

SECOND ADDENDUM TO DRAFT PROSPECTUS DATED JUNE 10, 2025



(Please scan this QR Code to view the addendum)



EARKART LIMITED

Our Company was originally formed as a Private Limited Company in the name and style of "Earkart Private Limited" under the provisions of the Companies Act, 2013 on April 14, 2021 vide Certificate of Incorporation issued by Registrar of Companies, Kanpur bearing CIN: U74999UP2021PTC145093. Subsequently, our Company was converted into a Public Limited Company under the Companies Act, 2013 pursuant to a special resolution passed by the shareholders of our Company on November 27, 2024 and the name was changed to "Earkart Limited" pursuant to a fresh Certificate of Incorporation dated December 18, 2024 issued by the Registrar of Companies, Central Processing Centre, bearing CIN: U74999DL2021PLC399313.

Registered Office: Shop No. 8-P, Street No 6, Vasundhara Enclave, East Delhi, Delhi-110096; Tel. No: +91 9560576416;
Corporate Office: A-133 Ground floor, Gautam Buddha Nagar Sector 63, Noida, Gautam Buddha Nagar, Noida, Uttar Pradesh, India, 201301
E-mail: info@earkart.in; **Website:** www.earkart.in; **Contact Person:** Preeti Srivastava, Company Secretary and Compliance Officer
CORPORATE IDENTITY NUMBER: U74999DL2021PLC399313

Second Addendum to the Draft Red Herring Prospectus dated June 10, 2025: Notice to the investors ("the ADDENDUM")

INITIAL PUBLIC OFFERING UP TO 36,49,000 EQUITY SHARES OF ₹10 EACH ("EQUITY SHARES") OF EARKART LIMITED (THE "COMPANY") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (THE "ISSUE PRICE"), AGGREGATING ₹[●] LAKHS ("OFFER"). THE OFFER COMPRISES A FRESH ISSUE OF 33,15,000 EQUITY SHARES AGGREGATING ₹[●] LAKHS ("FRESH ISSUE") AND AN OFFER FOR SALE OF 3,34,000 EQUITY SHARES ("OFFERED SHARES") AGGREGATING ₹[●] LAKHS, BY ROHIT MISRA (SELLING SHAREHOLDER), THE ("OFFER FOR SALE"). OUT OF WHICH [●] EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH FOR A CASH PRICE OF ₹[●] PER EQUITY SHARE, AGGREGATING TO RS[●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER ("MARKET MAKER RESERVATION PORTION"). THE OFFER LESS THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF ₹10 EACH AT AN ISSUE PRICE OF ₹[●] /- PER EQUITY SHARE AGGREGATING TO ₹[●] LAKHS (IS HEREINAFTER REFERRED TO AS THE "NET ISSUE"). THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 26.53 % AND [●] %, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY. FOR FURTHER DETAILS PLEASE REFER TO SECTION TITLED "TERMS OF THE OFFER" BEGINNING ON PAGE 268 OF THE DRAFT PROSPECTUS.

THIS ADDENDUM (THE "ADDENDUM") SHOULD BE READ IN CONJUNCTION WITH THE DRAFT PROSPECTUS DATED JUNE 10, 2025. CAPITALISED TERMS USED IN THIS ADDENDUM AND NOT DEFINED HEREIN SHALL HAVE THE SAME MEANING AS ASCRIBED IN THE DRAFT PROSPECTUS. INVESTOR ARE REQUESTED TO NOTE THE FOLLOWING CHANGES /AMENDMENT TO THE DRAFT PROSPECTUS.

Potential Bidders may note the following:

- In the sections "Summary of Offer Document" "Risk Factor" "Capital Structure" "Object of the Offer", "Basis for Issue Price" "Our Business", Our Management" and "Financial Statement" "provided herein below as part of Addendum, modifications have been updated.
- Please note that the Addendum does not reflect all the changes that have occurred between the date of filing of the Draft Prospectus and the date hereof, and accordingly does not include all the changes and/or updates that will be included in the Prospectus.

For and on Behalf of Earkart Limited
Sd/-
Preeti Srivastava
Company Secretary and Compliance Officer

Date: September 08, 2025

Place: Noida

LEAD MANAGER



Sarthi Capital Advisors Private Limited
CIN: U65190DL2012PTC238100
401, 4th Floor, Manek Plaza, 167, Vidyanagari Marg,
Kalina, Santacruz (E), Mumbai – 400 098
Tel No.: +91 22 2652 8671/ 72
Email Id: ipo@sarthiwm.in
Website: www.sarthi.in
Contact Person: Pankaj Chaurasia
SEBI Registration No.: INM000012011

REGISTRAR TO THE OFFER



Skyline Financial Services Limited
CIN: U74899DL1995PTC071324
D/153A, 1st Floor, Okhla Industrial Area, Phase – I,
New Delhi – 110 020
Tel No.: +91-11-26812683/40450193/97
Email Id: ipo@skylinerta.com
Website: www.skylinerta.com
Contact Person: Anuj Rana
SEBI Registration No.: INR000003241

OFFER PROGRAMME

OFFER OPENS ON	[●]
OFFER CLOSES ON [^]	[●]

[^]The UPI mandate end time and date shall be at 5.00 p.m. on the Offer Closing Date.

