

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

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

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

The areas involving critical estimates are as below:

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

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. There are no critical estimates / judgements, other than disclosed above, made by the Management while preparing these financial statements that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

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**4(i) Property, plant and equipment**

| | Office equipment | Leasehold improvements | Plant and machinery | Computers | Total |
|---|---|---|---|---|---|
| **Gross carrying amount** | | | | | |
| **As at March 31, 2024** | **2,317** | **1,710** | **2,56,447** | **2,533** | 2,63,007 |
| Additions | - | - | 7,392 | - | 7,392 |
| Disposals | - | - | - | - | - |
| **As at March 31, 2025** | **2,317** | **1,710** | **2,63,839** | **2,533** | **2,70,399** |
| Additions | - | - | 1,211 | - | 1,211 |
| Disposals | - | - | (677) | - | (677) |
| **As at March 31, 2026** | **2,317** | **1,710** | **2,64,372** | **2,533** | **2,70,932** |
| **Accumulated depreciation** | | | | | |
| **As at March 31, 2024** | **1,038** | **194** | **33,200** | **891** | **35,324** |
| Depreciation charge for the year | 495 | 162 | 30,130 | 799 | 31,586 |
| Disposals | - | - | - | - | - |
| **As at March 31, 2025** | **1,533** | **357** | **63,330** | **1,691** | **66,911** |
| Depreciation charge for the year | 286 | 162 | 30,669 | 672 | 31,789 |
| Disposals | - | - | (90) | - | (90) |
| **As at March 31, 2026** | **1,819** | **519** | **93,909** | **2,363** | **98,610** |
| **Net carrying amount** | | | | | |
| **As at March 31, 2025** | **784** | **1,353** | **2,00,508** | **842** | **2,03,487** |
| **As at March 31, 2026** | **498** | **1,191** | **1,70,464** | **170** | **1,72,322** |

a. Refer Note 28 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

b. Refer to Note 33A for information on property, plant and equipment (excluding leasehold improvements) pledged as security.

**4(ii) Capital work-in-progress**

| | Capital work-in-progress | Total |
|---|---|---|
| **As at March 31, 2024** | **379** | **379** |
| Additions | - | - |
| Transfers | (379) | (379) |
| **As at March 31, 2025** | - | - |
| Additions | - | - |
| Transfers | - | - |
| **As at March 31, 2026** | - | - |

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

a. There are no CWIP whose completion is overdue or has exceeded its cost compared to its original plan as on March 31, 2026 and March 31, 2025.

b. There are no intangible assets under development as on March 31, 2026 and March 31, 2025.

C. There are no capital-work-in-progress as at March 31, 2026 and March 31, 2025.

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## 5(i) Intangible assets

| | Computer Software |
|---|---|
| **Gross carrying amount** | |
| **As at March 31, 2024** | 700 |
| Additions | - |
| Disposals | - |
| **As at March 31, 2025** | 700 |
| Additions | - |
| Disposals | - |
| **As at March 31, 2026** | 700 |
| | |
| **Accumulated amortisation** | |
| **As at March 31, 2024** | 159 |
| Charge for the year | 234 |
| Disposals | - |
| **As at March 31, 2025** | 392 |
| Charge for the year | 206 |
| Disposals | - |
| **As at March 31, 2026** | 598 |
| | |
| **Net carrying amount** | |
| **As at March 31, 2025** | 308 |
| **As at March 31, 2026** | 102 |

Note:
There are no contractual commitment for intangible assets as at March 31, 2026 and March 31, 2025.

## 5(ii) Right of use assets

| **Particulars** | **Buildings** |
|---|---|
| **Gross carrying amount** | |
| **As at March 31, 2024** | 6,00,631 |
| Additions | 39,002 |
| Disposals | - |
| **As at March 31, 2025** | 6,39,633 |
| Additions | - |
| Disposals | - |
| **As at March 31, 2026** | 6,39,633 |
| | |
| **Accumulated depreciation** | |
| **As at March 31, 2024** | 68,401 |
| Charge for the Year | 66,493 |
| Disposals | - |
| **As at March 31, 2025** | 1,34,894 |
| Charge for the Year | 66,558 |
| Disposals | - |
| **As at March 31, 2026** | 2,01,452 |
| | |
| **Net carrying amount** | |
| **As at March 31, 2025** | 5,04,738 |
| **As at March 31, 2026** | 4,38,181 |

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

| | Note | Year ended March 31, 2026 | Year ended March 31, 2025 |
|---|---|---|---|
| Depreciation of right-of-use assets | 22 | 66,558 | 66,493 |

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| | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **6 Financial assets** | | |
| **(i) Investments** | | |
| **Investments in equity instruments (fully paid-up)** | | |
| **Unquoted** | | |
| **(A) Investments in subsidiaries** | | |
| 47,617,622 (March 31, 2025: 47,617,622) equity shares of face value ₹ 10 per share of Koppal Toys Molding COE Private Limited | 4,85,001 | 4,85,001 |
| Nil (March 31, 2025: Nil) equity shares of face value ₹ 10 per share of Koppal Toys Tooling COE Private Limited | - | - |
| 28,399 (March 31, 2025: 28,399) equity shares of face value ₹ 10 per share of Aequs Rajas Extrusion Private Limited | 74 | 74 |
| **Total non-current investments** | **4,85,075** | **4,85,075** |
| Aggregate amount of unquoted investments | 4,85,075 | 4,85,075 |
| Aggregate amount of impairment in the value of investments (Refer note 21A) | (2,13,200) | (2,13,200) |
| **Net Value of Non-current Investments** | **2,71,875** | **2,71,875** |

**Notes:**

a. Pursuant to the MCA strike off order - STK -7 dated 30th November 2024, Koppal Toys Tooling COE Private Limited name has been struck off from the register of companies and hence, the company has written off it's investment made in Koppal Toys Tooling COE Private Limited.

| | | |
|---|---|---|
| b. Breakup of total impairment | | |
| i. Koppal Toys Molding COE Private Limited | 2,13,126 | 2,13,126 |
| ii. Aequs Rajas Extrusion Private Limited | 74 | 74 |
| | **2,13,200** | **2,13,200** |

| | | |
|---|---|---|
| **Current:** | | |
| **(ii) Trade receivables** | | |
| Trade receivables from contract with customers - others | 1,743 | 17,185 |
| Trade receivables from contract with customers - unbilled | 6,147 | 6,147 |
| Trade receivables from contract with customer - related parties (refer Note 29) | - | 4,237 |
| **Total receivables** | **7,890** | **27,569** |
| Less: Loss allowance | (6,119) | (159) |
| **Total trade receivables** | **1,771** | **27,410** |

| | | |
|---|---|---|
| **Break-up of security details** | | |
| Trade receivables, considered good - unsecured | 7,890 | 27,569 |
| Trade Receivables', considered doubtful - secured | - | - |
| Trade receivable which have significant increase in credit risk | - | - |
| Trade receivable - credit impaired | - | - |
| **Total** | **7,890** | **27,569** |
| Less: Loss allowance | (6,119) | (159) |
| **Total trade receivables** | **1,771** | **27,410** |

**Aging of Trade Receivables as at March 31, 2026**

| Particulars | Unbilled | Not due | Outstanding for following periods from the due date of payment | | | | | Total |
|---|---|---|---|---|---|---|---|---|
| | | | Less than 6 Months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| **Undisputed Trade Receivables** | | | | | | | | |
| considered good | | 323 | - | 1,448 | - | - | - | 1,771 |
| which have significant increase in credit risk | - | - | - | - | 4,410 | - | - | 4,410 |
| credit impaired | - | - | - | - | - | - | - | - |
| **Disputed Trade Receivables** | | | | | | | | |
| considered good | - | - | - | - | - | - | - | - |
| which have significant increase in credit risk | - | - | - | - | 1,709 | - | - | 1,709 |
| credit impaired | - | - | - | - | - | - | - | - |
| Total | - | 323 | - | 1,448 | 6,119 | - | - | 7,890 |
| Less: Loss Allowance | - | - | - | - | (6,119) | - | - | (6,119) |
| Total Trade Receivables | - | **323** | - | **1,448** | - | - | - | **1,771** |

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| | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|

