

**Financial statements**

**Of**

**Koppal Toys Molding COE Private**

**Limited**

**For the Year ended**

**31<sup>st</sup> March 2026**

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

**CIN - U36999KA2021PTC150753**

|                                |                                                                                                                                                                      |
|--------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Registered Office</b>       | Aequs Tower, No. 55, Whitefield Main Road, Mahadevapura Post, Mahadevapura, Bangalore, Bangalore North, Karnataka, India, 560048                                     |
| <b>Directors</b>               | <b>Rohit Mulki Hegde</b> (Whole time director)<br>(DIN: 02391765)<br><br><b>Durvigere Shivamurthy Mohan</b><br>(DIN: 08440969)                                       |
| <b>Company Secretary</b>       | Smita Harish Bang                                                                                                                                                    |
| <b>Chief Financial Officer</b> | Anand Kamalkishor Modani                                                                                                                                             |
| <b>Statutory Auditors</b>      | <b>K. G. Acharya &amp; Co.,</b><br>Chartered Accountants,<br>No. 14, Girls School Street,<br>Kumarapark West,<br>Seshadripuram, Bangalore-560020<br>Karnataka, India |

## **INDEPENDENT AUDITOR'S REPORT**

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

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

#### **Opinion**

We have audited the Financial Statements of Koppal Toys Molding COE Private Limited, ("the Company"), which comprise the Balance Sheet as at March 31, 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 ("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 if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.



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

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

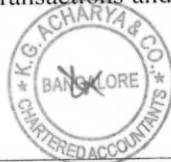
Those Board of Directors are also responsible for overseeing the company's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. 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.
- 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, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Change in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid financial statements comply with the Ind AS as specified under Section 133 of the Act.
  - e. On the basis of the written representations received from the directors as on March 31, 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 Sec. 164(2) of the Act.
  - 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. According to the information and explanations provided to us, the Company has not paid any managerial remuneration during the year.
  - 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 it's knowledge and belief, as disclosed in Notes to accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b. The management has represented, that, to the best of it's knowledge and belief, as disclosed in Notes to accounts, no funds (which are material either individually or in the aggregate) have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (a) and (b) above, contain any material misstatement.
- v. The Company has not declared or paid dividends during the year under review, and hence reporting on compliance with section 123 of the Companies Act, 2013 is not applicable.
- vi. Based on our examination which included 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:
- a. not enabled for the period from 01 April 2025 to 15 December 2025 at the database level to log any direct data changes; and
- b. not enabled for the period from 01 April 2025 to 09 October 2025 at the application level for certain fields / tables relating to all the significant financial processes.

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

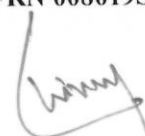
Bangalore

25/05/2026

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

Chartered Accountants

FRN 008019S

  
Chirag Aggarwal  
Partner

M. No. 243971

UDIN: 262439715XSDZS2415



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

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

**i.**

- (a) (A) The company has maintained reasonable records showing full particulars including quantative details and situation of property, plant & Equipment
- (B) The company does not own any Intangible Assets and therefore Paragraph 3(i)(a)(B) of the order is not applicable.
- (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 program, 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 favour 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 and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed at the time of verification.
- (b) The Company has not been sanctioned with working capital limits in excess of Rs. 5 Crore, in aggregate, at any point of time of the year, from banks / financial institutions on the basis of security of current assets and therefore Paragraph 3(ii)(b) of the order is not applicable to the company.

**iii.**

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



**iv.**

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

**v.**

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

**vi.**

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

**vii.**

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

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

**viii.**

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

**ix.**

(a) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not defaulted in repayment of loans or in payment of interest thereon to any lender during the year. In respect of loans which are repayable on demand, as informed to us by the management, no demand for repayment has been made during the year and no such demand has been brought to our notice. Accordingly, reporting of period and amount of default in the format prescribed under clause 3(ix)(a) of the Order is not applicable.

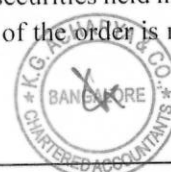
(b) The company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The term loans were applied for the purpose for which they were obtained.

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

(e) On an overall examination of the financial statements of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) The company has not raised any Loans 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.

**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.**

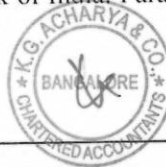
In our opinion and based on our examination, the company does not have an internal audit system as it is not required to have an internal audit system as per provisions of the Companies Act 2013.

**xv.**

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

**xvi.**

- (a) The Company is not required to be registered u/s 45-IA of the Reserve Bank of India Act, 1934. Paragraph 3(xvi)(a) of the Order is therefore not applicable to the Company.
- (b) Based on our Audit procedures, we are of the opinion that the company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of Indian Act, 1934.
- (c) Based on our audit procedures, we are of the opinion that company is a not core investment company (CIC) as defined in the regulations made by the Reserve Bank of India. Para 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. 37,803 thousand and of Rs. 18,751 thousand 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.

Date 25/05/2026  
Place: Bangalore

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



Chirag Aggarwal  
Partner  
M. No. 243971



**ANNEXURE – B TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF Koppal Toys Molding COE Private Limited (“THE COMPANY”) AS AT 31<sup>ST</sup> 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 **Koppal Toys Molding COE 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.

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.

Bangalore

25/05/2026

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

  
**Chirag Aggarwal**  
Partner  
M. No 243971



**Koppal Toys Molding COE Private Limited**  
**Notes to Financial statements as at March 31, 2026**

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

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**1. Background**

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

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

**2. Summary of material accounting policies**

**a) Basis of preparation**

**(i) Compliance with Ind AS**

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

**(ii) Historical cost convention**

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

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

**(iii) Going concern assumption**

The company has incurred a total comprehensive loss of ₹ (94,143) [March 31, 2025: ₹ (95,680)] for the year ended March 31, 2026. The company's accumulated loss and net worth are ₹ (399,968) [March 31, 2025: ₹ (305,825)] and ₹ 188,619 [March 31, 2025: ₹ 282,762] respectively for the year ended March 31, 2026. These financial statements have been prepared on the assumption that the Company will continue as a going concern based on business plans approved by the Board of Directors for the year ended March 31, 2026.

**(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.

**Koppal Toys Molding COE Private Limited**

**Notes to Financial statements as at March 31, 2026**

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

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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 ₹ 5 hundred.

**b) Segment reporting**

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

The Company's Chief Operating Decision Maker (CODM) is identified to be The Executive Chairman and Chief Executive Officer ("CEO") of Aequus Limited (formerly known as Aequus Private limited). The CODM evaluates the Company's performance as a whole. Accordingly, the entire Company is identified as one segment. The Company is engaged in business of contract manufacturing of engineered plastic toys. Refer note no. 29 for segment information presented.

**c) Foreign currency transactions**

**(i) Functional and presentation currency**

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

**(ii) Transactions and balances**

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

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

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

**d) Revenue from contract with customers**

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

***Sale of goods***

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally as per the Inco terms. Revenue 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 year between the transfer of goods or services to the customer and payment by the customer exceeds one year. Accordingly, the Company does not adjust any of the transaction prices for time value of money.

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

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

**Koppal Toys Molding COE Private Limited**  
**Notes to Financial statements as at March 31, 2026**

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

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

***Sale of services***

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

**e) Income tax**

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

***Current income tax***

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

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

***Deferred tax***

Deferred income tax is provided, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

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

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. The Company restricts recognition of deferred tax assets to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

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

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

**Koppal Toys Molding COE Private Limited**

**Notes to Financial statements as at March 31, 2026**

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

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**f) Leases**

***Company as a lessee***

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

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

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

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

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

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

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

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

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

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

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

**Koppal Toys Molding COE Private Limited**

**Notes to Financial statements as at March 31, 2026**

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

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**h) Cash and cash equivalents**

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

**i) Trade receivables**

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

**j) Inventories**

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

Raw materials and stores, work in progress, traded and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials and traded goods comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition.

Costs are assigned to individual items on weighted average basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**k) Investments and other financial assets**

**(i) Classification**

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

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

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

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

**(i) Initial recognition**

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

**(ii) Subsequent measurement**

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

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

**Koppal Toys Molding COE Private Limited**  
**Notes to Financial statements as at March 31, 2026**

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

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loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other expenses and impairment expenses in other expenses.

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

**(iii) Impairment of financial assets**

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

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

**(iv) Derecognition**

A financial asset is derecognised only when.

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

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised.

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

**(v) Income recognition**

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

**(vi) Offsetting Financial Instruments**

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

**1) 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.

**Koppal Toys Molding COE Private Limited****Notes to Financial statements as at March 31, 2026**

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

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

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

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

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

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

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

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

These are included in statement of profit and loss within other gains/ (losses). When significant spare parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

**m) Intangible assets**

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

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

**Class of Assets**  
Computer Software

**Useful lives estimated by Management (years)**  
3 to 10 years

**n) Accounting policy on EBITDA**

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

**o) Trade and other payables**

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

**Koppal Toys Molding COE Private Limited**

**Notes to Financial statements as at March 31, 2026**

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

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**p) Borrowings**

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

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

**q) Borrowing costs**

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

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

**r) Financial guarantee contracts**

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

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

**s) Provisions**

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

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

**t) Contributed equity.**

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

**u) Earnings per share**

Basic earnings per share is calculated by dividing:

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

Diluted earnings per share

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

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

**Koppal Toys Molding COE Private Limited**  
**Notes to Financial statements as at March 31, 2026**

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

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**v) 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

**w) 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.

**x) Employee benefits**

**(i) Short-term obligations**

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

**(ii) Other long-term employee benefit obligations**

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

**(iii) Post-employment obligations** The Company operates the following post-employment schemes:

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

**Gratuity obligations**

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

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

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

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

**Defined contribution plans**

The Company pays provident fund 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.

**Koppal Toys Molding COE Private Limited**  
**Notes to Financial statements as at March 31, 2026**

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

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**3. Significant accounting judgements, estimates and assumptions.**

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

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

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

Areas involving significant judgements are as below:

Estimation of deferred tax expense/credit.