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SECTION I

SUMMARY OF THE OFFER DOCUMENT

The table as outlined below under the heading “*Summary of Related Party Transactions*” will be updated in the Prospectus;

(₹ in Lakhs)

Nature of Transactions	Name of Related Parties	As at 31st March,		
		2025	2024	2023
1. Remuneration to Key Management Personnel	Priyadarshi Jha	N/A**	14.57	16.92
	(As a % to employee benefit expense)	-	4.27%	5.69%
	Rohit Misra	78.96	78.96	78.96
	(As a % to employee benefit expense)	19.44%	23.12%	26.57%
	Ajay Kumar Giri	14.81	14.10	14.10
	(As a % to employee benefit expense)	3.65%	4.13%	4.74%
	Monika Misra	45.12	45.12	N/A*
	(As a % to employee benefit expense)	11.11%	13.21%	-
	Rahul Salesha	34.82	33.16	N/A*
	(As a % to employee benefit expense)	8.57%	9.71%	-
	Shailendra Yadav	N/A**	-	-
	(As a % to employee benefit expense)	-	-	-
	Geetika Chawla	0.96	-	-
	(As a % to employee benefit expense)	0.24%	-	-
	Preeti Srivastava	1.57	-	-
	(As a % to employee benefit expense)	0.39%	-	-
Total		176.24	185.91	109.98
(As a % to employee benefit expense)		43.39%	54.44%	37.00%
2. Purchase of goods	Oishi Care	N/A**	-	3.33
Total		-	-	3.33
(As a % to Purchases)		-	-	0.15%
3. Loans Received From	Shailendra Yadav	-	-	-
	Priyadarshi Jha	-	-	-
Total		-	-	-
4. Loans Paid To	Priyadarshi Jha	-	-	-
	Shailendra Yadav	-	-	25.00
Total		-	-	25.00
5. Sale of Goods & Services	Oishi Care	N/A**	22.09	25.43
Total		N/A**	22.09	25.43
(Total as a % to Revenue from Operations)		-	0.70%	0.88%
6. Reimbursement of Expenses	Priyadarshi Jha	N/A**	0.05	4.99
	(As a % to total expense)	-	0.002%	0.18%
	Shailendra Yadav	N/A**	-	-
	(As a % to total expense)	-	-	-
	Rohit Misra	13.79	73.99	82.32
	(As a % to total expense)	-	2.58%	2.99%
	Ajay Kumar Giri	2.92	-	0.47
	(As a % to total expense)	-	-	0.02%
	Monika Misra	8.12	6.89	0.14

Nature of Transactions	Name of Related Parties	As at 31st March,		
		2025	2024	2023
	(As a % to total expense)	-	0.240%	0.005%
	Rahul Salesha	5.90	4.12	0.02
	(As a % to total expense)	-	0.143%	0.001%
	Geetika Chawla	-	N/A*	N/A*
	(As a % to total expense)	-	-	-
	Preeti Srivastava	-	N/A*	N/A*
	(As a % to total expense)	-	-	-
Total		30.73	85.05	87.94
(As a % to total expense)		0.01	2.96%	3.20%
Total (1+2+3+4+5+6)		206.97	293.05	251.68

*** Date of Joining**

-Monika Misra 3/24/2023
 -Rahul Salesha 3/24/2023
 -Geetika Chawla 9/23/2024
 -Preeti Srivastava 2/17/2025

**** Date of Leaving/Resigning**

-Priyadarshi Jha 11/30/2023
 -Shailendra Yadav 7/10/2024
 -Geetika Chawla 2/15/2025

SECTION II - RISK FACTOR

a) The existing Risk Factor No. 3 in the Draft Prospectus will be updated as follows in the Prospectus:

3. *We face risks relating to sourcing of raw materials and components for manufacturing of our hearing aids and related devices from third parties.*

We deal in a variety of hearing aids manufactured under our own brands and also undertake white labelling manufacturing for our distributors. For manufacturing these hearing aids, we rely on network of third party domestic and international suppliers for supply of materials, components and products.

Our suppliers are primarily based in India and China, UK and USA, and we procure materials on a purchase order basis. There is no assurance that these suppliers will consistently fulfil their obligations in a timely manner, or at all. Any delays, shortages, supply interruptions, fluctuations in pricing, or reductions in the availability of essential materials and components could have a material adverse effect on our business, operational performance, financial condition, cash flows, and growth prospects.

The quality of our hearing aid products is largely dependent on the quality of the materials and components we procure. Any deterioration in material quality could negatively impact our product standards, market reputation, and sales volumes. Additionally, there is no guarantee that we will always be able to maintain our current supplier network or secure an adequate supply of required materials and components.

Since the majority of our procurement is done through purchase orders rather than long-term agreements, we cannot be certain that we will always obtain materials and components that meet our specified quality standards at commercially viable terms, or that our suppliers will continue to perform as expected. If we fail to (i) receive materials of the required quality, (ii) negotiate favourable financial terms, (iii) secure an adequate and timely supply of materials, or (iv) address situations where key suppliers discontinue supply, face operational disruptions, or become insolvent due to factors beyond our control, we may struggle to find alternative sources for raw materials. Any such disruption could impact our production capabilities and adversely affect our business operations.