**6 Financial assets (continued)**

**(ii) Trade receivables (continued)**

**Aging of Trade Receivables as at March 31, 2025**

| Particulars | Unbilled | Not due | Outstanding for following periods from the due date of payment | | | | | Total |
|---|---|---|---|---|---|---|---|---|
| | | | Less than 6 Months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed Trade Receivables | | | | | | | | |
| considered good | - | 15,777 | 9,924 | 1,709 | 0 | - | - | 27,410 |
| which have significant increase in credit risk | - | - | - | - | 159 | - | - | 159 |
| credit impaired | - | - | - | - | - | - | - | - |
| Undisputed Trade Receivables | - | - | - | - | - | - | - | |
| considered good | - | - | - | - | - | - | - | - |
| which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| credit impaired | - | - | - | - | - | - | - | - |
| Total | - | 15,777 | 9,924 | 1,709 | 159 | - | - | 27,569 |
| Less: Loss Allowance | - | - | - | - | (159) | - | - | (159) |
| Total Trade Receivables | - | **15,777** | **9,924** | **1,709** | **0** | - | - | **27,410** |

| | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **(iii) Cash and cash equivalents** | | |
| Cash on hand | 6 | - |
| Balances with banks: | | |
| - In current accounts | 1,44,353 | 2,917 |
| Deposit with maturity of less than 3 months | - | 20,000 |
| **Total cash and cash equivalents** | **1,44,359** | **22,917** |

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

| | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **(iv) Other financial assets** | | |
| **Non current** | | |
| **(Unsecured considered good)** | | |
| Security Deposits (refer Note a below) | 47,953 | 44,817 |
| **Total other non-current financial assets** | **47,953** | **44,817** |
| | | |
| **Current** | | |
| **(Unsecured considered good)** | | |
| Interest accrued on deposits with banks | - | 4 |
| Security Deposits | 20 | 20 |
| Dues from related parties (refer Note 29) | 486 | 519 |
| Government Grant Receivable* | 37,387 | 38,432 |
| **Total other current financial assets** | **37,893** | **38,974** |

*Government grant receivable includes capital subsidy receivable of Rs 9,134 as at March 31, 2026 (Rs. 10,179 as at March 31, 2025) towards investment in property, plant, and equipment made in financial year 2023 and subsidy receivable towards reimbursement of rental expenses incurred of Rs. 19,308 for year ended 31st March 2025, of Rs 7,161 for ended 31st March 2024 and Rs1,783 for year ended 31st March 2023 under "Special Incentive Packege for investment in Toy Cluster" scheme.

Note:

a. Security deposit includes deposit given to Aequs SEZ Private Limited against leasehold building having gross value of ₹ 74,845 (March 31, 2025: ₹ 74,845). The above amount has been discounted to its fair value.

| | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **7 Income tax assets** | | |
| Advance tax [net of provision for tax: ₹ Nil (March 31, 2025: ₹ Nil)] | 98 | 164 |
| | **98** | **164** |
| | | |
| **8 Other assets** | | |
| **Non current** | | |
| **(Unsecured, considered good)** | | |
| Capital advances | 9,733 | 12,611 |
| Less : Provision for doubtful advances | (9,733) | (7,458) |
| | - | 5,153 |
| Prepaid expenses | 3,543 | 3,966 |
| **Total other non-current assets** | **3,543** | **9,119** |
| | | |
| **Current** | | |
| **(Unsecured, considered good)** | | |
| Advance to suppliers | 1,699 | 1,254 |
| Less : Provision for doubtful advances | (1,091) | - |
| | 608 | 1,254 |
| Prepaid expenses | 690 | 1,686 |
| Balances with statutory authorities (Goods and Services tax) | 71,748 | 63,560 |
| **Total other current assets** | **73,046** | **66,500** |
| | | |
| **9 Inventories** | | |
| Raw materials [includes goods in transit ₹ Nil (March 31, 2025: ₹ 155)] | 13,596 | 18,086 |
| Work-in-progress | 713 | 492 |
| Finished goods | 1,841 | 1,578 |
| Stores and spares [includes goods in transit ₹ Nil (March 31, 2025: ₹ 0)] | 2,332 | 2,292 |
| | **18,482** | **22,447** |
| Less: Provision for slow moving inventories (refer note (ii) below) . | (7,746) | (1,339) |
| **Total inventories** | **10,737** | **21,108** |

**Notes:**

(i) Raw materials include packing material amounting to ₹ 6,068 (March 31, 2025: ₹ 7,403 )

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

| | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| Raw materials | 5,850 | 1,339 |
| Work-in-progress | 284 | - |
| Finished goods | 269 | - |
| Stores and spares | 1,343 | - |
| | 7,746 | 1,339 |

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**10 Equity Share Capital**

**(i) Authorised equity share capital**

| | Number of Shares | Amount |
|---|---|---|
| **As at March 31, 2024** | 11,90,00,000 | 11,90,000 |
| Increase during the year | 70,00,000 | 70,000 |
| **As at March 31, 2025** | **12,60,00,000** | **12,60,000** |
| Increase during the year | 2,50,00,000 | 2,50,000 |
| **As at March 31, 2026** | **15,10,00,000** | **15,10,000** |

| | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **(ii) Issued, subscribed and fully paid up equity share capital** | | |
| 13,49,59,800 (March 31, 2025: 12,59,59,800) equity shares of ₹10 each fully paid up. | 13,49,598 | 12,59,598 |
| | **13,49,598** | **12,59,598** |

**(a) Movement in Equity Shares**

| | As at March 31, 2026 | | As at March 31, 2025 | |
|---|---|---|---|---|
| | Number of shares | Amount (₹) | Number of shares | Amount (₹) |
| At the beginning of the year | 12,59,59,800 | 12,59,598 | 11,59,59,800 | 11,59,598 |
| Add: Issued during the year | 90,00,000 | 90,000 | 1,00,00,000 | 1,00,000 |
| | **13,49,59,800** | **13,49,598** | **12,59,59,800** | **12,59,598** |

**(b) Terms & rights attached to equity shares**

The Company has only one class of equity shares having par value of INR 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the holder of equity shares are eligible to receive remaining assets of the Company in proportion to their shareholding.

**(c) Shares held by holding/ ultimate holding Company**

| | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| Aequs Limited (formerly known as Aequs Private Limited) (Holding company)<br>134,959,800 (March 31, 2025: 125,959,800) equity shares of ₹10 each fully paid up | 13,49,598 | 12,59,598 |

**(d) 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 | |
|---|---|---|---|---|
| | Number of shares | % of holding | Number of shares | % of holding |
| Aequs Limited (formerly known as Aequs Private Limited) (Holding company)* | 13,49,59,800 | 100% | 12,59,59,800 | 100% |

* Includes 1 equity share held by Rajeev Kaul as nominee shareholder of Aequs Limited (formerly known as Aequs Private Limited).

**(e) Details of shareholding of promoters:**

**March 31, 2026**

| Name of the promoter | Number of shares | Percentage of total number of shares | Percentage of change during the year |
|---|---|---|---|
| Aequs Limited (formerly known as Aequs Private Limited)* | 13,49,59,800 | 100% | 0% |

* Includes 1 equity share held by Rajeev Kaul as nominee shareholder of Aequs Limited (formerly known as Aequs Private Limited).

**March 31, 2025**

| Name of the promoter | Number of shares | Percentage of total number of shares | Percentage of change during the year |
|---|---|---|---|
| Aequs Limited (formerly known as Aequs Private Limited)* | 12,59,59,800 | 100% | 0% |

* Includes 1 equity share held by Rajeev Kaul as nominee shareholder of Aequs Limited (formerly known as Aequs Private Limited).

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

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| | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **11 Other equity** | | |
| **(i) Reserves and surplus** | | |
| (a) Retained Earnings | (10,75,267) | (8,32,149) |
| (b) Securities premium | 2,124 | 5,249 |
| (c) Stock option outstanding account | 3,742 | 1,571 |
| (d) Share application money pending for allotment | 1,40,000 | - |
| | **(9,29,402)** | **(8,25,328)** |
| **(ii) Other reserves** | | |
| Other reserves | 1,27,804 | 1,27,804 |
| | **1,27,804** | **1,27,804** |
| | **(8,01,597)** | **(6,97,523)** |
| **(a) Retained Earnings** | | |
| **Opening Balance** | (8,32,149) | (5,15,708) |
| Add: Loss for the year | (2,43,095) | (3,17,168) |
| - Remeasurement of post employment benefit obligations | (24) | 727 |
| **Closing Balance** | **(10,75,267)** | **(8,32,149)** |
| **(b) Securities premium** | | |
| **Opening Balance** | **5,249** | **6,124** |
| Add: Premium on rights issue of equity shares | | |
| Less: Utilisation towards share issue expenses | (3,125) | (875) |
| **Closing Balance** | **2,124** | **5,249** |
| **(c) (i)Share option oustanding account** | | |
| **Opening Balance** | 1,571 | 599 |
| Add: Employee stock option expense | 2,170 | 972 |
| **Closing Balance** | **3,742** | **1,571** |

**Note:** Represents the fair value of share options granted to the employees of the Company by Aequs Limited (formerly known as Aequs Private Limited) ('AL') ,Parent Company, which will be settled by allotting the shares of the AL. There is no cross charge from AL with respect to the employee stock option expense during the current and previous year. Based on the assessment carried out by the Management, the impact of the stock options issued to the employee of the Company is not material, hence the disclosures as envisaged under Ind AS 102 have not been given in the financial statements.

| | | |
|---|---|---|
| **(ii) Other reserves** | | |
| **Opening Balance** | 1,27,804 | 98,427 |
| Add: Receipt of financial guarantee | - | 29,377 |
| **Closing Balance** | **1,27,804** | **1,27,804** |

**(d) Nature and purpose of reserves:**

**(I) Securities premium**

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

**(II) Other reserves**

Other reserve represents fair value of financial guarantee received from Aequs Limited (formerly known as Aequs Private Limited) towards lease liabilities.