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

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

Koppal Toys Molding COE Private Limited  
Balance Sheet as at March 31, 2026

CIN: U36999KA2021PTC150753

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

|                                                                                | Notes    | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|--------------------------------------------------------------------------------|----------|-------------------------|-------------------------|
| <b>Assets</b>                                                                  |          |                         |                         |
| <b>Non-current assets</b>                                                      |          |                         |                         |
| Property, plant and equipment                                                  | 4        | 1,83,917                | 2,11,333                |
| Right of use assets                                                            | 5        | 2,52,775                | 2,91,171                |
| Financial assets                                                               |          |                         |                         |
| Other financial assets                                                         | 6 (iv)   | 28,097                  | 26,506                  |
| Other non-current assets                                                       | 8        | 1,952                   | 2,102                   |
|                                                                                |          | <u>4,66,742</u>         | <u>5,31,112</u>         |
| <b>Current assets</b>                                                          |          |                         |                         |
| Inventories                                                                    | 9        | 12,530                  | 4,142                   |
| Financial assets                                                               |          |                         |                         |
| Trade receivables                                                              | 6 (i)    | 50,385                  | 3,390                   |
| Cash and cash equivalents                                                      | 6 (ii)   | 883                     | 4,788                   |
| Other bank balances                                                            | 6 (iii)  | -                       | 40,014                  |
| Other financial assets                                                         | 6 (iv)   | 22,815                  | 53,368                  |
| Current Tax assets                                                             | 7        | 2,141                   | 106                     |
| Other current assets                                                           | 8        | 5,496                   | 1,568                   |
|                                                                                |          | <u>94,250</u>           | <u>1,07,376</u>         |
| <b>Total assets</b>                                                            |          | <u>5,60,992</u>         | <u>6,38,488</u>         |
| <b>Equity and liabilities</b>                                                  |          |                         |                         |
| <b>Equity</b>                                                                  |          |                         |                         |
| Equity share capital                                                           | 10       | 4,76,176                | 4,76,176                |
| Other equity                                                                   |          |                         |                         |
| Reserves and surplus                                                           | 11 (i)   | (3,94,058)              | (2,99,915)              |
| Other reserves                                                                 | 11 (ii)  | 1,06,501                | 1,06,501                |
| <b>Total equity</b>                                                            |          | <u>1,88,619</u>         | <u>2,82,762</u>         |
| <b>Non-current liabilities</b>                                                 |          |                         |                         |
| Financial liabilities                                                          |          |                         |                         |
| Borrowings                                                                     | 12 (i)   | 13,778                  | -                       |
| Lease liabilities                                                              | 12 (ii)  | 2,21,948                | 2,38,414                |
| Employee benefit obligations                                                   | 13 (iii) | 541                     | 193                     |
| Deferred government grant                                                      | 13 (ii)  | 26,086                  | 34,418                  |
|                                                                                |          | <u>2,62,353</u>         | <u>2,73,025</u>         |
| <b>Current liabilities</b>                                                     |          |                         |                         |
| Financial liabilities                                                          |          |                         |                         |
| Borrowings                                                                     | 12 (i)   | 48,550                  | 39,385                  |
| Lease liabilities                                                              | 12 (ii)  | 16,462                  | 11,328                  |
| Trade payables                                                                 |          |                         |                         |
| (a) total outstanding dues of micro and small enterprises                      | 12 (iii) | 2                       | 551                     |
| (b) total outstanding dues of creditors other than micro and small enterprises |          | 34,869                  | 21,995                  |
| Other financial liabilities                                                    | 12 (iv)  | 648                     | 321                     |
| Employee benefit obligations                                                   | 13 (iii) | 423                     | 230                     |
| Deferred government grant                                                      | 13 (ii)  | 8,332                   | 8,332                   |
| Other current liabilities                                                      | 13 (i)   | 733                     | 559                     |
|                                                                                |          | <u>1,10,020</u>         | <u>82,701</u>           |
| <b>Total liabilities</b>                                                       |          | <u>3,72,373</u>         | <u>3,55,726</u>         |
| <b>Total equity and liabilities</b>                                            |          | <u>5,60,992</u>         | <u>6,38,488</u>         |
| Background of the company                                                      | 1        |                         |                         |
| Material accounting policies                                                   | 2        |                         |                         |
| Significant accounting judgements, estimates & assumptions                     | 3        |                         |                         |

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

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

Chirag Aggarwal  
Partner  
Membership No.: 243971  
Place: Bengaluru  
Date: 25/05/2026



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

Rohit Mulki Hegde  
Whole Time Director  
DIN : 02391765  
Place: Belagavi  
Date: 25/05/26

Durvigere Shivamurthy Mohan  
Director  
DIN : 08440969  
Place: Belagavi  
Date: 25/05/26

Anand Kamalkishor Modani  
CFO  
Place: Belagavi  
Date: 25/05/26

Smita Harish Bang  
Company Secretary  
M No: A45081  
Place: Belagavi  
Date: 25/05/26

Koppal Toys Molding COE Private Limited  
Statement of Profit and Loss for the year ended March, 2026  
(All amounts are in ₹ (in thousand) unless otherwise stated)

CIN: U36999KA2021PTC150753

|                                                                                   | Notes | Year ended<br>March 31, 2026 | Year ended<br>March 31, 2025 |
|-----------------------------------------------------------------------------------|-------|------------------------------|------------------------------|
| <b>Income</b>                                                                     |       |                              |                              |
| Revenue from operations                                                           | 14    | 1,17,687                     | 24,157                       |
| Other income                                                                      | 15    | 9,489                        | 50,440                       |
| <b>Total income (A)</b>                                                           |       | <b>1,27,176</b>              | <b>74,597</b>                |
| <b>Expenses</b>                                                                   |       |                              |                              |
| Cost of materials consumed                                                        | 16    | 47,315                       | 10,564                       |
| Changes in inventories of work in progress and finished goods                     | 17    | (6,113)                      | 1,052                        |
| Employee benefits expenses                                                        | 18    | 12,972                       | 6,386                        |
| Other expenses                                                                    | 19    | 52,135                       | 38,937                       |
| <b>Total Expenses (B)</b>                                                         |       | <b>1,06,310</b>              | <b>56,939</b>                |
| <b>Loss before interest, tax, depreciation and amortisation (A-B)</b>             |       | <b>20,866</b>                | <b>17,658</b>                |
| Depreciation and amortisation expense                                             | 20    | 69,000                       | 69,803                       |
| Finance income                                                                    | 21    | (2,205)                      | (1,718)                      |
| Finance cost                                                                      | 22    | 48,211                       | 45,666                       |
| <b>Loss before tax</b>                                                            |       | <b>(94,139)</b>              | <b>(96,093)</b>              |
| Income tax expense                                                                |       | -                            | -                            |
| - Current tax                                                                     |       | -                            | -                            |
| - Deferred tax                                                                    |       | -                            | -                            |
| <b>Total tax expense</b>                                                          |       | <b>(94,139)</b>              | <b>(96,093)</b>              |
| <b>Loss for the year</b>                                                          |       | <b>(94,139)</b>              | <b>(96,093)</b>              |
| <b>Other comprehensive income</b>                                                 |       |                              |                              |
| Items that will be reclassified to profit or loss in subsequent period            |       | 4                            | (413)                        |
| - Remeasurements (gain)/loss on defined benefit obligations                       |       | -                            | -                            |
| - Income tax effect to these items                                                |       | -                            | -                            |
| <b>Other comprehensive income for the year, net of tax</b>                        |       | <b>4</b>                     | <b>(413)</b>                 |
| <b>Total comprehensive loss for the year</b>                                      |       | <b>(94,143)</b>              | <b>(95,680)</b>              |
| Earnings per share - Basic [Nominal value per share: ₹ 10 (March 31, 2025: ₹ 10)] |       |                              |                              |
| Basic and diluted                                                                 | 30    | (1.98)                       | (2.06)                       |

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

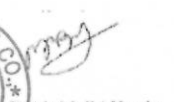
For M/s K G Acharya & Co.,  
Chartered Accountants  
Firm Registration Number: 008019S

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



Chirag Aggarwal  
Partner  
Membership No : 243971  
Place: Bengaluru  
Date: 25/05/2026



  
Rohit Mulki Hegde  
Whole Time Director  
DIN : 02391765  
Place: Belagavi  
Date: 25/05/26



Durvigere Shivamurthy Mohan  
Director  
DIN : 08440969  
Place: Belagavi  
Date: 25/05/26



Anand Kamalkishor Modani  
CFO  
Place: Belagavi  
Date: 25/05/26



Smita Harish Bang  
Company Secretary  
M No: A45081  
Place: Belagavi  
Date: 25/05/26

**Koppal Toys Molding COE Private Limited**  
**Cashflow Statement for the year ended March 31, 2026**  
*(All amounts are in ₹ (in thousand) unless otherwise stated)*

CIN: U36999KA2021PTC150753

|                                                                             | March 31, 2026  | March 31, 2025  |
|-----------------------------------------------------------------------------|-----------------|-----------------|
| <b>Cash flow from operating activities</b>                                  |                 |                 |
| Loss before income tax                                                      | (94,143)        | (95,680)        |
| <b>Adjustments for:</b>                                                     |                 |                 |
| Depreciation and amortisation expense                                       | 69,000          | 69,803          |
| Unrealized foreign exchange loss (net)                                      | (257)           | 63              |
| Interest income                                                             | (615)           | (218)           |
| Income from Govt Grant                                                      | (8,332)         | (50,341)        |
| Liabilities no longer required written back                                 | (859)           | -               |
| Finance cost                                                                | 37,543          | 34,993          |
| Provision for Capital/ supplier Advances                                    | 116             | -               |
| Provision for slow moving inventory                                         | 398             | -               |
| Unwinding of discount on security deposits                                  | (1,590)         | (1,500)         |
| Finance guarantee expense                                                   | 10,668          | 10,673          |
| <b>Change in operating assets and liabilities</b>                           | <b>11,928</b>   | <b>(32,207)</b> |
| (Increase)/decrease in                                                      |                 |                 |
| - trade receivables                                                         | (46,747)        | (481)           |
| - inventories                                                               | (8,786)         | 329             |
| - other financial assets                                                    | (519)           | -               |
| - other current assets                                                      | (3,662)         | (6,295)         |
| - Current tax assets                                                        | (106)           | -               |
| Increase/(decrease) in                                                      |                 |                 |
| - trade payables                                                            | 12,315          | 2,601           |
| - other financial liabilities                                               | 784             | (18,428)        |
| - other liabilities & Deferred Govt grant                                   | 174             | 13              |
| - Employee benefit obligations                                              | 542             | (287)           |
| <b>Cash generated from operations</b>                                       | <b>(34,078)</b> | <b>(54,754)</b> |
| Income taxes (paid)/refund (net)                                            | (2,141)         | (106)           |
| <b>Net cash outflow from operating activities (A)</b>                       | <b>(36,219)</b> | <b>(54,860)</b> |
| <b>Cash flows from investing activities</b>                                 |                 |                 |
| Purchase of property, plant and equipment                                   | (3,188)         | (497)           |
| Investment in bank deposits                                                 | 40,014          | (25,810)        |
| Interest received                                                           | 615             | 218             |
| Proceeds from government grant                                              | 31,071          | 39,723          |
| <b>Net cash outflow from investing activities (B)</b>                       | <b>68,512</b>   | <b>13,634</b>   |
| <b>Cash flows from financing activities</b>                                 |                 |                 |
| Proceeds from issue of shares                                               | -               | 50,000          |
| Share issue expenses                                                        | -               | (300)           |
| Proceeds from external borrowings                                           | 19,111          | -               |
| Proceeds from related party borrowings                                      | -               | 34,954          |
| Principal elements of lease payments                                        | (53,666)        | (40,434)        |
| Interest paid                                                               | (1,643)         | (971)           |
| <b>Net cash inflow from financing activities (C)</b>                        | <b>(36,198)</b> | <b>43,249</b>   |
| <b>Net increase (decrease) in cash and cash equivalents [(A)+(B)+(C)]</b>   | <b>(3,905)</b>  | <b>2,023</b>    |
| Cash and cash equivalents at the beginning of the year                      | 4,788           | 2,765           |
| Effects of exchange rate changes on cash and cash equivalents               |                 |                 |
| <b>Cash and cash equivalents at end of the year (Refer Note no :6 (ii))</b> | <b>883</b>      | <b>4,788</b>    |



Koppal Toys Molding COE Private Limited  
Cashflow Statement for the year ended March 31, 2026  
(All amounts are in ₹ (in thousands) unless otherwise stated)

|                                                                | March 31, 2026 | March 31, 2025 |
|----------------------------------------------------------------|----------------|----------------|
| Non cash financing and investing activities                    |                |                |
| Addition of right of use asset                                 |                |                |
| Cash and Bank Balances as per above comprise of the following: |                |                |
| Balances with banks:                                           |                |                |
| - on current accounts                                          | 883            | 4,788          |
| Total                                                          | 883            | 4,788          |

The accompanying notes are integral part of the 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: 0080198