The table below sets forth details of our top one (1), top three (3), top five (5) and top ten (10) supplier concentration (based on value of purchases) in the years indicated:

Particulars	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	(₹ in lakhs)	(% of Purchases)	(₹ in lakhs)	(% of Purchases)	(₹ in lakhs)	(% of Purchases)
Top 1 suppliers	1,372.95	54.12%	687.17	28.72%	900.16	41.91%
Top 3 suppliers	1,876.94	73.98%	1,566.87	65.49%	1,542.46	71.82%
Top 5 suppliers	1,979.28	78.02%	1,992.90	83.30%	1,799.31	83.78%
Top 10 suppliers	2,152.4	84.84%	2,250.85	94.08%	2,106.56	98.08%

Our third-party suppliers also include overseas suppliers, particularly in China, UK and the USA, and our procurement from these suppliers may be impacted by external factors such as currency fluctuations, unfavourable economic conditions, geopolitical developments, tariffs, force majeure events, and other economic or political uncertainties. These factors could lead to increases in the costs of raw materials and components, thereby raising our operating expenses, reducing profit margins, and in some cases, causing procurement delays. Additionally, any restrictions imposed by government authorities on our imported materials, whether from bilateral or multilateral organizations, or any increase in export duties on materials and components by China, or disruptions in the supply chain from China, could further escalate our material costs, adversely affecting our financial performance, operational efficiency, and cash flows. If we are unable to continue procuring these materials from our current suppliers or encounter restrictions in doing so, there is no assurance that we will be able to source alternative suppliers on favourable terms, within a reasonable timeframe, or at all. Any such disruption could negatively impact our business operations, financial results, and future growth prospects.

The table below sets forth the bifurcation of purchases of raw material between domestic and imported for the periods indicated:

Particulars	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Amount (₹ in lakhs)	% of Purchases	Amount (₹ in lakhs)	% of Purchases	Amount (₹ in lakhs)	% of Purchases
Imported	1,518.36	59.85%	1,628.62	68.07%	1,058.45	49.28%
Domestic	1,018.59	40.15%	763.92	31.93%	1,089.32	50.72%
Total	2,536.95	100.00%	2,392.54	100.00%	2,147.77	100.00%

Further, the table below sets forth details of county wise imports of raw materials purchased by the company in the periods indicated:

Particulars	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Amount (₹ in lakhs)	% of Purchase	Amount (₹ in lakhs)	% of Purchase	Amount (₹ in lakhs)	% of Purchase
China	1393.34	54.92	1181.87	49.40%	900.16	41.91%
United Kingdom	111.84	4.41	446.75	18.67%	119.01	5.54%
Singapore			-	-	39.28	1.83%
USA	13.18	0.52	-	-	-	-
Total purchases by Import	1518.36	59.85	1,628.62	68.07%	1,058.45	49.28%
Domestic Purchases	1018.59	40.15	763.92	31.93%	1,089.32	50.72%
Total Purchases	2536.95	100.00%	2,392.54	100.00%	2,147.77	100.00%

- b) The existing risk factor no. 5 in the Draft Prospectus will be updated as follows in the Prospectus:

5. Loss of any of our key customers or reduction in demand from our customers may materially and adversely affect our business and financial performance.

Our key customers majorly include (i) Government controlled entities; (ii) Retailers and Distributors and (iii) independent ENT doctors.

The following table sets forth our top 1, top 3, top 5 and top 10 customers as a part of our revenue from operation from period indicated below;

Particulars	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Amount (₹ in lakhs)	% of revenue from operation	Amount	% of revenue from operation	Amount	% of revenue from operation
Top 1	2,898.83	67.25%	2,263.69	71.29%	2,393.21	82.76%
Top 3	3,482.19	80.78%	2,595.96	81.75%	2,631.57	91.01%
Top 5	3,678.21	85.33%	2,697.53	84.95%	2,720.82	94.09%
Top 10	3,938.50	91.37%	2,850.68	89.77%	2,797.65	96.75%

Since a significant portion of our sales is dependent on certain key customers, the loss of one or more of these customers or a reduction in demand from them, due to factors such as loss of contracts, delays in fulfilling existing orders, inability to negotiate or agree upon acceptable terms, disputes, loss of market share, or a downturn in their healthcare spending, could adversely affect our business, financial condition, and results of operations, especially if we are unable to replace such customers. Although, there have been no such instances in the last three Fiscals, there can be no assurance that these may not occur in the future.

Our revenues and profitability may also be negatively impacted if there is a reduction in the volume of business with these customers, or if they choose to source products from our competitors instead. We may not always remain their preferred provider of hearing aids and related solutions. For instance, any change in diagnostic procedure as laid down by WHO and RCI may lead to loss of business and a decline in our anticipated sales, which could materially and adversely impact our financial performance. Further, our future growth is closely linked to our ability to acquire new customers. If we fail to expand our customer base, our business, financial condition, and results of operations may be adversely affected.

c) The existing risk factor no. 10 in the Draft Prospectus will be updated as follows in the Prospectus:

10. *The restated financial statements have been provided by peer reviewed chartered accountants who is not statutory auditor of our Company.*

Our Statutory Auditor, M/s. TIMSI & Associates is not a peer reviewed auditor and hence the Restated Financial Information of our Company as disclosed in section titled “Restated Financial statements” beginning on Page no. 191 of the Draft Prospectus for the financial year ended on March 31, 2025, March 31, 2024 and March 31, 2023 are provided by peer reviewed chartered accountants namely M/s Singhi Chugh & Kumar, Chartered Accountants having FRN number 013613N and peer review certificate number 018001, who is not the Statutory Auditor of our Company.