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| | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **12 Financial liabilities** | | |
| **(i) Borrowings** | | |
| **Current** | | |
| Loans from related party (unsecured) | 1,45,000 | 1,00,000 |
| Interest accrued but not due on borrowings | 12,791 | 1,016 |
| **Total current borrowings** | **1,57,791** | **1,01,016** |

The Company has borrowed unsecured loan of ₹14,50,00,000 from Aequs Limited (formerly known as Aequs Private Limited), which is repayable on demand and carries an interest rate of 12% per annum.

a. Refer Note 33 for net debt reconciliation.

**(ii) Lease Liabilities**

**(a) Lease commitments as lessee**

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

| | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **(b) Amounts recognised on the balance sheet** | | |
| Lease Liabilities | | |
| Non-current | 4,21,232 | 4,56,957 |
| Current | 35,735 | 26,975 |
| | **4,56,967** | **4,83,932** |

Note:

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

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

| | Note | March 31, 2026 | March 31, 2025 |
|---|---|---|---|
| **(c) Amounts recognised in the statement of profit and loss:** | | | |
| Depreciation of right-of-use assets | 22 | 66,558 | 66,493 |
| Interest expense (included in finance costs) | 24 | 54,745 | 58,034 |
| Expenses relating to short-term leases (included under rent in other expenses) | 21 | 18 | 406 |
| Expenses relating the leases of low-value assets that are not shown above as short-term leases (included uner rent in other expenses) | 21 | 246 | 312 |
| Expense relating to variable lease payments not included in lease liabilities (included in other expenses) | 21 | - | - |
| Finance guarantee expense on lease liability | 24 | 9,605 | 10,048 |

**Note:**

The total cash outflow for leases, including interest, for the year was ₹ 91,316 (March 31, 2025: ₹ 86,399).

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| | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **(iii) Trade payables** | | |
| Trade payables | | |
| - Dues to current micro and small enterprises(MSME)(refer Note 39) | - | 38 |
| - Payables to related parties (refer Note 29) | 4,644 | 16,693 |
| - other trade payables | 6,464 | 12,105 |
| | **11,109** | **28,836** |
| **Total trade payables** | **11,109** | **28,836** |

**Aging of Trade payables as at March 31, 2026**

| Particulars | Unbilled | Not Due | Outstanding for the following periods from the transaction date | | | | Total |
|---|---|---|---|---|---|---|---|
| | | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed Dues - MSME | - | - | - | - | - | - | - |
| (ii) Undisputed Dues - Others | - | 4,490 | 124 | 5,171 | 1,323 | - | 11,109 |
| (iii) Disputed Dues - MSME | - | - | - | - | - | - | - |
| (iv) Disputed Dues - Others | - | - | - | - | - | - | - |
| Total | - | 4,490 | 124 | 5,171 | 1,323 | - | 11,109 |

**(iii) Trade payables (continued)**

**Aging of Trade payables as at March 31, 2025**

| Particulars | Unbilled | Not Due | Outstanding for the following periods from the transaction date | | | | Total |
|---|---|---|---|---|---|---|---|
| | | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed Dues - MSME | - | - | 38 | - | - | - | 38 |
| (ii) Undisputed Dues - Others | - | 2,909 | 20,750 | 5,138 | - | - | 28,798 |
| (iii) Disputed Dues - MSME | - | - | - | - | - | - | - |
| (iv) Disputed Dues - Others | - | - | - | - | - | - | - |
| Total | - | 2,909 | 20,789 | 5,138 | - | - | 28,836 |

| | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **(iv) Other financial liabilities** | | |
| **Current:** | | |
| Capital creditors | 291 | 2,912 |
| Employee benefits payable | 4,406 | 2,590 |
| Payable to related parties (Refer Note 29) | 6,059 | 6,162 |
| **Total other financial liabilities** | **10,756** | **11,664** |

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| | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **13(i) Employee Benefit Obligations** | | |
| **Non current** | | |
| Gratuity obligations | 2,924 | 1,745 |
| | **2,924** | **1,745** |
| **Current** | | |
| Gratuity obligations | - | 192 |
| Leave obligation | 1,485 | 1,248 |
| | **1,485** | **1,440** |

**(i) Leave obligations**

The leave obligations cover the Company's liability for earned leave which are classified as other long-term benefits. The amount of provision of ₹ 1,485 (March 31, 2025 ₹ 1,248 ) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take full amount of accrued leave or require payment within next 12 months.

| | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| Leave obligation not expected to be settled in the next 12 months | 1,319 | 879 |

**(ii) Defined contribution plans**

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

| | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| Provident Fund | 971 | 1,407 |
| Employees State Insurance | 8 | 6 |
| **Total** | 979 | **1413** |

**(iii) Gratuity**

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

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| | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|

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

| **A. Reconciliation of the projected benefit obligations** | **As at March 31, 2026** | **As at March 31, 2025** |
|---|---|---|
| Opening defined benefit obligation | 1,937 | 725 |
| Current service cost | 491 | 605 |
| Past Service Cost | 803 | - |
| Expense cross charged to other entities | | - |
| Interest on defined benefit liability | 151 | 111 |
| Remeasurement due to actuarial (gains)/losses | | - |
| Actuarial (gains)/losses from changes in demographic assumptions | 20 | (172) |
| Actuarial (gains)/losses from changes in financial assumptions | - | 45 |
| Actuarial (gains)/losses due to experience adjustments | (2) | (600) |
| Benefits paid | (17) | (74) |
| Liabilities assumed/(settled) | (172) | 1,298 |
| **Defined benefit obligation as of current year end** | **3,211** | **1,937** |
| | | |
| **B. Reconciliation of the plan assets during the year** | | |
| **Fair value of plan assets at the beginning** | - | - |
| Employer contributions | 303 | - |
| Interest on plan assets | 6 | - |
| Remeasurements (due to Actual return on plan assets less interest on plan assets) | (5) | - |
| Benefits paid | (17) | - |
| **Closing fair value of plan assets** | **287** | - |
| | | |
| **Closing net defined benefit obligation** | | |
| Current | - | 192 |
| Non current | 2,924 | 1,745 |
| **C. Total expense recognised in Statement of profit and loss *** | | |
| Current service cost | 491 | 605 |
| Past Service Cost | 803 | |
| Interest on defined benefit liability | 144 | - |
| | 1,438 | 605 |
| Less: Reimbursements received | - | - |
| | 1,438 | 605 |
| | | |
| **D. Amount recognised in other comprehensive income (OCI) *** | | |
| Actuarial (gains)/losses from changes in demographic assumptions | 20 | (172) |
| Actuarial (gains)/losses from changes in financial assumptions | - | 45 |
| Actuarial (gains)/losses due to experience adjustments | (2) | (600) |
| Actual return on plan assets less interest on plan assets | 5 | |
| | 24 | (727) |

* The Impact of the Code of Wages, 2019, including its provisions relevant to the definition and computation of wage has been considered and appropriately captured while assessing the company's gratuity obligations. Accordingly, the gratuity liability reflects the effects of the Wage Code to the extent applicable.