Chirag Aggarwal  
Partner  
Membership No : 243971  
Place: Bengaluru  
Date: 25/05/2026



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



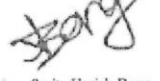
Rohit Mulki Hegde  
Whole Time Director  
DIN : 02391765  
Place: Belagavi  
Date: 25/05/26



Durvigere Shivamurthy Mohan  
Director  
DIN : 08440969  
Place: Belagavi  
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Anand Kamalkishor Modani  
CFO  
Place: Belagavi  
Date: 25/05/26



Smita Harish Bang  
Company Secretary  
M No: A45081  
Place: Belagavi  
Date: 25/05/26

Koppal Toys Molding COE Private Limited  
Statement of Changes in Equity for the year ended March 31, 2026

CIN: U36999KA2021PTC150753

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

A. Equity share capital

|                                 | Amount   |
|---------------------------------|----------|
| Balance as at March 31, 2024    | 4,26,176 |
| Changes in equity share capital | 50,000   |
| Balance as at March 31, 2025    | 4,76,176 |
| Changes in equity share capital | -        |
| Balance as at March 31, 2026    | 4,76,176 |

B. Other equity

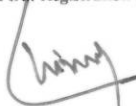
|                                               | Retained earnings |                            | Other reserves | Total other equity |
|-----------------------------------------------|-------------------|----------------------------|----------------|--------------------|
|                                               | Retained earnings | Securities premium reserve |                |                    |
| Balance as at March 31, 2024                  | (2,10,145)        | 6,210                      | 1,06,501       | (97,434)           |
| Loss for the year                             | (96,093)          |                            |                | (96,093)           |
| Other comprehensive income/loss for the year* | 413               |                            |                | 413                |
| Share issue expenses                          |                   | (300)                      |                | (300)              |
| Finance guarantee received during the year    |                   |                            | -              | -                  |
| Total comprehensive loss for the year         | (95,680)          | (300)                      | -              | (95,980)           |
| Balance as at March 31, 2025                  | (3,05,825)        | 5,910                      | 1,06,501       | (1,93,414)         |
| Loss for the year                             | (94,139)          |                            |                | (94,139)           |
| Other comprehensive income/loss for the year* | (4)               |                            |                | (4)                |
| Finance guarantee received during the year    |                   |                            | -              | -                  |
| Total comprehensive loss for the year         | (94,143)          | -                          | -              | (94,143)           |
| Finance guarantee received during the year    |                   |                            | -              | -                  |
| Balance as at March 31, 2026                  | (3,99,968)        | 5,910                      | 1,06,501       | (2,87,557)         |

\*Re-measurement of defined benefit obligations

The accompanying notes are an integral part of these financial statements

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

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



Chirag Aggarwal  
Partner  
Membership No.: 243971  
Place: Bengaluru  
Date: 25/05/2026



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



Rohit Mulki Hegde  
Whole Time Director  
DIN : 02391765  
Place: Belagavi  
Date: 25/05/26



Durvigere Shivamurthy Mohan  
Director  
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Anand Kamalkishor Modani  
CFO  
Place: Belagavi  
Date: 25/05/26



Smita Harish Bang  
Company Secretary  
M No: A45081  
Place: Belagavi  
Date: 25/05/26

**4 Property, plant and equipment**

|                     | Office<br>equipment | Leasehold<br>improvements | Plant and<br>machinery | Computers | Total    |
|---------------------|---------------------|---------------------------|------------------------|-----------|----------|
| <b>Cost</b>         |                     |                           |                        |           |          |
| At March 31, 2024   | 3,200               | -                         | 2,73,125               | 5,783     | 2,82,108 |
| Additions           | -                   | 287                       | 209                    | -         | 496      |
| Disposals           | -                   | -                         | -                      | -         | -        |
| At March 31, 2025   | 3,200               | 287                       | 2,73,334               | 5,783     | 2,82,604 |
| Additions           | -                   | -                         | 3,189                  | -         | 3,189    |
| Disposals           | -                   | -                         | -                      | -         | -        |
| At March 31, 2026   | 3,200               | 287                       | 2,76,523               | 5,783     | 2,85,793 |
| <b>Depreciation</b> |                     |                           |                        |           |          |
| At March 31, 2024   | 1,335               | -                         | 36,299                 | 2,230     | 39,864   |
| Charge for the year | 955                 | 26                        | 28,595                 | 1,831     | 31,407   |
| Disposals           | -                   | -                         | -                      | -         | -        |
| At March 31, 2025   | 2,290               | 26                        | 64,894                 | 4,061     | 71,271   |
| Charge for the year | 705                 | 39                        | 28,451                 | 1,410     | 30,605   |
| Disposals           | -                   | -                         | -                      | -         | -        |
| At March 31, 2026   | 2,995               | 65                        | 93,345                 | 5,471     | 1,01,876 |
| <b>Net Block</b>    |                     |                           |                        |           |          |
| At March 31, 2024   | 1,865               | -                         | 2,36,826               | 3,553     | 2,42,244 |
| At March 31, 2025   | 910                 | 261                       | 2,08,440               | 1,722     | 2,11,333 |
| At March 31, 2026   | 205                 | 222                       | 1,83,178               | 312       | 1,83,917 |

**5 Right of use assets**

|                     | Lease hold<br>Premises | Total    |
|---------------------|------------------------|----------|
| <b>Cost</b>         |                        |          |
| At March 31, 2024   | 3,83,936               | 3,83,936 |
| Additions           | -                      | -        |
| Disposals           | -                      | -        |
| At March 31, 2025   | 3,83,936               | 3,83,936 |
| Additions           | -                      | -        |
| Disposals           | -                      | -        |
| At March 31, 2026   | 3,83,936               | 3,83,936 |
| <b>Depreciation</b> |                        |          |
| At March 31, 2024   | 54,370                 | 54,370   |
| Additions           | 38,395                 | 38,395   |
| Disposals           | -                      | -        |
| At March 31, 2025   | 92,765                 | 92,765   |
| Additions           | 38,396                 | 38,396   |
| Disposals           | -                      | -        |
| At March 31, 2026   | 1,31,161               | 1,31,161 |
| <b>Net Block</b>    |                        |          |
| At March 31, 2024   | 3,29,566               | 3,29,566 |
| At March 31, 2025   | 2,91,171               | 2,91,171 |
| At March 31, 2026   | 2,52,775               | 2,52,775 |

There are no Intangibles under development as on March 31, 2026 and March 31, 2025.

## Notes to financial statements for the year ended March 31, 2026

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

|                                                                                 | March 31, 2026 | March 31, 2025 |
|---------------------------------------------------------------------------------|----------------|----------------|
| <b>6 Financial assets</b>                                                       |                |                |
| <b>(i) Trade receivables</b>                                                    |                |                |
| Trade receivables from contract with customers - billed                         | 6,472          | 1,981          |
| Trade receivables from contract with customer - related parties (refer note 27) | 43,913         | 1,409          |
| <b>Total receivables</b>                                                        | <b>50,385</b>  | <b>3,390</b>   |
| <b>Total trade receivables</b>                                                  | <b>50,385</b>  | <b>3,390</b>   |
| <b>Break-up of security details</b>                                             |                |                |
| Trade Receivables, considered good - unsecured                                  | 50,385         | 3,390          |
| <b>Total trade receivables</b>                                                  | <b>50,385</b>  | <b>3,390</b>   |

## Aging of trade receivables as at March 31, 2026

|                                                | Unbilled | Not due | Outstanding for following periods from the due date |                   |           |           |                   | Total  |
|------------------------------------------------|----------|---------|-----------------------------------------------------|-------------------|-----------|-----------|-------------------|--------|
|                                                |          |         | Less than 6 Months                                  | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years |        |
| Undisputed Trade receivables                   |          |         |                                                     |                   |           |           |                   |        |
| Considered good                                | -        | 7,831   | 42,554                                              | -                 | -         | -         | -                 | 50,385 |
| Which have significant increase in credit risk | -        | -       | -                                                   | -                 | -         | -         | -                 | -      |
| Credit impaired                                | -        | -       | -                                                   | -                 | -         | -         | -                 | -      |
| Undisputed Trade receivables                   |          |         |                                                     |                   |           |           |                   |        |
| Considered good                                | -        | -       | -                                                   | -                 | -         | -         | -                 | -      |
| Which have significant increase in credit risk | -        | -       | -                                                   | -                 | -         | -         | -                 | -      |
| Credit impaired                                | -        | -       | -                                                   | -                 | -         | -         | -                 | -      |
| <b>Total</b>                                   | -        | 7,831   | 42,554                                              | -                 | -         | -         | -                 | 50,385 |
| Less: loss allowance                           | -        | -       | -                                                   | -                 | -         | -         | -                 | -      |
| <b>Total trade receivables</b>                 | -        | 7,831   | 42,554                                              | -                 | -         | -         | -                 | 50,385 |

## Aging of trade receivables as at March 31, 2025

|                                                | Unbilled | Not due | Outstanding for following periods from the due date |                   |           |           |                   | Total |
|------------------------------------------------|----------|---------|-----------------------------------------------------|-------------------|-----------|-----------|-------------------|-------|
|                                                |          |         | Less than 6 Months                                  | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years |       |
| Undisputed Trade receivables                   |          |         |                                                     |                   |           |           |                   |       |
| Considered good                                | -        | 3,390   | -                                                   | -                 | -         | -         | -                 | 3,390 |
| Which have significant increase in credit risk | -        | -       | -                                                   | -                 | -         | -         | -                 | -     |
| Credit impaired                                | -        | -       | -                                                   | -                 | -         | -         | -                 | -     |
| Undisputed Trade receivables                   |          |         |                                                     |                   |           |           |                   |       |
| Considered good                                | -        | -       | -                                                   | -                 | -         | -         | -                 | -     |
| Which have significant increase in credit risk | -        | -       | -                                                   | -                 | -         | -         | -                 | -     |
| Credit impaired                                | -        | -       | -                                                   | -                 | -         | -         | -                 | -     |
| <b>Total</b>                                   | -        | 3,390   | -                                                   | -                 | -         | -         | -                 | 3,390 |
| Less: loss allowance                           | -        | -       | -                                                   | -                 | -         | -         | -                 | -     |
| <b>Total trade receivables</b>                 | -        | 3,390   | -                                                   | -                 | -         | -         | -                 | 3,390 |