Peer-reviewed accountants may not have the same level of access and understanding of your company’s operations and internal controls as the statutory auditors. This limited access could result in an incomplete review and potentially miss important risks or errors. There is a risk that material misstatements or errors in the financial statements may not be detected or adequately addressed by peer-reviewed accountants.

d) Risk Factor-20 as disclosed in the Draft Prospectus will be shifted to top 15 risk factor in the Prospectus.

e) Risk factor-24 as disclosed in the Draft Prospectus will be shifted to top 20 risk factor in the Prospectus.

f) Risk factor-32 as disclosed in the Draft Prospectus will be shifted to top 25 risk factor in the Prospectus.

g) The existing risk factor no. 01 will be updated as follows:

1. *Our revenue from sale of products derived from government institutions accounted for 69.32%, 75.85% and 86.56% for the Fiscal 2025, Fiscal 2024 and Fiscal 2023 respectively. A failure to secure similar government contracts or orders in the future could adversely impact our business, operating results, and financial condition.*

In addition to selling and supplying our offerings to private entities (retailers & distributors) we also rely on orders or contracts awarded by government institutions through tenders and purchase orders. We derive majority of revenue from contract awarded by government institutions for supply of hearing aids and ancillary devices to various government agencies, including ALIMCO under Ministry of Social Justice and Empowerment, Government of India. We receive orders based on government tenders to supply hearing aids and ancillary devices as per their specifications.

The following table list out our revenue from sale of products for the Fiscal 2025, Fiscal 2024 and Fiscal 2023;

(₹ in lakhs except otherwise stated)

Particulars	Fiscal 2025	As % of Sale of Product	Fiscal 2024	As % of Sale of Product	Fiscal 2023	As % of Sale of Product
Government	2,938.9	69.32%	2,346.74	75.85%	2,403.21	86.56%
Private	1,227.63	28.96%	747.09	24.15%	373.14	13.44%
Shop in Shop (SIS)*	72.86	1.72%	-	-	-	-
Revenue from Sale of Product	4,239.39	100%	3,093.83	100.00%	2,776.36	100.00%

*Shop in Shop (SIS) model is operational since Fiscal 2025.

Our contractual arrangements with government institutions typically stipulate a fixed price at which we are required to sell our products to such institutions, and we may not be able to pass on any increases in costs without adequate provisions for adjustments for cost escalation in our current or future contracts.

Additionally, we are generally required to submit performance guarantees of 3.00% of the total order value. Furthermore, if we fail to deliver the contracted quantity on time or if our products are deemed faulty, we risk being classified as a blacklisted vendor by these institutions, which could negatively impact our revenue and future prospects. In past three Fiscals and stub period we have not faced any instances of invocation of our bank guarantee, however, there can be no assurance that such cases may not occur in the future

There may be delays in payments for products purchased from us by the government which could adversely impact our sales and revenue. Additionally, late payments or non-payments would strain our working capital needs and may lead to increased finance costs. We may also face disputes over recovering delayed payments, which could further deplete our resources. There is no assurance that the resolution of these disputes will be favourable to us, and any unfavourable outcomes could negatively affect our business and prospects. Any delays in payments could materially and adversely impact our business, financial condition, reputation, and overall prospects. Although, there have been no such instances in the past three Fiscals, there can be no assurance that these may not occur in the future.

Additionally, any unfavourable changes in government policies regarding the awarding of contracts or our existing relationships with government entities could negatively impact our ability to secure such orders. If any contracts awarded to us are delayed, disrupted, or cancelled, our cash flows, business operations, and overall financial condition may suffer. Adverse policy changes could also result in the restructuring or renegotiation of our agreements, which could affect our financing, capacity utilization, revenues and cash flows. Furthermore, these changes might delay our ability to participate in competitive bidding or bilateral negotiations for future contracts. While there have been no such instances in the past three Fiscals, there can be no assurance that these may not occur in the future.

h) The existing risk factor no. 32 will be updated as follows:

32 *There are certain instances of delays in payment of statutory dues. Any delay in payment of statutory dues or non-payment of statutory dues in dispute may attract financial penalties from the respective government authorities, which may have an adverse impact on our financial condition and cash flows.*

There have been certain instances on delay in payment of statutory dues, which *inter-alia* include, goods and services tax, provident fund, employees' state insurance, which as on the date of the Prospectus has been deposited with relevant authorities. These delays were due to administrative and technical issues on the Portal during these periods.

Provident Fund:

Sr. No.	Financial Year	Tax Period	Due Date of Payment	Date of Payment	Delay days
1.	2024-25	May	15-June-2024	18-June-2024	3
2.	2024-25	July	15-August-2024	16-August-2024	1

The following is the details of Number of employees for which filings have been made;

PF

Month	Total Employee	PF Opt out	Return Filed
May'2024	45	22	23
July'2024	40	18	22

ESIC

FY 2023-24

Sr. No.	Financial Year	Tax Period	Due Date of Payment	Date of Payment	Delay days
1.	2023-24	March	15-April-2024	23-April-2024	8

ESIC

Month	Total Employee	ESIC Not applicable	Return filed
March 2024	40	34	6

Month	Total Employee	ESIC Not applicable	Return filed
December 2024	41	36	5

TDS

(Figures in Rs.)

Particulars	Due date of payment	Date of payment	Amount
Fiscal 2025			
September 2024	October 07, 2024	21-October-2024	2937
December 2024	January 07, 2025	25-Janaury-2025	5,18,756
Fiscal 2024			
October 2023	7-November-2023	28-February-2024	84,000

GOODS AND SERVICE TAX

GSTIN: 09AAGCE4235J1ZI (Uttar Pradesh)

GSTR-1

FY 2021-22

Sr. No.	Financial Year	Tax Period	Due Date	Date of Filing	Delay days
1.	2021-22	April	July 11,2021	July 14,2021	64
2.	2021-22	June	July 11, 2021	July 14, 2021	3
3.	2021-22	December	January 11, 2022	January 15, 2022	4

GSTR 3B

FY 2021-22

Sr. No.	Financial Year	Tax Period	Due Date	Date of Filing	Delay days
1.	2021-22	April	May 20, 2021	July 14, 2021	55
2.	2021-22	June	July 20, 2021	July 22, 2021	2

While our Company has paid the interest, as applicable on delays in payment of statutory dues, we cannot assure you that any regulatory or statutory authority will not issue a notice or take any other regulatory action against our Company and its officers in this regard. Further, there can be no assurance that such delays may not arise in future. Any delay in future may lead to financial penalties from respective government authorities which may have a material adverse impact on our financial condition and cash flows.