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| | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|

**13(i) Employee benefit obligations (continued)**

| **E. Amount recognised in total comprehensive income** | | |
|---|---|---|
| Expenses recognised in statement of profit and loss | 1,438 | 716 |
| Remeasurements effects recognised in OCI | 24 | (727) |
| Total expense recognised in total comprehensive income | 1,462 | (12) |

| **F. Actuarial assumptions** | | |
|---|---|---|
| Discount rate per annum | 6.85% | 6.85% |
| Salary escalation rate per annum | 10.00% | 10.00% |
| Demographic assumptions | | |
| Attrition rate | | |
| 21 to 30 years | 11.00% | 14.00% |
| 31 to 40 years | 26.00% | 24.00% |
| 41 to 50 years | 7.00% | 8.00% |
| 51 to 57 years | 0.00% | 1.00% |
| Retirement age | 58 years | 58 years |
| Mortality table | Indian Assured Lives Mortality(2012-14)Ult | Indian Assured Lives Mortality(2012-14)Ult |

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

**G. Sensitivity analysis**

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

| **Changes in assumption** | | |
|---|---|---|
| **Discount rate** | | |
| Defined benefit obligation (DBO) on increase in 50 bps | 3,087.07 | 1,863 |
| Impact of increase in 50 bps on DBO | -3.87% | -3.86% |
| Defined benefit obligation (DBO) on decrease in 50 bps | 3,343.48 | 2,017 |
| Impact of decrease in 50 bps on DBO | 4.12% | 4.11% |
| **Salary increase rate** | | |
| Defined benefit obligation (DBO) on increase in 50 bps | 3,321.34 | 2,014 |
| Impact of increase in 50 bps on DBO | 3.43% | 3.97% |
| Defined benefit obligation (DBO) on decrease in 50 bps | 3,106.22 | 1,864 |
| Impact of decrease in 50 bps on DBO | -3.27% | -3.76% |

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

| **H. Expected future cashflows (in million) [Undiscounted]** | | |
|---|---|---|
| Year 1 | 248 | 192 |
| Year 2 | 180 | 149 |
| Year 3 | 869 | 128 |
| Year 4 | 176 | 504 |
| Year 5 | 155 | 112 |
| Year 6 | 107 | 101 |
| Year 7 | 105 | 74 |
| Year 8 | 104 | 71 |
| Year 9 | 586 | 71 |
| 10 years and above | 3,562 | 2,298 |
| Weighted average duration of the defined benefit obligation in years | 7.98 years | 7.96 years |

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| | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|

**13(i) Employee Benefit Obligations (continued)**

**Risk exposure**

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

**(i) Market risk (discount rate)**

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

**(ii) Longevity risk**

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

**(iii) Annual risk**

**Salary increase assumption**

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

**Attrition/withdrawal assumption**

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

| | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **13 (ii) Deffered government grant** | | |
| Non-Current | 8,408 | 10,762 |
| Current | 2,354 | 2,354 |
| **Total contract liabilities** | **10,762** | **13,116** |

Deferred government grant includes deferment of income related to capital subsidy of Rs 10,762 as at March 31, 2026 (Rs.13,116 as at March 31, 2025) towards investment in property, plant, and equipment made in financial year 2023.

| | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **14 Contract liabilities** | | |
| Advance from customers | 677 | 5,811 |
| **Total contract liabilities** | **677** | **5,811** |
| Note: | | |
| a. Revenue recognised that was included in contract liability balance as at the beginning of the period. | 5,811 | 9,453 |

| | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **15 Other liabilities** | | |
| **Current:** | | |
| Statutory dues payable | 1,410 | 1,783 |
| | **1,410** | **1,783** |

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| | Year ended March 31, 2026 | Year ended March 31, 2025 |
|---|---|---|
| **16 Revenue from operations** | | |
| **Revenue from contracts with customers** | | |
| - Sale of finished products | 15,318 | 81,395 |
| - Sale of raw materials | 5,912 | 4,484 |
| - Sale of services | 1,182 | 5,007 |
| | **22,412** | **90,886** |
| Other operating income | | |
| - Scrap sales | 150 | 517 |
| | **150** | **517** |
| **Total revenue from operations** | **22,561** | **91,404** |
| **17 Other gains/(losses) - net** | | |
| Liabilities no longer required written back | 1,104 | 137 |
| Reversal of Loss allowance on trade receivables (net) | - | 2,074 |
| Income from government grant* | 2,354 | 44,623 |
| Net foreign exchange (loss)/gain | (405) | (311) |
| Miscellaneous income | 479 | 23 |
| **Total other gains/(losses) - net** | **3,532** | **46,545** |

*Government grant income includes income which has been recognised on account of capital subsidy of Rs 2,354 (Rs. 7,062 year ended March 31, 2025) towards investment made in property, plant, and equipment in financial year 2023 [income of Rs.37,560 recognised on account of reimbursement of rental expenses year ended March 31, 2025 ( Rs.19,308 for the year ended 31st March 2025, Rs 14,223 for year ended 31st March 2024 and Rs 4,028 for year ended 31st March 2023 under "Special Incentive Packege for investment in Toy Cluster" scheme. )]

| | Year ended March 31, 2026 | Year ended March 31, 2025 |
|---|---|---|
| **18 Cost of materials consumed** | | |
| Opening stock | 16,747 | 18,437 |
| Add: Purchases | 11,301 | 48,161 |
| | **28,047** | **66,599** |
| Less: Closing stock (net of provision for slow moving inventories) | 7,746 | 16,747 |
| **Total cost of raw materials consumed*** | **20,301** | **49,852** |

* Includes provision for slow moving inventory of INR 4,511 [ March 31,2025: 512 INR ]

| | Year ended March 31, 2026 | Year ended March 31, 2025 |
|---|---|---|
| **19 Changes in inventories of work in progress and finished goods** | | |
| Inventory at the end of the period (a) | | |
| Work-in-progress | 429 | 492 |
| Finished goods | 1,572 | 1,578 |
| | **2,001** | **2,070** |
| Inventory at the beginning of the period (b) | | |
| Work-in-progress | 492 | 720 |
| Finished goods | 1,578 | 8,566 |
| | **2,070** | **9,286** |
| **Change in inventories of work in progress and finished goods (b-a)** | **68** | **7,217** |

* Includes provision for slow moving inventory Work-in-progess & Finished goods of INR 284 [ March 31,2025: Nil] & INR 269 [ March 31,2025: Nil] respectively

| | Year ended March 31, 2026 | Year ended March 31, 2025 |
|---|---|---|
| **20 Employee benefit expenses** | | |
| Salaries, wages and bonus | 22,762 | 31,616 |
| Leave Compensation | 347 | 812 |
| Contribution to provident and other funds (refer Note 13) | 979 | 1,413 |
| Gratuity (refer Note 13) | 1,456 | 738 |
| Staff welfare expenses | 828 | 2,139 |
| Employee stock option scheme [Refer Note 11(i) (c)] | 2,170 | 972 |
| **Total** | **28,542** | **37,690** |

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| | Year ended March 31, 2026 | Year ended March 31, 2025 |
|---|---|---|
| **21 Other expenses** | | |
| Consumption of stores and spares | 1,085 | 4,458 |
| Outsourced manpower cost | 3,705 | 16,594 |
| Subcontracting expenses | 2,648 | 4,027 |
| Mould development cost | - | 4,526 |
| Testing charges | 15 | 111 |
| Insurance | 1,549 | 1,170 |
| Power and fuel | 9,760 | 13,057 |
| Repairs and maintenance : | | |
| Plant and machinery | 168 | 537 |
| Building | 12,004 | 17,449 |
| Others | 164 | 762 |
| Legal and professional fees | 1,042 | 1,795 |
| Payment to auditors [refer note (i) below] | 1,233 | 300 |
| Rent [refer Note 12 (ii)] | 388 | 961 |
| Printing and stationery | 169 | 345 |
| Freight & forwarding | 137 | 2,970 |
| Rates and taxes | 706 | 1,405 |
| Travelling and conveyance | 250 | 1,303 |
| Communication expenses | 4 | - |
| Advertising and sales promotion | 78 | 3,449 |
| Provision for doubtful advances/ balances (net) | 3,366 | 7,458 |
| Bad debts written off | 1,657 | - |
| Loss allowance on trade receivables (net) | 5,960 | - |
| Bank Charges | 14 | 52 |
| Advances written off | 120 | 815 |
| Miscellaneous expenses | 138 | 751 |
| **Total other expenses** | **46,360** | **84,295** |

| | | |
|---|---|---|
| **(i) Payments to auditors** | | |
| As auditor: | | |
| Audit fee | 300 | 300 |
| Other Services | 933 | - |
| | **1,233** | **300** |

| | | |
|---|---|---|
| **21A Impairment loss on assets** | | |
| Impairment loss on investments in subsidairies | - | 74,425 |
| | - | **74,425** |

**Note**: The Company has recognized impairment loss on investment in the following entities considering diminution in value of respective investments.

| | March 31, 2026 | March 31, 2025 |
|---|---|---|
| Koppal Toys Molding COE Private Limited | - | 74,425 |
| | - | **74,425** |

| | | |
|---|---|---|
| **21B Write Off of investments** | | |
| **Write Off of investments in subsidairies** | | |
| Koppal Toys Tooling COE Private Limited | - | 34,900 |
| | - | **34,900** |

Note: Pursuant to the MCA Strike off order - STK -7 dated 30th November 2024, Koppal Toys Tooling COE Private Limited name has been struck off from the register of companies and hence, the company has written off it's investment made in Koppal Toys Tooling COE Private Limited.