## Notes to financial statements for the year ended March 31, 2026

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

|                                                                                                                        | March 31, 2026 | March 31, 2025 |
|------------------------------------------------------------------------------------------------------------------------|----------------|----------------|
| <b>(ii) Cash and cash equivalents</b>                                                                                  |                |                |
| Cash on hand                                                                                                           | 5              | -              |
| Balances with banks:                                                                                                   |                |                |
| - on current accounts                                                                                                  | 878            | 4,788          |
|                                                                                                                        | <b>883</b>     | <b>4,788</b>   |
| <b>(iii) Other bank balances</b>                                                                                       |                |                |
| Deposits with original maturity of more than 3 months but less than 12 months                                          | -              | 40,000         |
| Interest accrued on deposits                                                                                           | -              | 14             |
|                                                                                                                        | <b>-</b>       | <b>40,014</b>  |
| <b>(iv) Other financial assets</b>                                                                                     |                |                |
| <b>Non current</b>                                                                                                     |                |                |
| <b>(Unsecured considered good)</b>                                                                                     |                |                |
| Non current bank balances*                                                                                             |                |                |
| Security Deposits                                                                                                      | 28,097         | 26,506         |
|                                                                                                                        | <b>28,097</b>  | <b>26,506</b>  |
| <b>Current</b>                                                                                                         |                |                |
| <b>(Unsecured considered good)</b>                                                                                     |                |                |
| Dues from related parties (refer note 27)                                                                              | 518            | -              |
| Government Grant Receivable*                                                                                           | 22,297         | 53,368         |
|                                                                                                                        | <b>22,815</b>  | <b>53,368</b>  |
| <b>*Government grant receivable includes</b>                                                                           |                |                |
| Subsidy receivable towards reimbursement of rental expense incurred of                                                 |                |                |
| a. Rs. 11,129 for the year ended 31st March 2025 and                                                                   |                |                |
| b. Rs. 11,168 for the year ended 31st March 2024 under "Special incentive Package for investment in Toy Cluster"scheme |                |                |
| <b>7 Current tax assets</b>                                                                                            |                |                |
| Tax deducted at source                                                                                                 | 2,141          | 106            |
|                                                                                                                        | <b>2,141</b>   | <b>106</b>     |
| <b>Other assets</b>                                                                                                    |                |                |
| <b>8 Non current</b>                                                                                                   |                |                |
| <b>(Unsecured, considered good)</b>                                                                                    |                |                |
| Capital advances                                                                                                       | 4,359          | 4,359          |
| Less: Provision for capital advances                                                                                   | (4,359)        | (4,359)        |
|                                                                                                                        | -              | -              |
| Prepaid expenses                                                                                                       | 1,952          | 2,102          |
|                                                                                                                        | <b>1,952</b>   | <b>2,102</b>   |
| <b>Current</b>                                                                                                         |                |                |
| <b>(Unsecured, considered good)</b>                                                                                    |                |                |
| Advance to suppliers                                                                                                   | 4,659          | 463            |
| Less: Provision for supplier advances                                                                                  | (116)          | -              |
|                                                                                                                        | 4,543          | 463            |
| Prepaid expenses                                                                                                       | 953            | 1,105          |
|                                                                                                                        | <b>5,496</b>   | <b>1,568</b>   |
| <b>Inventories</b>                                                                                                     |                |                |
| <b>9 Raw materials</b>                                                                                                 | 6,550          | 3,201          |
| Work-in-progress                                                                                                       | 1,376          | -              |
| Finished goods                                                                                                         | 4,788          | 51             |
| Stores and spares                                                                                                      | 956            | 1,631          |
|                                                                                                                        | <b>13,669</b>  | <b>4,883</b>   |
| Less: Provision for slow moving stock                                                                                  | (1,139)        | (741)          |
|                                                                                                                        | <b>12,530</b>  | <b>4,142</b>   |
| <b>Note:</b>                                                                                                           |                |                |
| The following is the breakup of slow moving inventory provision                                                        |                |                |
| Raw materials                                                                                                          | 324            | 110            |
| Work-in-progress                                                                                                       | 1              | -              |
| Finished goods                                                                                                         | 1              | -              |
| Stores and spares                                                                                                      | 813            | 632            |
|                                                                                                                        | <b>1,139</b>   | <b>741</b>     |

10 Equity share capital

(i) Authorised equity share capital

As at March 31, 2024  
Increase during the year  
As at March 31, 2025  
Increase during the year  
As at March 31, 2026

| No. of Shares | Amount   |
|---------------|----------|
| 4,56,00,000   | 4,56,000 |
| 24,00,000     | 24,000   |
| 4,80,00,000   | 4,80,000 |
| 1,00,00,000   | 1,00,000 |
| 5,80,00,000   | 5,80,000 |

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

4,76,17,623 (March 2025 : 4,76,17,623) equity shares of ₹10 each fully paid up.

| March 31, 2026 | March 31, 2025 |
|----------------|----------------|
| 4,76,176       | 4,76,176       |
| 4,76,176       | 4,76,176       |

(a) Movement in equity shares

|                                          | March 31, 2026 |            | March 31, 2025 |            |
|------------------------------------------|----------------|------------|----------------|------------|
|                                          | Numbers        | Amount (₹) | Numbers        | Amount (₹) |
| At the beginning of the year             | 4,76,17,623    | 4,76,176   | 4,26,17,623    | 4,26,176   |
| Add: Issued and allotted during the year | -              | -          | 50,00,000      | 50,000     |
|                                          | 4,76,17,623    | 4,76,176   | 4,76,17,623    | 4,76,176   |

(b) Terms & rights attached to equity shares

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

(c) Shares held by holding/ ultimate holding company

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

|                             | March 31, 2026 | March 31, 2025 |
|-----------------------------|----------------|----------------|
| Aequus Toys Pvt Ltd (ATPL)* | 4,76,17,623    | 4,76,17,623    |

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

| Name of the shareholder     | March 31, 2026 |              | March 31, 2025 |              |
|-----------------------------|----------------|--------------|----------------|--------------|
|                             | Numbers        | % of holding | Numbers        | % of holding |
| Aequus Toys Pvt Ltd (ATPL)* | 4,76,17,623    | 100%         | 4,76,17,623    | 100%         |

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

(f) Details of shareholding of promoters:

| Name of the promoter        | No. of shares  |                | Percentage of no. of shares |                | Percentage of change during the year |
|-----------------------------|----------------|----------------|-----------------------------|----------------|--------------------------------------|
|                             | March 31, 2026 | March 31, 2025 | March 31, 2026              | March 31, 2025 |                                      |
| Aequus Toys Pvt Ltd (ATPL)* | 4,76,17,623    | 4,76,17,623    | 100.00%                     | 100.00%        | NIL                                  |

\*Includes 1 equity share (March 31, 2026: 1 equity share) held by Ravi Hugar as nominee shareholder.

|                                                                                | March 31, 2026    | March 31, 2025    |
|--------------------------------------------------------------------------------|-------------------|-------------------|
| <b>11 Other equity</b>                                                         |                   |                   |
| <b>(i) Reserves and surplus</b>                                                |                   |                   |
| Retained Earnings                                                              | (3,99,968)        | (3,05,825)        |
| Securities premium                                                             | 5,910             | 5,910             |
|                                                                                | <u>(3,94,058)</u> | <u>(2,99,915)</u> |
| <b>(ii) Other reserves</b>                                                     |                   |                   |
| Other reserves                                                                 | 1,06,501          | 1,06,501          |
|                                                                                | <u>1,06,501</u>   | <u>1,06,501</u>   |
|                                                                                | <u>(2,87,557)</u> | <u>(1,93,414)</u> |
| <b>(a) Retained earnings</b>                                                   |                   |                   |
| Opening Balance                                                                | (3,05,825)        | (2,10,145)        |
| Loss for the year                                                              | (94,139)          | (96,093)          |
| Items of other comprehensive income recognised directly in retained earnings : |                   |                   |
| - Remeasurement of post employment benefit obligations                         | (4)               | 413               |
| Closing Balance                                                                | <u>(3,99,968)</u> | <u>(3,05,825)</u> |
| <b>(b) Securities premium</b>                                                  |                   |                   |
| Opening Balance                                                                | 5,910             | 6,210             |
| Add: Premium received on shares issued during the year                         | -                 | -                 |
| Less: Share issue expenses                                                     | -                 | (300)             |
| Closing Balance                                                                | <u>5,910</u>      | <u>5,910</u>      |
| <b>(c) Other reserves</b>                                                      |                   |                   |
| Opening Balance                                                                | 1,06,501          | 1,06,501          |
| Add: Finance guarantee received during the year                                | -                 | -                 |
| Closing Balance                                                                | <u>1,06,501</u>   | <u>1,06,501</u>   |

Note:

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

March 31, 2026 March 31, 2025

**12 Financial liabilities**

**(i) Borrowings**

**Non current**

Term loan from Financial Institution (Indian rupee loan secured)

19,111 -

**Total non-current borrowings**

**19,111 -**

Less: Current maturities of term loan

5,333 -

Less: Interest accrued and not due on borrowings

- -

**Non-current borrowings**

**13,778 -**

**Current**

**Loans repayable on demand**

Loans from related party (unsecured)

39,000 39,000

Current maturities of long-term borrowings

5,333 -

Interest accrued but not due on borrowings

4,217 385

**Total current borrowings**

**48,550 39,385**

Refer note 33 for net debt reconciliation

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

**Note:**

(a) The company had availed unsecured loan during the FY 2024-25 repayable on demand from Aequs Limited (formerly known as Aequs Private Limited) at 12% ROI

(b) The Company has availed a non-revolving rupee term loan facility from Vivriti Capital Limited which has been utilised towards working capital requirements of the company. The facility carries a fixed interest rate of 11.80% p.a. and is repayable in 45 equated monthly instalments following a 3-month principal moratorium from each drawdown. The loan is secured by a first-ranking exclusive charge by way of hypothecation over the entire plant and machinery of the company.

**(ii) Lease liabilities**

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

Lease liabilities

Non-current

2,21,948 2,38,414

Current

16,462 11,328

**2,38,410 2,49,742**

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

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

38,396 38,396

Interest expense on lease liabilities (refer note 22)

31,666 33,637

Finance guarantee expense on lease liability

10,668 10,673

**Koppal Toys Molding COE Private Limited**
**Notes to financial statements for the year ended March 31, 2026**
*(All amounts are in ₹ (in thousand) unless otherwise stated)*
**March 31, 2026      March 31, 2025**
**(iii) Trade payables**
**Trade payables**

- Total outstanding dues of micro enterprises and small enterprises

2      551

2      551

- Trade payables to related parties (refer note 27)

24,473      19,080

- Others

10,396      2,915

34,869      21,995

34,871      22,546

**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 | -        | 1,320        | 23,882                                                          | 9,669        | -         | -                 | 34,871        |
| (iii) Disputed Dues - MSME    | -        | -            | -                                                               | -            | -         | -                 | -             |
| (iv) Disputed Dues - Others   | -        | -            | -                                                               | -            | -         | -                 | -             |
| <b>Total</b>                  | -        | <b>1,320</b> | <b>23,882</b>                                                   | <b>9,669</b> | -         | -                 | <b>34,871</b> |

**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    | -        | -            | -                                                               | -         | -         | -                 | -             |
| (ii) Undisputed Dues - Others | -        | 1,520        | 21,026                                                          | -         | -         | -                 | 22,546        |
| (iii) Disputed Dues - MSME    | -        | -            | -                                                               | -         | -         | -                 | -             |
| (iv) Disputed Dues - Others   | -        | -            | -                                                               | -         | -         | -                 | -             |
| <b>Total</b>                  | -        | <b>1,520</b> | <b>21,026</b>                                                   | -         | -         | -                 | <b>22,546</b> |

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

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

Employee benefits payable

648      291

Dues to related parties (refer note 27)

-      30

648      321

**13(i) Other current liabilities**

Statutory dues payable

733      559

733      559

**13(ii) Deferred government grant**

Non-Current

26,086      34,418

Current

8,332      8,332

**Total contract liabilities**

34,418      42,750

Deferred government grant includes deferment of income related to capital subsidy of Rs 34,418 as at March 31, 2026 (Rs. 42,750 as at March 31, 2025) towards investment in property, plant, and equipment made in financial year 2023 under "Special Incentive Package for investment in Toy Cluster" scheme.