We hereby confirm that, as on date, there is no requirement for regularization, compounding, or adjudication

SECTION - III INTRODUCTION

CAPITAL STRUCTURE

- a) The following information will be incorporated and disclosed under heading – “**Build-up of the preference shareholding of the Promoters**”

The details regarding the build-up of the preference shareholding of the Promoters in our Company since incorporation is set forth in the table below:

Rohit Misra:

Date of Allotment and Transfer	No. of Preference shares	Face Value Per Share	Issue/Acquisition/Transfer Price per Share	Nature of consideration
October 13, 2021	10,489 ⁽¹⁾	10	810	Cash
October 13, 2021	(6,789) ⁽²⁾	10	810	Cash
September 12, 2022	(1) ⁽³⁾	10	Nil	N.A
Total	3,699*	10	-	

**The CCPS were converted in to Equity Shares in the ratio of 1 Equity shares for every 1 CCPS held on September 30, 2024.*

(1) Initial Allotment

(2) Transfer of 6,172 CCPS to Ashneer Grover, 617 CCPS to Monika Misra

(3) Transfer to Raghav Kacker as a Gift

Monika Misra:

Date of Allotment and Transfer	No. of Preference shares	Face Value Per Share	Issue/Acquisition/Transfer Price per Share	Nature of consideration
October 13, 2021	617 ⁽¹⁾	10	810	Cash
August 24, 2022	33 ⁽²⁾	10	15,150	Cash
Total	650*	10	-	

**The CCPS were converted in to Equity Shares in the ratio of 1 Equity shares for every 1 CCPS held on September 30, 2024.*

(1) Transfer from Rohit Misra

(2) Transfer from Sai Prasad

- b) The following information will be incorporated under the heading “**Equity Shares issued pursuant to Employee Stock Option Scheme**”

Our Company, pursuant to the resolution passed by our Board on March 28, 2025, and the resolution passed by our Shareholders on April 01, 2025, has adopted Earkart ESOP Scheme. The purposes of the scheme are to inter alia to motivate the employees and enable them to participate in the long term growth and financial success of the organization, with a common objective of maximizing the share Holder value.

The Salient Features of Scheme are as follows:

All grants that will be made pursuant to the ESOP Plans shall be in compliance with the Companies Act, 2013 and will be made to eligible employees. Further, the allotment of Equity Shares pursuant to exercise of options granted and vested under the ESOP Plan shall be made to eligible employees.

Employee Stock Option Plan 2025

The ESOP Scheme will be effective from 1st August 2025 (“Effective Date”) and shall continue in force until earlier of (i) its termination by the Board/Nomination and Remuneration Committee in due compliance with the provisions of Applicable Laws or (ii) the date on which all of the Stock Options available for Grant under the ESOP Scheme 2025 have been granted and Exercised.

Powers including in relation to issuing shares or otherwise making allocations and grants to any Employee (on such terms and conditions as imposed by the Nomination & Remuneration Committee),

The maximum number of total options that may be granted to all Employees under the ESOP Scheme 2025, shall not at any time exceed 6,26,336 (6% of the paid-up capital of the company which is 1,04,38,932) number of Options ("ESOP Pool 2025").

Every, Twenty Option (20) are exercisable for One (1) Equity Share, each fully paid-up, on payment of the Exercise Price to the Company, as determined in accordance with this ESOP Scheme 2025, subject to any corporate action required by any resolution passed in the EGM/ AGM (by payment thereof or by cashless Exercise, as the case may be).

Subject to the terms of this ESOP Scheme 2025, if the Options Granted to an Employee expires or become un-exercisable, in part or in full, without having been exercised such Options, whether Vested or Unvested, will be added back to the ESOP Pool, 2025 and would be available for grant at a future date to any Employee of the Company.

Maximum Period for Vesting: The maximum period for vesting of options under the ESOP Scheme 2025 shall be four (4) years from the Grant Date, including the initial one (1) year cliff period followed by deferred vesting over three (3) years.

As on date of the Prospectus, under ESOP Scheme, no options have been granted (none of the options have lapsed), none of the options have been vested and none of the options have been exercised. These options have been granted in compliance with the relevant provisions of the Companies Act, 2013 and only to the employees of our Company.

OBJECT OF THE OFFER

- a) The following information will be incorporated in the Prospectus under the heading “***Funding incremental working capital requirements of our Company***”;

i. Justification for Projected Working Capital Requirement:

Company has strategic plan to grow its geographical reach and revenue diversification plan through opening of Shop in Shop (SIS) model, where it will install its Audiometer at the ENT/Ophthalmic clinic and provide audiometry test and hearing aid devices to the prospective patient. Company has identified over 2000 clinics across India to launch SIS model which will be run on profit sharing on sale of product and audiometry charges. This will lead to higher growth in volumes and revenue apart from revenue generated from government sale as of now.