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| | Year ended March 31, 2026 | Year ended March 31, 2025 |
|---|---|---|
| **22 Depreciation and amortisation expense** | | |
| Depreciation of property, plant and equipment [refer Note 4(i)] | 31,789 | 31,586 |
| Depreciation of right of use assets [refer Note 5(ii)] | 66,558 | 66,493 |
| Amortisation of intangible assets [refer Note 5(i)] | 206 | 233 |
| **Total depreciation and amortisation expense** | **98,553** | **98,312** |
| **23 Finance income** | | |
| Interest income from bank deposits | 252 | 368 |
| Unwinding of discount on security deposits | 3,136 | 2,931 |
| **Total finance income** | **3,388** | **3,299** |
| **24 Finance cost** | | |
| Interest expense on delayed payment to micro enterprises and small enterprises | 115 | 19 |
| Interest expense on intercompany loans (refer note 29) | 14,287 | 3,625 |
| Interest expense on lease liabilities [refer Note 12(ii)] | 54,745 | 58,034 |
| Financial guarantee expense | 9,605 | 10,048 |
| **Total finance cost** | **78,752** | **71,726** |

## 25 Fair value measurements

Financial instruments by category:

| Particulars | Category | March 31, 2026 | March 31, 2025 |
|---|---|---|---|
| **Financial assets** | | | |
| Investments | Refer note (iv) below | 2,71,875 | 2,71,875 |
| Trade Receivables | Amortised Cost | 1,771 | 27,410 |
| Cash and cash equivalents | Amortised Cost | 1,44,359 | 22,917 |
| Other financial assets | Amortised Cost | 85,846 | 83,792 |
| **Total financial assets** | | **5,03,851** | **4,05,994** |
| **Financial liabilities** | | | |
| Borrowings (including current maturities) | Amortised Cost | 1,57,791 | 1,01,016 |
| Trade Payables | Amortised Cost | 11,109 | 28,836 |
| Lease liabilities | Amortised Cost | 4,56,967 | 4,83,932 |
| Other financial liabilities | Amortised Cost | 10,756 | 11,664 |
| **Total financial liabilities** | | **6,36,623** | **6,25,448** |

There are no financial instruments which are measured at FVOCI.

**(i) Fair Value Hierarchy**

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

(a) recognised and measured at fair value

(b) recognized and measured at amortised cost and for which fair values are disclosed in financial statements.
To provide an indication of the reliability of the inputs used in determining the fair value, the Company has classified its financial instruments into three levels prescribed under the accounting standard.
An explanation of each level follows underneath the table: .

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

| | Notes | Level | March 31, 2026 | March 31, 2025 |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Investments | 6 (i) | 3 | 2,71,875 | 2,71,875 |
| Trade Receivables | 6 (ii) | 3 | 1,771 | 27,410 |
| Cash and cash equivalents | 6 (iii) | 3 | 1,44,359 | 22,917 |
| Other financial assets | 6 (iv) | 3 | 85,846 | 83,792 |
| **Total financial assets** | | | **5,03,851** | **4,05,994** |
| **Financial liabilities** | | | | |
| Borrowings (including current maturities) | 12 (i) | 3 | 1,57,791 | 1,01,016 |
| Trade Payables | 12 (iii) | 3 | 11,109 | 28,836 |
| Lease liabilities | 12 (ii) | 3 | 4,56,967 | 4,83,932 |
| Other financial liabilities | 12 (iv) | 3 | 10,756 | 11,664 |
| **Total financial liabilities** | | | **6,36,623** | **6,25,448** |

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**25 Fair value measurements (continued)**

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

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

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

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

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

**(iii) Fair value of financial assets and liabilities measured at amortised cost**
The carrying amounts of trade receivables, trade payables, capital creditors, cash and cash equivalents, other bank balances, other financial assets and liabilities are considered to be the same as their fair values, due to their short-term nature.

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

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

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

**(v) Significant estimates**

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

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## 26 Financial risk management

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

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

| | | Exposure arising from | Measurement | Management |
|---|---|---|---|---|
| | Credit Risk | Cash and cash equivalents, other bank balances, trade receivables and financial assets measured at amortized cost | Aging analysis<br>Credit ratings | Diversification of bank deposits, Customers credit analysis, monitoring of credit limits and bank guarantee |
| | Liquidity Risk | Borrowings and other liabilities. | Rolling cash flow forecast | Availability of borrowing facilities |
| | Market Risk - Foreign Exchange | Future commercial transactions, recognized financial assets and liabilities not denominated in Indian Rupee | Cash flow forecasting, sensitivity analysis | Natural hedging for receivables and payables |
| | Market Risk - Interest Risk | Borrowings at variable rates | Sensitivity analysis | Maintaining a judicious mix of variable and fixed rate debt. |

### A Credit risk

Credit risk is a risk where the counterparty will not meet its obligations under a financial instrument leading to a financial loss. Credit risk arises from cash and bank balances, other bank balances including deposits with banks, as well as credit exposures to customers including outstanding receivables, other receivables and deposits.

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

#### (i) Credit risk management

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

A: High quality assets, negligible credit risk.

B: Low quality assets, high credit risk

C: Doubtful assets, credit- impaired

The Company considers the probability of defaults upon initial recognition of the asset and whether there has been any significant increase in the credit risk on an on-going basis throughout each reporting period. To assess whether there is a significant increase in the credit risk, the entity compares the risk of the default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward looking information especially:

1. Internal credit rating
2. External credit rating (to extent available)
3. Any significant change in business, financial or economic conditions that are expected to cause significant change in the payer's ability to meet it's obligations, including changes in operating results and payment status.

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

The Company continuously monitors the credit worthiness of the customers and reassess the credit limits on an ongoing basis.

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## 26 Financial risk management (continued)

### (ii) Provision for expected credit losses

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

<table>
<tr><th rowspan="2">Internal Rating</th><th rowspan="2">Category</th><th rowspan="2">Description of Category</th><th colspan="2">Basis of recognition of expected credit loss provision</th></tr>
<tr><th>Deposits with bank and Security Deposits</th><th>Trade Receivables(other than dues from related parties & Government Agencies)</th></tr>
<tr><td>A</td><td>High-quality assets, negligible credit risk</td><td>Asset where the counter party has strong capacity to meet the obligations and where the risk of default is negligible or nil.</td><td>12-month expected credit losses</td><td rowspan="2">Life-time expected credit losses</td></tr>
<tr><td>B</td><td>Low-quality assets, high credit risk</td><td>Asset where there is moderate probability of default. In general, assets where contractual payments are more days than past due are categorized as low quality assets. Also includes assets where the credit risk of counter party has increased significantly though payments may not be more than past due.</td><td>Life-time expected credit losses</td></tr>
<tr><td>C</td><td>Doubtful asset, credit impaired</td><td>The assets are written-off where there is no reasonable expectation of recovery. Where loans and receivables are written-off, the Company continues to engage in enforcement activity to attempt or recover the receivable due. Where recoveries are made, they are recognized in Statement of Profit and Loss.</td><td colspan="2">Asset is fully provided for or written-off</td></tr>
</table>

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

**1) Security deposits:**

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

**2) Deposits with banks:**

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

**3) Investments:**

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

**4) Trade receivables and other dues from related parties**

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

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## 26 Financial risk management (continued)

### B Liquidity risk

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

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

| Contractual maturities of financial liabilities | Less than 12 Months | More than 12 months | Total |
|---|---|---|---|
| **As at March 31, 2026** | | | |
| Borrowings* | 1,45,000 | - | 1,45,000 |
| Trade payables | 11,109 | - | 11,109 |
| Other financial liabilities | 10,756 | - | 10,756 |
| Lease liabilities (including interest) | 95,882 | 6,30,206 | 7,26,088 |
| Interest accrued but not due on borrowings | 12,791 | - | 12,791 |
| **Total non derivative liabilities** | **2,75,538** | **6,30,206** | **9,05,744** |

| Contractual maturities of financial liabilities | Less than 12 Months | More than 12 months | Total |
|---|---|---|---|
| **As at March 31, 2025** | | | |
| Borrowings* | 1,00,000 | | 1,00,000 |
| Trade payables | 28,836 | - | 28,836 |
| Other financial liabilities | 11,664 | - | 11,664 |
| Lease liabilities | 91,316 | 7,25,964 | 8,17,280 |
| Interest accrued but not due on borrowings | 1,016 | - | 1,016 |
| **Total non derivative liabilities** | **2,32,833** | **7,25,964** | **9,58,796** |

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

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## 26 Financial risk management (continued)

### C Market risk

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

#### (i) Foreign currency risk

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

The Company primarily imports and exports materials which are denominated in foreign currency which exposes it to foreign currency risk. The Company has a natural hedge in terms of its receivables and payables being in USD/HKD ('000).