The Company is committed to comply with certain terms and condition related to capital subsidy over a specified period of time. In case such commitments are not met, the Company would be required to refund the grant so received along with interest to the regulatory authorities.

|                                             | March 31, 2026 | March 31, 2025 |
|---------------------------------------------|----------------|----------------|
| <b>13(iii) Employee Benefit Obligations</b> |                |                |
| <b>Non current</b>                          |                |                |
| Gratuity obligations                        | 541            | 193            |
|                                             | <b>541</b>     | <b>193</b>     |
| <b>Current</b>                              |                |                |
| Gratuity obligations                        | 0              | 0              |
| Leave Obligation                            | 423            | 230            |
|                                             | <b>423</b>     | <b>230</b>     |

**(i) Leave Obligations**

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

The amount of provision of ₹423 (March 31, 2025: 230) is presented as current, since the company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

Provision expected to be settled after 12 months from the balance sheet date is ₹541 (2025: 193)

**(ii) Defined contribution plans**

The Company has certain defined contribution plans in the form of provident fund and ESI for qualifying employees. The contributions are made to provident fund in India and to ESI scheme as per regulations. The contributions are made to registered provident fund and ESI administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual or any constructive obligation. The expense recognised during the year towards defined contribution plan is as follows:

|                                 | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|---------------------------------|-------------------------|-------------------------|
| Provident fund                  | 486                     | 274                     |
| Employees State Insurance (ESI) | -                       | 4                       |
|                                 | <b>486</b>              | <b>278</b>              |

**(ii) Post employment obligations****Gratuity**

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

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

|                                                        | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|--------------------------------------------------------|-------------------------|-------------------------|
| Present value of unfunded defined benefit obligation   | 541                     | 193                     |
| Defined benefit obligation recognised in balance sheet | <b>541</b>              | <b>193</b>              |

| (a) Total expenses recognised in the statement of profit and loss account<br>(Note 18) | March 31, 2026 | March 31, 2025 |
|----------------------------------------------------------------------------------------|----------------|----------------|
| Current service cost                                                                   | 197            | 238            |
| Interest cost                                                                          | 17             | 25             |
| Past service cost                                                                      | 102            | -              |
| <b>Total amount recognised in statement of profit or loss</b>                          | <b>316</b>     | <b>263</b>     |
| <b>(b) Amounts recognised in Other comprehensive Income</b>                            |                |                |
| (Gains)/losses arising from changes in                                                 | (295)          | 118            |
| - demographic assumptions                                                              | (11)           | (99)           |
| - financial assumptions                                                                | (12)           | 8              |
| - experience adjustments                                                               | 26             | (322)          |
| -Actual return on plan assets less interest on plan assets                             | 2              | -              |
| <b>Total amount recognised in other comprehensive income</b>                           | <b>(291)</b>   | <b>(295)</b>   |

## Notes to financial statements for the year ended March 31, 2026

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

|                                                                                                     | March 31, 2026                                                                     | March 31, 2025                                                                     |
|-----------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| <b>Total amount recognised in statement of profit and loss and other comprehensive income (a+b)</b> | <b>24</b>                                                                          | <b>(32)</b>                                                                        |
| <b>(c) Changes in the defined benefit obligation during the year</b>                                |                                                                                    |                                                                                    |
| <b>Obligations at the beginning of the year</b>                                                     | 193                                                                                | 343                                                                                |
| Current service cost                                                                                | 197                                                                                | 238                                                                                |
| Past service cost                                                                                   | 102                                                                                |                                                                                    |
| (Gain)/loss on settlements                                                                          |                                                                                    |                                                                                    |
| Interest cost                                                                                       | 19                                                                                 | 25                                                                                 |
| Benefits payments from plan assets                                                                  |                                                                                    |                                                                                    |
| Benefits paid                                                                                       | -                                                                                  | -                                                                                  |
| Settlements                                                                                         | -                                                                                  | -                                                                                  |
| Participant contributions                                                                           |                                                                                    |                                                                                    |
| Acquisition / divestiture                                                                           | -                                                                                  | -                                                                                  |
| Remeasurement (gains)/ losses                                                                       |                                                                                    |                                                                                    |
| - arising from changes in demographic assumptions.                                                  | (12)                                                                               | (99)                                                                               |
| - arising from changes in financial assumptions.                                                    | (11)                                                                               | 8                                                                                  |
| - arising from changes in experience adjustments.                                                   | 26                                                                                 | (322)                                                                              |
| Liabilities assumed / (Settled)                                                                     | 103                                                                                |                                                                                    |
| <b>Defined benefit obligation as of current year end</b>                                            | <b>616</b>                                                                         | <b>193</b>                                                                         |
| <b>(d) Changes in plan assets during the year</b>                                                   |                                                                                    |                                                                                    |
| Fair value of plan assets at the beginning                                                          | -                                                                                  | -                                                                                  |
| Employer contributions                                                                              | 74                                                                                 | -                                                                                  |
| Interest on plan assets                                                                             | 2                                                                                  | -                                                                                  |
| Remeasurements (due to Actual return on plan assets less interest on plan assets)                   | (2)                                                                                | -                                                                                  |
| Benefits paid                                                                                       | -                                                                                  | -                                                                                  |
| <b>Closing fair value of plan assets</b>                                                            | <b>75</b>                                                                          | <b>-</b>                                                                           |
| <b>Recognized under employee benefit obligations:</b>                                               |                                                                                    |                                                                                    |
| Current                                                                                             | 0                                                                                  | 0                                                                                  |
| Non-current                                                                                         | 541                                                                                | 193                                                                                |
| <b>Total</b>                                                                                        | <b>541</b>                                                                         | <b>193</b>                                                                         |
| <b>(e) Actuarial Assumptions:</b>                                                                   |                                                                                    |                                                                                    |
| Discount rate per annum                                                                             | 7.10%                                                                              | 6.95%                                                                              |
| Rate of increase in compensation levels                                                             | 10%                                                                                | 10%                                                                                |
| Attrition rate                                                                                      | 14% at younger ages and reducing to 0% at older ages according to graduated scale. | 11% at younger ages and reducing to 1% at older ages according to graduated scale. |
| Normal retirement age                                                                               | 58 years                                                                           | 58 years                                                                           |
| Mortality table                                                                                     | Indian Assured Lives Mortality (2012-14) Ult table                                 | Indian Assured Lives Mortality (2012-14) Ult table                                 |

## Sensitivity Analysis

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

| Changes in assumption                         | March 31, 2026 | March 31, 2025 |
|-----------------------------------------------|----------------|----------------|
| <b>Discount Rate</b>                          |                |                |
| a. Discount rate + 50 basis points            | 577.31         | 180.28         |
| a. Discount rate + 50 basis points impact (%) | -6.28%         | -6.61%         |
| b. Discount rate - 50 basis points            | 658.28         | 207.07         |
| b. Discount rate - 50 basis points impact (%) | 6.87%          | 7.27%          |
| <b>Salary increase rate</b>                   |                |                |
| a. Rate + 50 basis points                     | 656.92         | 206.59         |
| a. Rate + 50 basis points impact (%)          | 6.65%          | 7.02%          |
| b. Rate - 50 basis points                     | 578.12         | 180.56         |
| b. Rate - 50 basis points impact (%)          | -6.15%         | -6.46%         |

Employee Benefits Obligations (Contd..)

## Notes to financial statements for the year ended March 31, 2026

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

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

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

## Maturity profile of the defined benefit obligations.

| b. Expected future cashflows (in Rs.) [Undiscounted]                 | March 31, 2026 | March 31, 2025 |
|----------------------------------------------------------------------|----------------|----------------|
| Year 1                                                               | 9.36           | 0.27           |
| Year 2                                                               | 33.19          | 0.31           |
| Year 3                                                               | 31.55          | 13.24          |
| Year 4                                                               | 35.08          | 12.72          |
| Year 5                                                               | 25.52          | 14.31          |
| Year 6                                                               | 24.48          | 9.54           |
| Year 7                                                               | 23.58          | 9.25           |
| Year 8                                                               | 20.67          | 8.99           |
| Year 9                                                               | 20.17          | 7.90           |
| Year 10 and above                                                    | 1,639.04       | 535.55         |
| Weighted average duration of the defined benefit obligation in years | 13.12 years    | 13.85 years    |

## Risk Exposure

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

## (i) Market Risk (Discount Rate)

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

## (ii) Longevity Risk

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

## (iii) Annual Risk

## Salary Increase Assumption

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

## Withdrawal Assumption

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

## Notes to financial statements for the year ended March 31, 2026

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

|                                                                                                                                                                                          | March 31, 2026  | March 31, 2025 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|----------------|
| <b>14 Revenue from operations</b>                                                                                                                                                        |                 |                |
| Revenue from contracts with customers                                                                                                                                                    |                 |                |
| - Sale of finished products                                                                                                                                                              | 76,145          | 18,504         |
| - Sale of raw materials                                                                                                                                                                  | 2,637           | 1,140          |
| - Sale of services                                                                                                                                                                       | 38,905          | 4,513          |
|                                                                                                                                                                                          | <u>1,17,687</u> | <u>24,157</u>  |
| <b>15 Other income</b>                                                                                                                                                                   |                 |                |
| Liabilities no longer required written back                                                                                                                                              | 859             | -              |
| Net foreign exchange gain                                                                                                                                                                | 292             | 84             |
| Income from government grant (*)                                                                                                                                                         | 8,332           | 50,341         |
| Interest income on income tax refund                                                                                                                                                     | 6               | 15             |
|                                                                                                                                                                                          | <u>9,489</u>    | <u>50,440</u>  |
| <b>(*)Government grant income includes</b>                                                                                                                                               |                 |                |
| Income which has been recognised on account of capital subsidy of Rs.8,332 (Rs. 50,341 for year ended March 31,2025) towards investment made in Property,Plant and Equipment in FY 2023. |                 |                |
| <b>16 Cost of materials consumed</b>                                                                                                                                                     |                 |                |
| Opening stock                                                                                                                                                                            | 3,201           | 1,599          |
| Add: Purchases during the year                                                                                                                                                           | 50,664          | 12,166         |
|                                                                                                                                                                                          | <u>53,865</u>   | <u>13,765</u>  |
| Less: Closing stock                                                                                                                                                                      | 6,550           | 3,201          |
| <b>Cost of raw materials consumed</b>                                                                                                                                                    | <u>47,315</u>   | <u>10,564</u>  |
| <b>17 Changes in inventories of work in progress and finished goods</b>                                                                                                                  |                 |                |
| Stock at the end of the year (a)                                                                                                                                                         |                 |                |
| Work-in-progress                                                                                                                                                                         | 1,376           | -              |
| Finished goods                                                                                                                                                                           | 4,788           | 51             |
|                                                                                                                                                                                          | <u>6,163</u>    | <u>51</u>      |
| Stock at the beginning of the year (b)                                                                                                                                                   |                 |                |
| Work-in-progress                                                                                                                                                                         | -               | -              |
| Provision for slow moving inventory                                                                                                                                                      | -               | -              |
| Finished goods                                                                                                                                                                           | 51              | 1,103          |
|                                                                                                                                                                                          | <u>51</u>       | <u>1,103</u>   |
| Change in inventories of work in progress and finished goods (b-a)                                                                                                                       | <u>(6,113)</u>  | <u>1,052</u>   |