Our company has been successfully operating 49 SIS clinics in 22 cities and has planned to add another 150 clinics by end of Fiscal 2026. Along with current revenue stream from government business and SIS lunch,

(Rs in Lakhs)			
Particulars	Fiscal 2025 (Audited)	Fiscal 2024 (Audited)	Fiscal 2023 (Audited)
Direct Sales	4,166.52	3,093.83	2,776.36
Growth YoY	34.67%	11.43%	414.31%
Shop In Shop	72.86	-	-
Growth YoY	-	-	-
Other Operating	71.24	81.63	115.27
Revenue from Operations	4,310.62	3,175.46	2,891.63
Growth YoY	35.75%	9.82%	408.04%

Strategic changes proposed by the Company

To achieve the planned strategic vision for increasing geographical foot print and launch of SIS clinics, company has proposed capital expenditures in IT infrastructure, Equipment and civil & Building to achieve the proposed plan. The Company to intend to open 150 and 360 new SIS in Fiscal 2026 & Fiscal 2027 respectively.

The table set forth below shows the capital expenditure to be incurred:

Particulars	in Rs lakhs
Civil & Building	183.04
Equipment's	1,471.29
IT Hardware & Software	78.93
Total Capital Expenditure	1,733.26

Reason for Increase in Proposed Working capital

The table set forth below shows the working capital movement

Particulars	Fiscal 2023 (Audited)	Fiscal 2024 (Audited)	Fiscal 2025 (Audited)
Revenue from Operations (Rs in Lakhs)	2,891.63	3,175.46	4,310.62
Working Capital (Rs in Lakhs)	603.30	1,340.82	2,138.54
As % of Revenue from Operations			
Working Capital	21%	42%	50%
Trade Receivables	16%	20%	43%
Inventories	19%	20%	15%
Other Current Assets	9%	9%	4%
Payables	28%	5%	11%
Other Current Liabilities	4%	3%	5%

In general course of business company need working capital to funds trade receivables and inventory. Company supply its products to Government and retailers, distributors, ENT/ophthalmic clinics referred as private party where the company has witnessed average receivable days of 96 days from its customers from fiscal 2023 to fiscal 2025. Also, as we move forward into fiscal 2026, the requirement to feed the around 200 SIS (Existing 49 SIS + proposed in Fiscal 2026 150 SIS) clinics will also push the working capital along with organic growth in direct sale to Government and private party.

Major part of revenue from sale of product is derived from the government which constituted 86.6% in fiscal 2023, 75.85% in fiscal 2024 and 70.39% in fiscal 2025. Payment cycle from the government ranges from 60 days to 70 days where as credit period for private party ranges from 80 days to 90 days.

However, as percent of revenue from operations trade receivables ranges from 16% to 43% from Fiscal 2023 to fiscal 2025.

Also, major funds are blocked in inventory of raw material required for manufacturing, company imports raw material which generally has lead time of 30 days to 45 days from placing an order till receipt of material. During the period from Fiscal 2023 to fiscal 2025, company has an average inventory days of 98 days. Company needs to maintain sufficient inventory levels to meet the demand from Government and private party as well as new SIS to be opened in Fiscal 2026.

However, as percent of revenue from operations, inventory ranges from 19% to 15% from Fiscal 2023 to fiscal 2025.

ii. **Key Assumptions for Working Capital Projections:**

The following table, along with an explanation will be incorporated in the prospectus under the Heading-**“Holding Level in Days”**.

TR as a % to revenue from operations along with the explanation of fluctuation.

Particulars	Fiscal 2023 (Audited)	Fiscal 2024 (Audited)	Fiscal 2025 (Audited)
Revenue from Operations (Rs in Lakhs)	2,891.63	3,175.46	4,310.62
Trade Receivables (Rs in Lakhs)	469.88	633.95	1,856.81
Trade Receivables % of Revenue from Operations	16%	20%	43%

Fiscal 2023

Trade receivable for fiscal 2023 was 16% of the revenue from operations. Revenue increased by 408% compared to fiscal 2022 and this spurt was primarily due to Revenue derived from sale to government. Sales to government contributed 83.11% to the revenue from operations. However, receivables as percent of revenue declined to 16% in fiscal 2023 compared to fiscal 2024, primarily on account of better payment cycle from the government.

Fiscal 2024

Trade receivable for fiscal 2024 increased to 20% as compared to 16% in fiscal 2023, this was primarily on account of higher credit cycle from private party, during fiscal 2024, the revenue from private party has increased by 100.22% during fiscal 2024 to Rs 747.09 lakhs compared to Rs 373.14 lakhs in fiscal 2023.

Fiscal 2025

Receivables for fiscal 2025 stood at 43% of the revenue from operations, this has increased from 20% of revenue from operations in fiscal 2024. Also, receivable days has increased from 73 days in fiscal 2024 to 157 days in fiscal 2025, this was primarily driven by increase in revenue from government and private parties where the receivable days are high.

“The Company plans to utilize the internal accruals of Fiscal 2026 to repay the short-term borrowings availed for meeting working capital requirements. Meanwhile, the working capital needs for Fiscal 2026 are proposed to be financed through the proceeds of the Initial Public Offering (IPO).

Furthermore, any internal accruals remaining after the repayment of borrowings will be retained to meet potential contingencies if any, to meet working capital requirements for Fiscal 2026, beyond the utilisation from IPO proceeds.

As projected, this will reduce the interest burden and related finance cost of the company, thus by increasing profitability and creating more value to the equity shareholders.”