**(a) Foreign currency risk exposure**

The Company's exposure to foreign currency risk at the end of the reporting period expressed in USD / HKD ('000)

| | March 31, 2026<br>USD/HKD | March 31, 2025<br>USD/HKD |
|---|---|---|
| *Financial assets (USD)* | | |
| Trade receivables | - | 61 |
| Advances to Vendors | - | 1 |
| Advances to Capital Creditors | 583 | 7 |
| **Exposure to foreign currency risk (assets)** | **583** | **69** |
| *Financial liabilities* | | |
| Trade payables | | - |
| USD | 201 | 2 |
| HKD | 803 | 75 |
| Capital creditors | - | 15 |
| Advance from customers | - | 56 |
| **Exposure to foreign currency risk (liabilities)** | **1,004** | **148** |
| **Net exposure to foreign currency risk (assets - liabilities)** | **(420)** | **(79)** |

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

| Impact on loss before tax | March 31, 2026 | March 31, 2025 |
|---|---|---|
| **USD Sensitivity** | | |
| INR/USD - Increase by 5% | (19) | 0 |
| INR/USD - decrease by 5% | 19 | (0) |
| **HKD Sensitivity** | | |
| INR/HDK - Increase by 5% | 40 | 4 |
| INR/HDK - decrease by 5% | (40) | (4) |

#### (ii) Interest rate risk

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

#### (iii) Price Risk

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

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## 27 Capital management

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

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

The Company's objectives while managing capital are to:

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

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

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

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

| | March 31, 2026 | March 31, 2025 |
|---|---|---|
| Borrowings | 1,57,791 | 1,01,016 |
| Lease Liabilities | 4,56,967 | 4,83,932 |
| Cash and cash equivalents | (1,44,359) | (22,917) |
| Net debt | **4,70,399** | **5,62,032** |
| Total equity | 5,48,001 | 5,62,075 |
| **Net debt to equity ratio** | **0.86** | **1.00** |

**Note:**

(a) The above ratio is calculated by considering the amount of net debt (including cash and cash equivalents). This is resulting in a deviation between the above ratio and the debt equity ratio calculated in Note 33.

## 28 Commitments and contingent liabilities

(a) There are no Capital commitments for the year ended 31st March 2026 and 31st March 2025.

**(b) Contingent liabilities** -Contingent liabilities does not include performance bank guarantees given to customers.

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## 29 Related party disclosures

**(A) Name of related parties and their relationship**

| Relationship | Name of the related party |
|---|---|
| **(i) Name of related parties who exercise control** | |
| Ultimate holding company | : Aequs Inc., Cayman Islands(100% Benificially owned and controlled by the Melligeri Foudation) (upto December 10, 2025)* |
| Intermediary Holding Company | :Aequs Manufacturing Investments Private Limited, Mauritius (AMIPL) (upto December 10, 2025)* |
| Holding company | :Aequs Limited (formerly known as Aequs Private Limited) (AL), India |
| **(ii) Enterprises on which, Holding company exercise joint control** | : Aerospace Processing India Private Limited ('API')*<br>: SQuAD Forging India Private Limited, ('Squad')*<br>:Aequs Cookware Private Limited ('ACPL')<br>:Ajna Aerospace & Defence PrivateLimited, India* |
| **(iii) Subsidiary company** | : Koppal Toys Molding COE Private Limited (KTMPL)<br>: Aequs Rajas Extrusion Private Limited (AREPL)*<br>: Koppal Toys Tooling COE Private Limited (KTTPL) (Struck off w.e.f. 30-11-2024)* |
| **(iv) Fellow Subsidiaries** | : AeroStructures Manufacturing India Private Limited ('ASMIPL')<br>: Aerospace Manufacturing Holdings Private Limited ('AMHPL')*<br>: Aequs Force Consumer Products Private Limited ('AFCPPL')<br>: Aequs Consumer Products Private Limited ('ACPPL')<br>: Aequs Aero Machine ('AAM'), United States of America*<br>: Aequs Engineered Plastics Private Limited ('AEPPL')<br>: Aerostructures Assemblies India Private Limited (AAI)<br>: Aequs Oil & Gas LLC, USA ('AOGL')*<br>: Aequs Aerospace BV, Netherlands*<br>: Aequs Aerospace LLC, USA*<br>: Aequs Holdings France SAS*<br>: Aequs Aerospace France SAS*<br>: Aequs Toys Hong Kong Private Limited*<br>: Aequs Home Appliances Private Limited* (struck off w.e.f. June 27, 2025) |
| **(v) Associate of Holding Company** | : Aequs Foundation, India* |
| **(vi) Key Management Personel:** | Harish Bang, Director (resigned w.e.f October 14, 2025)*<br>Suraj Hukkeri, Director (resigned w.e.f October 14, 2025)<br>Rahul Sadanand Kalburgi (w.e.f. September 29, 2025)*<br>Vijay Shrinivas, Additional Director (w.e.f. October 01, 2025)*<br>Ravi D Kulkarni, Whole Time Director (w.e.f.March 25, 2026)*<br>Neha Chaugule, Director (w.e.f.March 27, 2026)*<br>Smita Harish Bang, Company Secretary<br>Shreeya Dandi, Chief Financial Officer (w.e.f 02 september 2025)* |
| **(vii) Company in which Director is interested** | |
| **a. Harish Bang** | : Aequs Rajas Extrusion Private Limited (AREPL)*<br>: Koppal Toys Molding COE Private Limited (KTMPL)<br>: Automotive End Solution Private Limited (AESPL)*<br>: Aerospace Manufacturing Holdings Private Limited (AMHPL)* |
| **b. Suraj Hukkeri** | : Aequs Rajas Extrusion Private Limited (AREPL)*<br>: Koppal Toys Molding COE Private Limited (KTMPL)<br>: Aequs Consumer Products Private Limited (ACPPL)<br>: Aequs Engineered Plastics Private Limited (AEPPL)<br>: Aequs Force Consumer Products Private Limited (AFCPPL) |
| **c. Rahul Sadanand Kalburgi** | : Aequs Rajas Extrusion Private Limited (AREPL)*<br>: Aequs Consumer Products Private Limited (ACPPL)<br>: Aerospace Manufacturing Holdings Private Limited (AMHPL)* |
| **d. Neha Chaugule** | : Aequs Force Consumer Products Private Limited (AFCPPL) |
| **(viii) Enterprises in which individuals owing interest in the holding/ultimate holding company or their relatives have control or significant influence:** | : Aequs SEZ Private Limited (ASEZ)<br>: MFRE Private Trust (MFRE)*<br>: Indusrial Knowledge Centre Private Limited (IKCPL) |

* There were no transactions during the current year and previous year.