## Notes to financial statements for the year ended March 31, 2026

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

|                                                                                | March 31, 2026 | March 31, 2025 |
|--------------------------------------------------------------------------------|----------------|----------------|
| <b>18 Employee benefit expenses</b>                                            |                |                |
| Salaries, wages and bonus                                                      | 9,560          | 5,164          |
| Contribution to provident and other funds                                      | 486            | 278            |
| Gratuity (refer note 13)                                                       | 316            | 263            |
| Staff welfare expenses                                                         | 2,610          | 681            |
|                                                                                | <b>12,972</b>  | <b>6,386</b>   |
| <b>19 Other expenses</b>                                                       |                |                |
| Consumption of stores and spares                                               | 2,020          | 1,834          |
| Outsourced manpower cost                                                       | 19,795         | 5,680          |
| Testing charges                                                                | -              | 140            |
| Insurance                                                                      | 1,372          | 1,193          |
| Power and fuel                                                                 | 15,310         | 11,812         |
| Repairs and maintenance :                                                      |                |                |
| Plant and machinery                                                            | 233            | 13             |
| Building                                                                       | 7,774          | 9,922          |
| Others                                                                         | 792            | 62             |
| Legal and professional fees                                                    | 1,668          | 531            |
| Payment to auditors [refer note (i) below]                                     | 694            | 190            |
| Rent                                                                           | 124            | 333            |
| Printing and stationery                                                        | 80             | 79             |
| Freight & forwarding                                                           | 353            | 1,251          |
| Rates and taxes                                                                | 461            | 479            |
| Travelling and conveyance                                                      | 554            | 67             |
| Advertising and sales promotion                                                | 26             | 5              |
| Provision for Slow Moving Inventory                                            | 398            | 741            |
| Provision for Capital/ supplier Advances                                       | 116            | 4,359          |
| Net foreign exchange loss /(gain)                                              | -              | 63             |
| Bank charges                                                                   | 16             | 68             |
| Miscellaneous expenses                                                         | 349            | 115            |
|                                                                                | <b>52,135</b>  | <b>38,937</b>  |
| <b>(i) Payments to auditors</b>                                                |                |                |
| As auditor:                                                                    |                |                |
| -Audit fee                                                                     | 190            | 190            |
| -Other Services                                                                | 504            | -              |
|                                                                                | <b>694</b>     | <b>190</b>     |
| <b>20 Depreciation and amortisation expense</b>                                |                |                |
| Depreciation of property, plant and equipment [refer note 4]                   | 30,604         | 31,407         |
| Depreciation of right of use assets [refer note 5]                             | 38,396         | 38,396         |
|                                                                                | <b>69,000</b>  | <b>69,803</b>  |
| <b>21 Finance income</b>                                                       |                |                |
| Interest income from bank deposits                                             | 615            | 218            |
| Unwinding of discount on security deposit                                      | 1,590          | 1,500          |
|                                                                                | <b>2,205</b>   | <b>1,718</b>   |
| <b>22 Finance cost</b>                                                         |                |                |
| Interest expense on borrowings from financial Institutions                     | 1,019          | -              |
| Interest expense on delayed payment to micro enterprises and small enterprises | 178            | 4              |
| Interest expense on intercompany loans (refer note 27)                         | 4,680          | 1,352          |
| Interest expense on lease liabilities (refer note 31)                          | 31,666         | 33,637         |
| Finance guarantee expense                                                      | 10,668         | 10,673         |
|                                                                                | <b>48,211</b>  | <b>45,666</b>  |

**Koppal Toys Molding COE Private Limited****Notes to financial statements for the year ended March 31, 2026***(All amounts are in ₹ (in thousand) unless otherwise stated)***23 Capital management**

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

The company's objectives while managing capital are to:

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

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

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

|                          | March 31, 2026 | March 31, 2025 |
|--------------------------|----------------|----------------|
| Long term borrowings     | 13,778         | -              |
| Short term borrowings    | 48,550         | 39,385         |
| Lease liabilities        | 2,38,410       | 2,49,742       |
| Cash and Bank balances   | (883)          | (4,788)        |
| Net debt                 | 2,99,855       | 2,84,339       |
| Total equity             | 1,88,619       | 2,82,762       |
| Net debt to equity ratio | 1.59           | 1.02           |

**Note:**

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

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

**24 Commitments and contingent liabilities****(a) Capital commitments**

The Company does not have any capital commitments as at March 31, 2026 and March 31, 2025.

**(b) Contingent liabilities**

There are no reportable contingent liabilities

**25 Fair value measurement**

## Financial instruments by category

|                                           |                | March 31, 2026  | March 31, 2025  |
|-------------------------------------------|----------------|-----------------|-----------------|
| <b>Financial assets</b>                   |                |                 |                 |
| Trade receivables                         | Amortized Cost | 50,385          | 3,390           |
| Cash and cash equivalents                 | Amortized Cost | 883             | 4,788           |
| Other bank balances                       | Amortized Cost | -               | 40,014          |
| Other financial assets                    | Amortized Cost | 50,912          | 79,874          |
| <b>Total financial assets</b>             |                | <b>1,02,180</b> | <b>1,28,066</b> |
| <b>Financial liabilities</b>              |                |                 |                 |
| Trade payables                            | Amortized Cost | 34,871          | 22,546          |
| Lease liabilities                         | Amortized Cost | 2,38,410        | 2,49,742        |
| Borrowings (including current maturities) | Amortized Cost | 62,328          | 39,385          |
| Other financial liabilities               | Amortized Cost | 648             | 321             |
| <b>Total financial liabilities</b>        |                | <b>3,36,257</b> | <b>3,11,994</b> |

**(i) Fair Value Hierarchy**

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

(a) Recognized and measured at fair value

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

To provide an indication of the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels prescribed under the accounting standard.

An explanation of each level follows underneath the table:

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

|                                           | Notes    | March 31, 2026<br>Level 3 | March 31, 2025<br>Level 3 |
|-------------------------------------------|----------|---------------------------|---------------------------|
| <b>Financial assets</b>                   |          |                           |                           |
| Trade receivables                         | 6 (i)    | 50,385                    | 3,390                     |
| Cash and cash equivalents                 | 6 (ii)   | 883                       | 4,788                     |
| Other bank balances                       | 6 (iii)  | -                         | 40,014                    |
| Other financial assets                    | 6 (iv)   | 50,912                    | 79,874                    |
| <b>Total financial assets</b>             |          | <b>1,02,180</b>           | <b>1,28,066</b>           |
| <b>Financial liabilities</b>              |          |                           |                           |
| Trade payables                            | 12 (iii) | 34,871                    | 22,546                    |
| Lease liabilities                         | 12 (ii)  | 2,38,410                  | 2,49,742                  |
| Borrowings (including current maturities) | 12 (i)   | 62,328                    | 39,385                    |
| Other financial liabilities               | 12 (iv)  | 648                       | 321                       |
| <b>Total financial liabilities</b>        |          | <b>3,36,257</b>           | <b>3,11,994</b>           |

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

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

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

**Valuation Process**

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

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

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

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

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

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

**Significant estimates**

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

## 26 Financial risk management

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

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

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

### A Credit risk

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

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

### (i) Credit risk management

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

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

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

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

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

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

(ii) Provision for expected credit losses

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

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

The company's financial assets mainly comprise of investments, trade receivables, deposits with deposits.

**1) Deposits:**

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

**2) Deposits with Bank :**

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

**3) Trade receivables**

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

**B Liquidity risk**

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

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

**(i) Financing arrangements**

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

| Particulars                                                       | March 31, 2026 | March 31, 2025 |
|-------------------------------------------------------------------|----------------|----------------|
| A. Expiring within one year (Bank overdraft and other facilities) | -              | -              |
| B. Expiring beyond one year (Bank loans)                          | -              | -              |
|                                                                   | -              | -              |

**(ii) Maturities of financial liabilities**

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

**As at March 31, 2026**

| Contractual maturities of financial liabilities | Less than 12 Months | More than 12 months | Total           |
|-------------------------------------------------|---------------------|---------------------|-----------------|
| Borrowings                                      | 48,550              | 13,778              | 62,328          |
| Trade payables                                  | 34,871              | -                   | 34,871          |
| Other financial liabilities                     | 648                 | -                   | 648             |
| Lease liabilities (including interest)          | 56,347              | 3,70,230            | 4,26,577        |
| Interest accrued but not due on borrowings      | 4,217               | -                   | 4,217           |
| <b>Total liabilities</b>                        | <b>1,44,634</b>     | <b>3,84,008</b>     | <b>5,28,641</b> |

**As at March 31, 2025**

| Contractual maturities of financial liabilities | Less than 12 Months | More than 12 months | Total           |
|-------------------------------------------------|---------------------|---------------------|-----------------|
| Borrowings                                      | 39,000              | -                   | 39,000          |
| Trade payables                                  | 22,546              | -                   | 22,546          |
| Other financial liabilities                     | 321                 | -                   | 321             |
| Lease liabilities (including interest)          | 53,664              | 4,26,577            | 4,80,241        |
| Interest accrued but not due on borrowings      | 385                 | -                   | 385             |
| <b>Total liabilities</b>                        | <b>1,15,916</b>     | <b>4,26,577</b>     | <b>5,42,493</b> |

**C Market risk**

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

**(i) Foreign currency risk**

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

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

**(a) Foreign currency risk exposure**

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

|                                                                     | March 31, 2026 |             | March 31, 2025 |
|---------------------------------------------------------------------|----------------|-------------|----------------|
|                                                                     | USD            | GBP         | USD            |
| <b>Financial assets</b>                                             |                |             |                |
| Trade receivables                                                   | 6,224          |             | 1,988          |
| Advances to suppliers                                               | 25             |             | -              |
| Other current assets                                                | -              |             | -              |
| Cash and bank balances                                              | -              |             | -              |
| <b>Exposure to foreign currency risk (assets)</b>                   | <b>6,249</b>   | <b>-</b>    | <b>1,988</b>   |
| <b>Financial liabilities</b>                                        |                |             |                |
| Trade payables                                                      | -              | 26          | -              |
| Term loans (Including Interest)                                     |                |             |                |
| Advance from customers                                              |                |             |                |
| Capital creditors                                                   |                |             |                |
| <b>Exposure to foreign currency risk (liabilities)</b>              | <b>-</b>       | <b>26</b>   | <b>-</b>       |
| <b>Net exposure to foreign currency risk (assets - liabilities)</b> | <b>6,249</b>   | <b>(26)</b> | <b>1,988</b>   |

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

| Impact on loss before tax | March 31, 2026 | March 31, 2025 |
|---------------------------|----------------|----------------|
| <b>USD Sensitivity</b>    |                |                |
| INR/USD - Increase by 5%  | (312.44)       | (99.41)        |
| INR/USD - decrease by 5%  | 312.44         | 99.41          |
| INR/GBP - Increase by 5%  | 1.32           |                |
| INR/GBP - decrease by 5%  | (1.32)         |                |

**(ii) Interest rate risk**

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

**(a) Interest rate risk exposure**

The exposure of company's borrowings to the interest rate changes at the end of the reporting period are included in the table below.

| Particulars             | March 31, 2026  | March 31, 2025  |
|-------------------------|-----------------|-----------------|
| Fixed rate borrowings   | 2,96,521        | 2,88,742        |
| <b>Total borrowings</b> | <b>2,96,521</b> | <b>2,88,742</b> |

**(b) Sensitivity**

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

| Impact on loss before tax                    | March 31, 2026 | March 31, 2025 |
|----------------------------------------------|----------------|----------------|
| Interest rates - increase by 50 basis points | -              | -              |

**(iii) Price risk**

Price risk is the risk of a decline in the value of security or an investment portfolio. The company is not exposed to such risks, as it has not invested in any such securities.