- b) The following statement will be updated in the Prospectus under Heading-“***Funding capital expenditure requirements for setting of Shop in Shop (SIS) Business Model in ENT/Ophthalmic Clinics across India and Setting up of Infrastructure for operational activities.***”

“The Company has identified 574 locations for SIS Clinics. Of these, 217 clinics are located in the central region, while 357 clinics are in the eastern part of India. Out of the 574 identified location, The Company intends to open 150 new SIS and 360 new SIS in Fiscal 2026 & Fiscal 2027 respectively. Further, as of today, we have not entered into any agreements or undertakings with the identified centres.”

The following statement will be revised under the heading “***Civil & Interior Infrastructure work***” in the Prospectus:

“The work order given by the Contractor is for area admeasuring 9,163 Sq. Ft. out of the total property measuring 13,000 Sq. ft. rented out by our company.”

Further,

- i. The below information will be incorporated under the heading '**Hearing Aid Analyzer**' in the prospectus:

The Hearing Aid Analyzer is integral to our QC system, ensuring compliance with the BIS parameters and preventing defective products from reaching customers. Currently, the Company operates with one Analyzer at its manufacturing facility. With the proposed 510 SIS clinics, demand will increase, necessitating an additional Analyzer. This new unit will be installed exclusively at our manufacturing facility, not in the SIS units.

Use at Clinics

The Hearing Aid Analyzer will **not** be deployed at SIS clinics. Its sole purpose is for **manufacturing QC testing** to ensure all devices supplied to the clinics are pre-certified for quality and compliance.

Adequacy for 510 SIS Clinics

Since every device is tested at the manufacturing facility **prior to supply**, the proposed analyzer along with the analyzer at the facility is **sufficient to cater to the entire requirement of 510 SIS clinics** across India. The centralized QC system eliminates the need for analyzers to be installed at individual clinics.

Hearing Aid Analyzer is a manufacturing quality assurance tool rather than a clinic-based equipment. The proposed procurement will adequately support our production and ensure that every hearing aid delivered to the **510 SIS clinics** is fully compliant, reliable and patient-ready.

- ii. The below information will be incorporated under the heading “**OMNI Audiometer**” in the prospectus:

The Company’s operational model is designed to handle orders on a monthly procurement and deployment basis, thereby minimizing the need for long-term storage space.

Further, OMNI Audiometers are compact in size (Dimensions (Inch):10*14*5), making it storage convenient. Therefore, the Company’s manufacturing unit has enough space to keep this equipment as per requirements.

This arrangement ensures proper custody, safety and readiness of the equipment for immediate deployment on a monthly basis as per the projection.

iii. The Following information will be incorporated after the table of “Hearing Diagnostics Equipment’s” in the prospectus:

The Company has planned to procure the mentioned Hearing Diagnostic Equipment to provide comprehensive diagnosis of patients’ hearing-related issues. These units will be installed at manufacturing facility of the Company, where they will be utilized to evaluate and diagnose patients who visit the Head Office directly for consultation.

This centralized deployment ensures efficient utilization of resources, proper monitoring and high-quality diagnostic services for patients availing care at the Company’s headquarters.”

iv. The name of the cities as mentioned below which has been identified for setting of Shop in Shop (SIS) Business Model under the heading will be incorporated in the prospectus:

Sr. no.	Name of the Cities	No. of clinics identified
1.	Kolkata	68
2.	Indore	58
3.	Bhopal	53
4.	Cuttack	44
5.	Ranchi	35
6.	Jabalpur	30
7.	Raipur	28
8.	Ujjain	28
9.	Agartala	23
10.	Imphal	23
11.	Guwahati	17
12.	Jamshedpur	16
13.	Rewa	15
14.	Shillong	15
15.	Dibrugarh	14
16.	Siliguri	13
17.	Patna	8
18.	Balasore	7
19.	Jorhat	6
20.	Bilaspur	5
21.	Bongaigaon	5
22.	Burdwan	5
23.	Darjeeling	5
24.	Itanagar	4
25.	Murshidabad	4
26.	Berhampur	3
27.	Dimapur	3
28.	Muzaffarpur	3
29.	Rourkela	3
30.	Aizawl	2
31.	Barasat	2
32.	Bhagalpur	2
33.	Bongaon	2
34.	Dhenkanal	2
35.	Durgapur	2
36.	Nagaon	2
37.	Arrah	1
38.	Bettiah	1
39.	Bhubaneswar	1
40.	Brahmapur, Odisha	1
41.	Cachar	1
42.	Devipur, Deoghar	1
43.	Dharmanagar	1

Sr. no.	Name of the Cities	No. of clinics identified
44.	Gajapati	1
45.	Gaya	1
46.	Halisahar	1
47.	Hazaribag	1
48.	Laheriasarai	1
49.	Madhubani	1
50.	Naharlagun	1
51.	Nalbari	1
52.	Soreng	1
53.	Tezpur	1
54.	Vaishali	1
55.	West Tripura	1
	Total	574

BASIS FOR ISSUE PRICE

1. The below table will be incorporated in the Prospectus under the heading 'Key Performance Indicator'

Table set forth below shows the revenue and EBITDA of the company.

(Rs in Lakhs)

Particulars	Fiscal 2025	Fiscal 2024	Fiscal 2023
Total Income	4,319.21	3,196.69	2,896.68
EBITDA	976.27	355.17	160.87
EBITDA Margin	22.65%	11.18%	5.56%

In Fiscal 2023 EBITDA margin almost double to 5.56% compared to 2.35% in fiscal 2022, this was primarily driven by increased volumes from private party and better price realisation. Also, due to better operational efficiency, operational cost as percent of total revenue declined from 97% in fiscal 2022 to 94.27% in fiscal 2023 which added to better margins.