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**B. Transactions with related parties**

| Name | Nature of transactions | Year ended March 31, 2026 | Year ended March 31, 2025 |
|---|---|---|---|
| Suraj Hukkeri | Remuneration paid (Upto October 14, 2025) | 4,887 | 8,004 |
| Smita Harish Bang | Remuneration paid | 313 | 158 |
| AEPPL | Expense incurred by related parties | 13 | - |
| | Expense incurred on behalf of related party | - | 490 |
| | Purchase of tangible asset | - | 136 |
| | Purchase of raw materials | 379 | 3,988 |
| | Sale of goods | 15,202 | 4,380 |
| AFCPPL | Purchase of tangible asset | - | 699 |
| | Purchase of raw materials | - | 2,275 |
| AL | Expense incurred on behalf of the company | - | 6 |
| | Expense incurred on behalf of the related party | 540 | 819 |
| | Financial guarantee expenses | 9,605 | - |
| | Equity share capital issued | 90,000 | 1,00,000 |
| | Share application money received | 1,40,000 | - |
| | Interest expense | 14,185 | 3,625 |
| | Loan received | 45,000 | 1,00,000 |
| | ESOP Expenses cross charged | 2,170 | 972 |
| ASEZ | Service Received | 19,801 | 42,077 |
| | Lease rentals paid | 91,316 | 86,399 |
| | Expense incurred on behalf of the related party | - | 370 |
| ASMIPL | Expense incurred by related parties | - | 53 |
| KTMPL | Expense incurred on behalf of related parties | - | 341 |
| | Purchase of raw materials | 977 | 1,140 |
| | Investment in Equity Instruments | - | 50,000 |
| | Subcontracting Expenses | 2,648 | 4,027 |
| | Sale of manufactured goods | 5,861 | 3,128 |
| ACPPL | Sale of manufactured goods | 379 | 129 |
| IKCPL | Service Received | - | 104 |
| | Expense incurred on behalf of related parties | - | 9 |
| AAI | Expense incurred by related parties | - | 23 |
| ACPL | Expense incurred by related parties | - | 19 |

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**29 Related party disclosures (continued)**

**C Balance as at the year end**

| Name | Nature of balances | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| KTMPL | Investment in Equity Instruments | 4,85,001 | 4,85,001 |
| | Trade payable | - | 1,390 |
| AREPL | Investment in Equity Instruments | 74 | 74 |
| AEPPL | Dues from related parties | - | 149 |
| | Trade payables | - | 3,287 |
| | Trade receivables | - | 4,237 |
| AFCPPL | Trade payables | 2,398 | 9,735 |
| | Dues to related parties | 4 | 65 |
| AL | Dues to related parties | 6,055 | 6,055 |
| | Dues from related parties | 486 | - |
| | Trade payables | 1,222 | 1,222 |
| | Financial Guarantee on lease | 63,316 | 72,921 |
| | Loan received | 1,45,000 | 1,00,000 |
| | Interest accrued but not due on borrowings | 12,791 | 1,016 |
| ASEZ | Dues from related parties | - | 370 |
| | Trade payables | 40 | 1,059 |
| | Security Deposit | 74,865 | 74,865 |
| | Lease Liability | 5,20,283 | 5,56,853 |
| AAI | Dues to related parties | - | 23 |
| ACPL | Dues to related parties | - | 19 |

**Notes:**

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

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

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

d. A letter of continuing financial support has been received from Aequs Limited (formerly known as Aequs Private Limited).

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

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

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## 30 Segment information

### (a) Description of segments and principal activities:

The Company is primarily engaged in the business of contract manufacturing. The Company's Chief Operating Decision Maker (CODM) is identified to be Managing Director and Chief Operating 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 entity as a whole, hence the operating segment being the Company as one single segment - 'Contract Manufacturing'.

The Company is primarily engaged in contract manufacturing of plastic toys, and toys products which comprise the primary segment, hence no separate primary segment information is deemed necessary. Secondary segment reporting is performed on the basis of the geographical location of customers.

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

| Particulars | March 31, 2026 | March 31, 2025 |
|---|---|---|
| **Outside India** | | |
| Saudi Arabia | - | 4,561 |
| The United States of America | - | 21,672 |
| Germany | 1,188 | - |
| **In India** | 21,373 | 65,171 |
| **Total** | **22,561** | **91,404** |

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

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

| | March 31, 2026 | March 31, 2025 |
|---|---|---|
| EBITDA | (69,179) | (41,105) |

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

**Revenue from major customers are as follows:**

| Customer | March 31, 2026 | | March 31, 2025 | |
|---|---|---|---|---|
| | Revenue | % | Revenue | % |
| Customer 1 | 15,202 | 67.38% | 29,619 | 32.40% |
| Customer 2 | 5,861 | 25.98% | 21,552 | 23.58% |

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

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## 31 Earnings per share

| | March 31, 2026 | March 31, 2025 |
|---|---|---|
| Earnings per share attributable to equity share holders of the company | **(1.86)** | **(2.55)** |
| Loss attributable to the equity share holders | (2,43,118) | (3,16,440) |
| | **(2,43,118)** | **(3,16,440)** |
| Loss attributable to the equity share holders from continuing operations (a) | (2,43,118) | (3,16,440) |
| Loss attributable to the equity share holders from dis-continuing operations (a) | - | |
| | **(2,43,118)** | **(3,16,440)** |
| Weighted average number of equity shares used as the denominator in calculating basic earnings per share | **13,04,11,855** | 12,41,78,978 |
| Share held at the beginning of the year | 12,59,59,800 | 11,59,59,800 |
| Weighted average number of equity shares issued during the year | 44,52,055 | 82,19,178 |
| Adjustments for diluted earnings per share | - | |
| (The company does not hold any potential equity shares for dilution) | | |
| Weighted average number of equity shares and potential equity shares used as denominator in calculating diluted earnings per share | **13,04,11,855** | **12,41,78,978** |
| Earnings per share (basic and diluted) | (1.86) | (2.55) |
| (a) Nominal value of equity share | 10 | 10 |
| (b) Weighted average number of equity shares outstanding | 13,04,11,855 | 12,41,78,978 |
| (c) Loss attributable to the equity share holders used in calculating basic earnings per share | (2,43,118) | (3,16,440) |
| (d) Earnings per share - Basic | (1.86) | (2.55) |

**Diluted earning per share**

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

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### 32. Financial Ratios

| Ratio | Numerator | Denominator | March 31, 2026 | March 31, 2025 | Variance (%) | Reasons for variance > 25% |
|---|---|---|---|---|---|---|
| Current Ratio | Current Assets | Current Liabilities | 1.21 | 0.98 | 23% | Not Applicable |
| Debt-Equity Ratio | Total Debt | Shareholders' Equity | 1.12 | 1.04 | 8% | Not Applicable |
| Debt Service Coverage Ratio (DSCR) | Earnings available for Debt Service | Debt Service | (0.35) | (0.28) | -26% | Note 1 |
| Return on Equity (ROE) | Profit/(Loss) after tax | Average Shareholders' Equity | -44% | -48% | -9% | Not Applicable |
| Inventory Turnover Ratio | Revenue from operations | Average Inventory | 1.42 | 3.60 | -61% | Note 2 |
| Trade Receivables Turnover Ratio | Credit Sales | Average Accounts Receivables | 1.55 | 2.81 | -45% | Note 3 |
| Trade Payables Turnover Ratio | Credit Purchases | Average Trade Payables | 0.55 | 1.73 | -68% | Note 4 |
| Net Capital Turnover ratio | Revenue from operations | Working Capital | 1.03 | 2.75 | -62% | Note 2 |
| Net Profit Ratio | Loss after tax | Revenue from operations | -932% | -230% | -305% | Note 2 |
| Return on Capital Employed (RoCE) | Earnings before interest and tax | Capital Employed | -14% | -21% | -34% | Note 5 |
| Return on Investment | Income from investment | Weighted Average Investments | 0% | -14% | 100% | Note 6 |

**Notes:**

1. Debt Service Coverage Ratio (DSCR) has decreased due reduction in Earnings available for Debt Service.
2. Inventory Turnover Ratio, Net Capital Turnover ratio and Net Profit Ratio has decreased due to reduction in revenue from operation.
3. Trade Receivables Turnover Ratio has decreased due to reduction in credit sales.
4. Trade Payables Turnover Ratio has decreased due to reduction in credit purchase.
5. Return on Capital Employed (ROCE) has decreased due to reduction in Earnings before interest and tax
6. No Return on Investment during the year.