**27 Related party disclosures**

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

| Relationship                                                                                                  | Name of related party                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|---------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>(i) Names of related parties where control exists:</b>                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Ultimate holding company                                                                                      | : Aequs Inc, Cayman Islands (100% beneficially owned and controlled by the Melligiri Foundation) (Upto December 10, 2025)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Intermediate holding company                                                                                  | Aequs Limited (AL) (Formerly known as Aequs Private Limited)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Holding Company                                                                                               | Aequs Toys Private Limited (ATPL)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>(ii) Key management personnel :</b>                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Directors                                                                                                     | Dinesh Iyer ( resigned w.e.f October 13, 2025)<br>Harish Bang ( resigned w.e.f October 13, 2025)<br>Suraj Hukkeri ( resigned w.e.f October 13, 2025)<br>Rohit Hegde (appointed as a whole time Director w.e.f March 26, 2026)<br>Durvigere Shivamurthy Mohan (appointed as a Director w.e.f September 29, 2025)                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Company Secretary                                                                                             | Smita Harish Bang                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Chief Financial Officer                                                                                       | Anand Kamalkishor Modani (appointed as a CFO w.e.f September 19, 2025)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>(iii) Fellow Subsidiaries of Intermediate holding company</b>                                              | : 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>: 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 (Striked off w.e.f. June 27, 2025)*<br>: Aerostructures Assemblies India Private Limited (AAI)* |
| <b>(iv) Joint Venture of Intermediate Holding company</b>                                                     | : SQuAD Forging India Private Limited ('SQuAD')*<br>: Aerospace Processing India Private Limited ('API')*<br>: Aequs Cookware Private Limited ('ACPL')<br>: Ajna Aerospace & Defence Private Limited, India*                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>(v) Associate of Intermediate Holding company</b>                                                          | : Aequs Foundation, India*                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>(vi) Fellow subsidiary.</b>                                                                                | Aequs Rajas Extrusion Private Limited (AREPL)*                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>(vii) Enterprises in which individuals owning interest in the Company, or their relatives have control</b> | : Aequs SEZ Private Limited (ASEZ)<br>: MFRE Private Trust (MFRE Trust)<br>: Industrial Knowledge Centre Private Limited ('IKCPL')*                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |

\* No transaction during the year

*Related party disclosures continued on the next page*

| (B) Transactions with related parties |                                             |                                      |                                      |
|---------------------------------------|---------------------------------------------|--------------------------------------|--------------------------------------|
| Name                                  | Nature of transactions                      | For the year ended<br>March 31, 2026 | For the year ended<br>March 31, 2025 |
| (a) ASEZ                              | Service Received                            | 80,958                               | 72,840                               |
|                                       | Lease rentals paid                          | 21,998                               | 17,470                               |
| (b) AL                                | Expenses incurred by related party          | 390                                  | 3                                    |
|                                       | loan from related party                     | -                                    | 39,000                               |
|                                       | Interest expense                            | 4,680                                | 1,080                                |
|                                       | Repayment on interest                       | 729                                  | -                                    |
| (c) ASMIPL                            | Expenses incurred by related party          | -                                    | 1                                    |
| (d) AFCPPL                            | Purchase of asset                           | 1,595                                | 287                                  |
|                                       | Sale of goods                               | -                                    | -                                    |
|                                       | Sale of service                             | -                                    | 315                                  |
|                                       | Cost of raw materials consumed              | 128                                  | -                                    |
|                                       | loan from related party                     | -                                    | -                                    |
|                                       | Interest expense                            | -                                    | 272                                  |
|                                       | Repayment of loan received                  | -                                    | 4,038                                |
| (e) AEPPL                             | Expenses incurred by related party          | 128                                  | -                                    |
|                                       | Purchase of asset                           | -                                    | 256                                  |
|                                       | Sale of goods and consumables               | 24,741                               | -                                    |
|                                       | Sale of service (Subcon)                    | 1,03,750                             | -                                    |
|                                       | Cost of Material Consumed                   | 9,890                                | -                                    |
| (f) ATPL                              | Expenses incurred by related party          | -                                    | 341                                  |
|                                       | Expense incurred on behalf of related party | -                                    | -                                    |
|                                       | Sale of goods                               | 977                                  | 1,140                                |
|                                       | Sale of service                             | 2,648                                | 4,027                                |
|                                       | Cost of raw materials consumed              | 5,860                                | 3,128                                |
|                                       | Issue of shares                             | -                                    | 50,000                               |
| (g) MFRE Trust                        | Services Received                           | 384                                  | -                                    |
| (h) ACPL                              | Expenses incurred by related party          | 69                                   | -                                    |
| (h) ACPPL                             | Expense incurred on behalf of related party | 44                                   | -                                    |

Related party disclosures continued on next page

## Notes to financial statements for the year ended March 31, 2026

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

## (C) Balances with related parties:

| Name of entity | Nature of transactions                     | For the year ended<br>March 31, 2026 | For the year ended<br>March 31, 2025 |
|----------------|--------------------------------------------|--------------------------------------|--------------------------------------|
| (a) ASEZ       | Trade payable                              | 23,150                               | 15,871                               |
|                | Security deposit                           | 41,245                               | 41,245                               |
|                | Lease liabilities                          | 3,08,774                             | 3,30,772                             |
| (b) AEPPL      | Other financial liabilities                |                                      | -                                    |
|                | Trade payable                              | 1,109                                | 6                                    |
|                | Trade receivables                          | 43,913                               | -                                    |
|                | Recoverable from related parties           | 128                                  | -                                    |
| (c) AFCPPL     | Trade payable                              | -                                    | 3,208                                |
|                | Trade receivables                          |                                      | -                                    |
|                | Dues to related parties                    |                                      | 30                                   |
|                | Loans from related party                   |                                      | -                                    |
|                | Interest accrued but not due on borrowings |                                      | -                                    |
| (d) AL         | Loans from related party                   | 39,000                               | 39,000                               |
|                | Interest accrued but not due on borrowings | 4,110                                | 383                                  |
|                | Recoverable from related parties           | 390                                  | -                                    |
| (e) ATPL       | Other Financial assets                     |                                      |                                      |
|                | Trade receivable                           | -                                    | 1,409                                |
|                | Trade payable                              | -                                    | -                                    |

## 28 Deferred tax assets (Net)

## A. Deferred tax recognition

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

## Deferred Tax :

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

| Particulars                                       | As at April 1,<br>2024 | Charge/(credit) to<br>the statement of<br>profit and loss | Charge/(credit) to<br>other<br>comprehensive<br>income | As at March 31,<br>2025 | Charge/(credit) to<br>the statement of<br>profit and loss | Charge/(credit) to<br>other<br>comprehensive<br>income | As at March 31,<br>2026 |
|---------------------------------------------------|------------------------|-----------------------------------------------------------|--------------------------------------------------------|-------------------------|-----------------------------------------------------------|--------------------------------------------------------|-------------------------|
| <b>Deferred Tax</b>                               |                        |                                                           |                                                        |                         |                                                           |                                                        |                         |
| <b>Asset/(Liabilities) :</b>                      |                        |                                                           |                                                        |                         |                                                           |                                                        |                         |
| Property, plant & equipment ,<br>Intangible Asset | (3,814)                | (11,940)                                                  | -                                                      | (15,754)                | 3,495                                                     | -                                                      | (12,260)                |
| Right of use assets (net of<br>lease liabilities) | (12,531)               | 5,422                                                     | -                                                      | (7,109)                 | 4,644                                                     | -                                                      | (2,465)                 |
| Inventory                                         | -                      | 127                                                       | -                                                      | 127                     | 68                                                        | -                                                      | 195                     |
| Employment Benefit                                | 122                    | (49)                                                      | -                                                      | 72                      | 93                                                        | -                                                      | 166                     |
| Obligation - Gratuity and<br>Leave Encashment     |                        |                                                           |                                                        |                         |                                                           |                                                        |                         |
| Bonus                                             | 35                     | (35)                                                      | -                                                      | -                       | 111                                                       | -                                                      | 111                     |
| Unabsorbed Depreciation                           | 10,485                 | 5,712                                                     | -                                                      | 16,197                  | 1,700                                                     | -                                                      | 17,897                  |
| Loss carried forward                              | 20,397                 | 8,422                                                     | -                                                      | 28,819                  | 6,270                                                     | -                                                      | 35,089                  |
| Other Items                                       | 108                    | (125)                                                     | -                                                      | (17)                    | 2,314                                                     | -                                                      | 2,296                   |
| <b>Net Deferred Tax Asset</b>                     | <b>14,801</b>          | <b>7,535</b>                                              | <b>-</b>                                               | <b>22,336</b>           | <b>18,696</b>                                             | <b>-</b>                                               | <b>41,031</b>           |
| Deferred tax (Credit)/Charge<br>for the year      | -                      | -                                                         | -                                                      | -                       | -                                                         | -                                                      | -                       |

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

| Particulars                                                                                           | March 31, 2026 | March 31, 2025 |
|-------------------------------------------------------------------------------------------------------|----------------|----------------|
| Profit/(Loss) before income tax expense                                                               | (94,139)       | (96,093)       |
| Tax at the rate of 17.16% for 2026                                                                    | (16,154)       | (16,489)       |
| Expenses not allowed as deduction in computation of current tax                                       | (566)          | 6,774          |
| Income not chargeable to tax                                                                          | (273)          | (257)          |
| Expenses on which DT not recognised in the current year                                               | 7,265          | 5,772          |
| Deferred tax not recognized on unabsorbed business loss and unabsorbed depreciation for current year. | 9,729          | 15,171         |
| Other Items                                                                                           | -              | (10,971)       |
| <b>Total tax expense/(income)</b>                                                                     | <b>-</b>       | <b>-</b>       |

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

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

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

| Assessment Year | March 31, 2026 | March 31, 2025 |
|-----------------|----------------|----------------|
| 2030-31         | 1,601          | 1,601          |
| 2031-32         | 39,267         | 39,267         |
| 2032-33         | 72,210         | 72,210         |
| 2033-34         | 54,779         | 54,745         |
| 2034-35         | 36,627         | -              |
| No expiry       | 1,04,296       | 84,227         |

## 29 Segment information

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 below table:

| Particulars          | March 31, 2026  | March 31, 2025 |
|----------------------|-----------------|----------------|
| <b>Outside India</b> |                 |                |
| - United Kingdom     | -               | 5,729          |
| - Spain              | -               | 872            |
| - USA                | 3,014           | 938            |
| - Ireland            | 4,091           | 10,821         |
| - Germany            | 3,211           | -              |
| - Australia          | -               | 315            |
| <b>Within India</b>  | 1,07,372        | 5,482          |
| <b>Total</b>         | <b>1,17,687</b> | <b>24,157</b>  |

The company recognises 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 | 20,866         | 17,658         |

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        | % of total revenue | Revenue        | % of total revenue |
| Customer 1 | 1,03,747       | 88%                | 8,821          | 37%                |
| Customer 2 | 4,091          | 3%                 | 5,167          | 21%                |

## 30 Earnings per share

|                                        | March 31, 2026 | March 31, 2025 |
|----------------------------------------|----------------|----------------|
| Earnings per share (basic and diluted) | (1.98)         | (2.06)         |

| Reconciliation of earnings used in calculating earnings per share | March 31, 2026 | March 31, 2025 |
|-------------------------------------------------------------------|----------------|----------------|
| Loss attributable to the equity share holders                     | (94,139)       | (96,093)       |

| Weighted average number of shares used as denominator                                                    |             |              |                  | March 31, 2026 | March 31, 2025 |
|----------------------------------------------------------------------------------------------------------|-------------|--------------|------------------|----------------|----------------|
| Weighted average number of equity shares used as the denominator in calculating basic earnings per share |             |              |                  | 4,76,17,623    | 4,66,99,815    |
| Share held at the beginning of the year                                                                  |             |              |                  | 4,76,17,623    | 4,26,17,623    |
| Shares issued during the previous year                                                                   |             |              |                  |                | 40,82,192      |
| Date                                                                                                     | No. of days | No of shares | weighted average |                |                |
| June 6, 2024                                                                                             | 298         | 50,00,000    | 40,82,192        |                | 40,82,192      |

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

4,66,99,815

**31 Lease**

**(i) Lease commitments as lessee**

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

| Particulars                           | Total    |
|---------------------------------------|----------|
| At March 31, 2024                     | 2,56,539 |
| Additions                             | -        |
| Interest expense on lease liabilities | 33,637   |
| Payments                              | (51,109) |
| Other Non-cash adjustments            | 1,067    |
| At March 31, 2025                     | 2,49,742 |
| Additions                             | -        |
| Interest expense on lease liabilities | 31,666   |
| Payments                              | (53,666) |
| Other Non-cash adjustments            | 10,668   |
| At March 31, 2026                     | 2,38,410 |

|             | March 31, 2026 | March 31, 2025 |
|-------------|----------------|----------------|
| Current     | 16,462         | 11,328         |
| Non-current | 2,21,948       | 2,38,414       |
| Total       | 2,38,410       | 2,49,742       |

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

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

| Particulars                                           | March 31, 2026 | March 31, 2025 |
|-------------------------------------------------------|----------------|----------------|
| Depreciation of right-of-use assets (refer note 20)   | 38,396         | 38,396         |
| Interest expense on lease liabilities (refer note 22) | 31,666         | 33,637         |
| Finance guarantee expense on lease liability          | 10,668         | 10,673         |

(iv) The total cash outflow for leases, including interest, for the year is ₹ 53,666

## Notes to financial statements for the year ended March 31, 2026

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

## 32 Financial ratios

|                                                | Numerator                               | Denominator                      | March 31, 2026 | March 31, 2025 | Deviation (%) | Reasons for the Deviation                                    |
|------------------------------------------------|-----------------------------------------|----------------------------------|----------------|----------------|---------------|--------------------------------------------------------------|
| Current ratio (A/B) (times)                    | Current assets (A)                      | Current liabilities (B)          | 0.86           | 1.30           | -34%          | Note-1                                                       |
| Debt-equity ratio (A/B) (times)                | Total debt (A)                          | Shareholders' equity (B)         | 1.59           | 1.02           | 56%           | Note-2                                                       |
| Debt service coverage ratio (A/B) (times)      | (A) Earnings available for debt service | (B) Debt service                 | 0.10           | (0.22)         | 144%          | Note-3                                                       |
| Return on equity (A/B) (%)                     | (A) PAT                                 | (B) Average shareholders' equity | -40%           | -31%           | -27%          | Note-4                                                       |
| Inventory turnover ratio (A/B) (times)         | (A) Turnover                            | (B) Average inventory            | 14.12          | 5.61           | 152%          | Note-7                                                       |
| Trade receivables turnover ratio (A/B) (times) | (A) Net credit sales                    | (B) Average accounts receivables | 4.38           | 7.67           | -43%          | Note-8                                                       |
| Trade payables turnover ratio (A/B) (times)    | (A) Net credit purchases                | (B) Average trade payables       | 1.84           | 0.57           | 220%          | Note-5                                                       |
| Net capital turnover ratio (A/B) (times)       | (A) Turnover                            | (B) Working capital              | (15.54)        | 38.56          | -140%         | Note-6                                                       |
| Net profit ratio (A/B) (%)                     | (A) Net profit/(loss) after tax         | (B) Net sales                    | -80%           | -398%          | 80%           | Note-9                                                       |
| Return on capital employed (A/B) (%)           | (A) Earnings before interest and tax    | (B) Capital employed             | -9%            | -9%            | -6%           | Since the deviation is below 25%, reasons are not applicable |
| Return on investment (A/B) (%)                 | (A) Earnings from investments           | (B) Total investments            | NA             | NA             | NA            | Note-10                                                      |

**Notes: Reasons for the deviation are provided in cases where the deviation is greater than 25% compared to previous year.**

1. The decrease in current ratio is due to decrease in current asset (receipt of government grant receivable) and increase in borrowings.
2. Debt-Equity Ratio has increased due to reduction in Shareholders' equity and increase in Debt
3. Debt-Service Coverage Ratio has increased due to increase in earnings available for debt service and decrease of debt service
4. ROE decreased due to decrease in shareholder's equity.
5. Trade payables turnover ratio has increased due to increase in purchases during the year.
6. Net capital turnover ratio has decreased due to decrease in average working capital during the year.
7. Inventory turnover ratio has increased due to increase in sales during the year.
8. Trade receivables turnover ratio has decreased due to increase in receivables during the year.
9. NP ratio improved due to increase in sales and improved net profit after tax during the year.
10. ROI is not applicable as the company does not hold any financial investments nor earned any investment income during the

## 33 Net debt reconciliation

| Particulars                                           | March 31, 2026    | March 31, 2025    |
|-------------------------------------------------------|-------------------|-------------------|
| Cash and cash equivalents                             | 883               | 4,788             |
| Current borrowings (Inter-company loans)              | 39,000            | 39,000            |
| Non-current borrowings (including current maturities) | (19,111)          | -                 |
| Lease liabilities                                     | (2,38,410)        | (2,49,742)        |
| <b>Net debt</b>                                       | <b>(2,17,638)</b> | <b>(2,05,954)</b> |

| Particulars                           | Other assets              | Liabilities from financing activities |                        |                                            |                                          | Total             |
|---------------------------------------|---------------------------|---------------------------------------|------------------------|--------------------------------------------|------------------------------------------|-------------------|
|                                       | Cash and cash equivalents | Lease obligations                     | Non-current borrowings | Current borrowings (Working capital loans) | Current borrowings (related party loans) |                   |
| <b>As at March 31, 2024</b>           | <b>2,765</b>              | <b>(2,56,540)</b>                     | <b>-</b>               | <b>-</b>                                   | <b>4,000</b>                             | <b>(2,49,774)</b> |
| Cashflows                             | 2,023                     | -                                     | -                      | -                                          | -                                        | 2,023             |
| Acquisition of leases/ new borrowings | -                         | -                                     | -                      | -                                          | 35,000                                   | 35,000            |
| Foreign exchange adjustments          | -                         | -                                     | -                      | -                                          | -                                        | -                 |
| Repayments                            | -                         | 17,471                                | -                      | -                                          | -                                        | 17,471            |
| Interest expense                      | -                         | (33,637)                              | -                      | -                                          | (1,352)                                  | (34,989)          |
| Interest paid                         | -                         | 33,637                                | -                      | -                                          | 1,352                                    | 34,989            |
| Other Non-cash adjustments:           | -                         | (10,673)                              | -                      | -                                          | -                                        | (10,673)          |
| <b>As at March 31, 2025</b>           | <b>4,788</b>              | <b>(2,49,742)</b>                     | <b>-</b>               | <b>-</b>                                   | <b>39,000</b>                            | <b>(2,05,954)</b> |
| Cashflows                             | (3,905)                   | -                                     | -                      | -                                          | -                                        | (3,905)           |
| Acquisition of leases/ new borrowings | -                         | -                                     | (20,000)               | -                                          | -                                        | (20,000)          |
| Foreign exchange adjustments          | -                         | -                                     | -                      | -                                          | -                                        | -                 |
| Repayments                            | -                         | 22,000                                | 889                    | -                                          | -                                        | 22,889            |
| Interest expense                      | -                         | (31,666)                              | 1,019                  | -                                          | 4,680                                    | (25,967)          |
| Interest paid                         | -                         | 31,666                                | (1,019)                | -                                          | (4,680)                                  | 25,967            |
| Other Non-cash adjustments:           | -                         | (10,668)                              | -                      | -                                          | -                                        | (10,668)          |
| <b>As at March 31, 2026</b>           | <b>883</b>                | <b>(2,38,410)</b>                     | <b>(19,111)</b>        | <b>-</b>                                   | <b>39,000</b>                            | <b>(2,17,638)</b> |

**34 Assets pledged as security**

The carrying amount of assets pledged as security for borrowings from Financial Institution are:

| Particulars                                        | March 31, 2026 | March 31, 2025 |
|----------------------------------------------------|----------------|----------------|
| Property, plant and equipment- Plant and Machinery | 1,83,178       | -              |

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

**(i) Title deeds of Immovable properties not held in name of the company.**

The Company does not have any immovable property (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee)

**(ii) Fair value of Investment property**

The company does not own any investment property.

**(iii) Revaluation of PPE or intangible assets**

The company has not revalued its Property, plant and equipment (including Right of use asset) or intangible assets during the current or previous year. Further there is no Capital work in progress (CWIP) and intangible asset under development (IAUD)

**(iv) Loans to Promoters /Directors / KMPs and Related Parties**

The Company has not granted any Loans or Advances in the nature of loans to Promoters /Directors / KMPs and Related Parties during the year therefore disclosure under this heading is not applicable.

**(v) 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.

**(vi) Borrowings obtained**

The Company has borrowings from financial institutions on the basis of security of entire plant and machinery. The company has utilized the money for the purposes for which they were obtained.

**(vii) Willful defaulter:**

The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

**(viii) Relationship with struck off companies:**

The company has no transactions with the companies struck off under companies Act, 2013 or Companies Act, 1956.

**(ix) Charges with ROC**

There are no charges or satisfaction which are yet to be registered with the registrar of companies beyond the statutory period.

**(x) Ratios**

It has been separately reported under Note-32

**(xi) Compliance with approved scheme(s) of arrangements:**

The Company has not entered into any scheme of arrangement which has an accounting impact on current year or previous financial period.

**(xii) 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 not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

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

**(xiii) Income surrendered or disclosed**

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

**(xiv) Crypto currency or virtual currency**

The company has not traded or invested in crypto currency or virtual currency during the current or previous year.

**(xv) Any material foreseeable losses on long-term contracts, any derivative contracts**

The company was not required to recognise any provision as at March 31, 2026 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contracts. The company did not have any derivative contracts as at March 31, 2026.

**(xvi) Corporate Social Responsibility**

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

36 Dues to micro and small enterprises

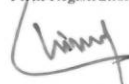
The identification of the micro, small and medium enterprise suppliers as defined under the provisions of "The Micro, Small and Medium Enterprises Development Act, 2006" is based on management's knowledge of their status. The Company has following dues to suppliers registered under the Micro, Small and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

| Particulars                                                                                                                                                                                                                                                              | March 31, 2026 | March 31, 2025 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|
| Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at period end                                                                                                                                                                   | -              | -              |
| Interest due thereon to suppliers registered under the MSMED Act and remaining unpaid as at period end                                                                                                                                                                   | -              | -              |
| Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year                                                                                                                                                             | 8,329          | 45             |
| Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year                                                                                                                                      | 178            | 4              |
| 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                                                           | -              | -              |
| Interest accrued and remaining unpaid at the end of each accounting year                                                                                                                                                                                                 | -              | -              |
| Amount of further interest remaining due and payable even in the succeeding years, until such date when the 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 | -              | -              |

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

38 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: 0080195



Chirag Aggarwal  
Partner  
Membership No : 243971  
Place: Bengaluru  
Date: 25/05/2026



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

  
Rohit Mulki Hegde  
Whole Time Director  
DIN : 02391765  
Place: Belagavi  
Date: 25/05/26

  
Durgigere Shivamurthy Mohan  
Director  
DIN : 08440969  
Place: Belagavi  
Date: 25/05/26

  
Anand Kamalishor Modani  
CFO  
Place: Belagavi  
Date: 25/05/26

  
Smita Harish Bang  
Company Secretary  
M No: A45081  
Place: Belagavi  
Date: 25/05/26