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## 33 Net Debt Reconciliation

| Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| Cash and cash equivalents | 1,44,359 | 22,917 |
| Current borrowings (Inter-company loans) | (1,57,791) | (1,01,016) |
| Lease liabilities | (4,56,967) | (4,83,932) |
| **Net debt** | **(4,70,399)** | **(5,62,031)** |

| Particulars | Other assets | Liabilities from financing activities | | | Total |
|---|---|---|---|---|---|
| | Cash and cash equivalents | Lease liabilities | Non-current borrowings | Current borrowings (Working capital loans) | |
| **Net debt as at March 31, 2024** | **41,514** | **(4,92,624)** | - | - | **(4,51,110)** |
| Cashflows | (18,597) | - | - | | (18,597) |
| Acquisition of new borrowings/ leases | - | (39,003) | - | (1,00,000) | (1,39,003) |
| Repayments | - | 28,365 | - | - | 28,365 |
| Interest expense | - | (58,034) | - | (1,016) | (59,050) |
| Interest paid | - | 58,034 | - | - | 58,034 |
| **Non-cash adjustments:** | | | | | |
| Financial guarantee on New Lease | - | 29,377 | - | - | 29,377 |
| Amortized financial guarantee expense during the year | - | (10,048) | - | - | (10,048) |
| **Net debt as at March 31, 2025** | **22,917** | **(4,83,932)** | - | **(1,01,016)** | **(5,62,031)** |
| Cashflows | 1,21,442 | - | - | - | 1,21,442 |
| Acquisition of new borrowings/ leases | - | - | - | (45,000) | (45,000) |
| Foreign exchange adjustments | - | - | - | - | - |
| Repayments | - | 36,571 | - | - | 36,571 |
| Interest expense | - | (54,745) | - | (14,287) | (69,032) |
| Interest paid | - | 54,745 | - | 2,512 | 57,257 |
| **Non-cash adjustments:** | | | | | |
| Financial guarantee on Lease | - | - | - | - | - |
| Amortized financial guarantee expense during the year | - | (9,605) | - | - | (9,605) |
| **Net debt as at March 31, 2026** | **1,44,359** | **(4,56,967)** | - | **(1,57,791)** | **(4,70,399)** |

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## 33A Assets pledged as security

The carrying amount of assets pledged as security for borrowings of fellow subsidiary (ASMIPL):

| Particulars | March 31, 2026 | March 31, 2025 |
|---|---|---|
| Current | | |
| **A. Financial assets:** | | |
| - Trade receivables | - | - |
| - Cash and cash equivalents | - | - |
| - Other bank balances | - | - |
| - Other financial assets | - | - |
| **B. Non financial assets:** | | |
| - Inventories | - | - |
| - Other current assets | - | - |
| **Total current assets pledged as security** | - | - |
| Non current | | |
| **A. Financial assets:** | | |
| - Other financial assets | - | - |
| **A. Non financial assets:** | | |
| Plant and machinery | 1,70,464 | - |
| Leasehold improvements | | - |
| Office equipment | - | - |
| Computers | - | - |
| Other non- current assets | - | - |
| **Total non-current assets pledged as security** | **1,70,464** | - |
| **Total assets pledged as security** | **1,70,464** | - |

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

## 34 Deferred Tax Assets (Net)

### A. Deferred tax recognition

Deferred tax asset on timing differences and on unabsorbed depreciation and business loss carried forward has not been recognised in these accounts in the absence of reasonable certainty supported by convincing evidence that sufficient future taxable income will be available for set-off. However, this position will be reassessed at every year end and the deferred tax asset will be accounted for, if appropriate. Deferred tax asset as at March 31, 2026 has been arrived at as follows:

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

| Particulars | As at March 31, 2024 | Charge/(credit) to the statement of profit and loss | Charge/(credit) to the statement of other comprehensive income | As at March 31, 2025 | Charge/(credit) to the statement of profit and loss | Charge/(credit) to the statement of other comprehensive income | As at March 31, 2026 |
|---|---|---|---|---|---|---|---|
| **Deferred Tax Asset/(Liabilities) :** | | | | | | | |
| Property, plant & equipment , Intangible Asset | (2,967) | (2,854) | - | (5,822) | 1,332 | - | (4,489) |
| Right of use assets (net of lease liabilities) | (6,796) | 3,226 | - | (3,570) | 6,794 | - | 3,224 |
| Employment Benefit Obligation - Gratuity | 124 | 208 | - | 332 | 169 | - | 502 |
| Investments | 24,706 | 11,879 | - | 36,585 | - | - | 36,585 |
| Employee Benefit Obligation - Leave Encashment | 153 | 61 | - | 214 | 41 | - | 255 |
| Bonus | 337 | 104 | - | 441 | 155 | - | 596 |
| Unabsorbed Depreciation | 9,065 | 4,881 | - | 13,945 | 4,202 | - | 18,148 |
| Unabsorbed business loss | 42,090 | 23,761 | - | 65,851 | 28,212 | - | 94,063 |
| Long term capital loss | - | 5,213 | - | 5,213 | - | - | 5,213 |
| Other Items | 7,246 | (5,779) | - | 1,467 | 7,352 | - | 8,819 |
| **Net Deferred Tax Asset** | **73,957** | **40,700** | **-** | **1,14,658** | **48,258** | **-** | **1,62,915** |
| Deferred tax (Credit)/Charge for the year | | 40,700 | - | | 48,258 | - | |

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

| Particulars | Amount | Amount |
|---|---|---|
| Profit/(Loss) before income tax expense | (2,43,095) | (3,17,168) |
| Tax at the rate of 17.16% for March 2026 and 17.16% for March 2025 | (41,715) | (54,426) |
| Expenses not allowed as deduction in computation of current tax | 9 | 17,370 |
| Income not chargeable to tax | (538) | (503) |
| Expenses on which DT not recognished in the current year | 11,042 | 11,683 |
| Deferred tax not recognized on unabsorbed business loss and unabsorbed depreciation for current year. | 31,202 | 25,876 |
| **Total tax expense/(income)** | (0) | 0 |

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

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

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

| | March 31, 2026 | March 31, 2025 |
|---|---|---|
| Within five years | 83,757 | 2,889 |
| Later than five years but less than ten years | 5,04,494 | 4,28,022 |
| No expiry | 1,05,756 | 81,267 |

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**35 Additional regulatory information required by Schedule III**

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

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

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

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

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

(vi) Utilisation of borrowed funds and share premium
(A) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall
a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

(B) The Company has received the following funds from other entities (Funding Parties) during the year with the understanding (whether recorded in writing or otherwise) that the Company shall lend or invest in other entities (Ultimate Benefeciaries) during the period ended March 31, 2026 for the purposes stated below:

| Nature of amount | Funding Party | Amount | Ultimate Beneficiary | Purpose of further investment or lending |
|---|---|---|---|---|
| Investment | Aequs Limited (formerly known as Aequs Private Limited) | 40,000 | Koppal Toys Molding COE Private Limited | Business operations* |

* The funds are received with the understanding to invest in the other entity, however, the investment is yet to be made as at reporting date.

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

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

(x) All the title deeds of the Immovable properties which are classified under Right of Use Assets (ROU) schedule are held in the name of the Company.

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

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

(xiii) The Company was not required to recognise any provision as at March 31, 2026 and March 31, 2025 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 and March 31, 2025.

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**36 Interests in other entities**

| Name of entity | Place of business | Ownership held by | Nature of relationship | % of Holding and voting power either directly or indirectly through | | Nature of business |
|---|---|---|---|---|---|---|
| | | | | March 31, 2026 | March 31, 2025 | |
| Koppal Toys Molding COE Pvt Ltd | India | Aequs Toys Private Limited | Subsidiary | 100% | 100% | Manufacture of Molding |
| Aequs Rajas Extrusion Pvt Ltd | India | Aequs Toys Private Limited | Subsidiary | 100% | 100% | Manufacture of Toys |

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

Pursuant to the MCA strike off order - STK -7 dated 30th November 2024, Koppal Toys Tooling COE Private Limited name has been struck off from the register of companies and hence, the company has written off it's investment made in Koppal Toys Tooling COE Private Limited.

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

| Particulars | March 31, 2026 | March 31, 2025 |
|---|---|---|
| i. Investments in subsidiaries for their business operations | 4,85,075 | 4,85,075 |

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

**39 Dues to micro and small enterprises**

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

| | | March 31, 2026 | March 31, 2025 |
|---|---|---|---|
| A. | Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at period end | 0 | 38 |
| B | Interest due to suppliers registered under the MSMED Act and remaining unpaid as at period end | - | 5 |
| C | Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the period | 2,492 | 1,081 |
| D | Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the period | - | - |
| E. | Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the period | 105 | 5 |
| F | Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act | - | 9 |
| G. | Interest accrued and remaining unpaid at the end of the accounting period | - | - |
| H. | Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act | - | - |

40 The financials statements were approved for issue by the Board of Directors on 25/05/2026

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

Harshith T P

Harshith T P
Partner
Membership No.:256698
Place: Bengaluru
Date: 25/05/2026

K.G. ACHARYA & CO. Bangalore Chartered Accountants

**For and on behalf of the Board of Directors**
**Aequs Toys Private Limited**

Ravi D Kulkarni
Whole Time Director
DIN-11030626
Place: Belagavi
Date: 25/05/2026

Rahul Sadanand Kalburgi
Director
DIN-1120338
Place: Belagavi
Date: 25/05/2026

Smita Harish Bang
Company Secretary
M No- A45081
Place: Belagavi
Date: 25/05/2026

Shreeya Dandi
Chief Financial Officer
Place: Belagavi
Date: 25/05/2026