In fiscal 2024, company has reported EBITDA margin of 11.18%, this was primarily on account of increased Private party sale and better realization on sale of products. Also, optimization of operational cost has added to margins. Cost as percent of total revenue has declined from 94.27% in fiscal 2023 to 88.23% in fiscal 2024.

In fiscal 2025, company has reported EBITDA margin of 22.65%, the operational cost as percent of total revenue has declined from 89.85% in Fiscal 2024 to 79.13% Fiscal 2025. This increase in EBITDA was also due to increase in sale price of hearing aids in fiscal 2025.

SECTION - IV ABOUT OUR COMPANY

OUR BUSINESS

- a) The following information will be incorporated under heading “***Our Business***” in the prospectus.

The Company is able to maintain the affordable price of its products through four key measures:

- i. **Local Manufacturing & Component Integration** – By setting up facilities in India and localizing components under the Make in India initiative, we reduce import dependency and logistics costs, directly benefiting end users.
- ii. **Economies of Scale** – With around 3 lakhs units sold across government and retail channels, large-scale production allows us to lower per-unit costs while ensuring wide acceptance across India.
- iii. **Quality without Compromise** – All products meet stringent global and national standards, including BIS, ISO 13485 and the facility is approved by the Central Drugs Standard Control Organization (CDSCO).
- iv. **Continuous Innovation** – We remain committed to driving technological advancements in the hearing care industry. By continuously innovating we further strength our competitiveness in both Indian and global markets.

This combination of indigenous manufacturing, scale, uncompromising quality and innovation ensures that modern hearing aids are no longer a luxury but a truly affordable healthcare solution.

- b) The below information will be incorporated in the Prospectus under the heading “**Human Resource**”:

The Company has adopted a structured and hybrid service delivery model, combining technology-driven solutions with in-person support, which enables it to efficiently operate and manage its existing SIS Clinics, notwithstanding the limited number of technical personnel directly employed.

The details are as follows:

Technology Support – The Company presently employs two (2) dedicated in-house resources, namely, the Head of Technology & Innovation, who are responsible for development, maintenance, and upgradation of the software solutions required for operations. Based on an internal assessment, the Company considers this team adequate to meet its present and foreseeable operational requirements.

Repair & Maintenance – The Company has entered into a formal **Contract with ARPHI Electronics Private Limited** to provide on ground repair and maintenance services for Omni (Remote Audiometry Device) as and when required.

Audiologist Deployment – Each qualified Audiologist engaged by the Company is capable of managing up to five (5) SIS Clinics remotely through the support of the Omni device. This deployment structure enables the Company to achieve scalability while maintaining the requisite standards of patient care.

Existing Network – As on date of the DRHP, the Company is managing 49 SIS Clinics across India through the above-mentioned resource allocation model.

Sales & Administrative Oversight – In order to ensure effective local coordination, the Company proposes to appoint one (1) Sales Manager per State, who shall be responsible for liaising with Audiologists and ensuring smooth functioning of the clinics. The Company already has a sales team in place for its currently operational states.

Accordingly, we submit that through this technology-enabled and resource-optimized model, we have been able to efficiently manage our existing network of clinics and are adequately positioned to support future expansion without any compromise on operational efficiency or quality of services.

OUR MANAGEMENT

The Following table will be incorporated in the Prospectus under the heading “**Remuneration of Chief Financial Officer and Company Secretary**”.

Remuneration paid to Chief Financial Officer and Company Secretary as at March 31, 2025 are stated below:

(Rs in Lakhs)		
Name of Key Managerial Personnel	Designation	Fiscal 2025
Ajay Kumar Giri	Director and Chief Financial Officer	14.81
Preeti Srivastava	Company Secretary	1.57

SECTION V- FINANCIAL INFORMATION

RESTATED FINANCIAL STATEMENTS

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- # 001, B-7/107-A, GF, Safdarjung Enclave Extension, **NEW DELHI** 110 029
- # 13-14, Office Block, 3rd Floor, MGF Metropolis, M G Road, **GURGAON** 122 002
- # 404, Metro Avenue, Andheri Kurla Road, W.E.H. Metro Station, Chakala, Andheri (E), **MUMBAI** 400 059
- J P Road, Bilasipara, District Dhubri, **ASSAM** 783 348
- #01-20, 5 Rhu Cross Tangjong Rhu, **Singapore** 437 434

INDEPENDENT AUDITOR'S REPORT ON RESTATED FINANCIAL STATEMENTS

To,
The Board of Directors,
Earkart Limited (Formerly known as Earkart Private Limited)
Shop No. 8-P, Street No. 6,
Vasundhara Enclave,
East Delhi -110096

Dear Sirs,

- 1) We have examined the attached Restated Financial Statements of **Earkart Limited (Formerly known as "Earkart Private Limited")** (hereinafter referred to as "**the Company**"), comprising of the Restated Statement of Assets and Liabilities as at March 31, 2025, March 31, 2024, March 31, 2023, and March 31, 2022, the Restated Statement of Profit and Loss, the Restated Statement of Cash Flow for the financial year ended March 31, 2025, March 31, 2024, March 31, 2023, and March 31, 2022, the Summary Statement of Significant Accounting Policies, the Notes and Annexures as forming part of these Restated Financial Statements (collectively, the "Restated Financial Information" or "Restated Financial Statements"), as approved by the Board of Directors of the Company at their meeting held on September 5, 2025 for the purpose of inclusion in the Draft Prospectus/ Prospectus ("Draft Prospectus/Prospectus") prepared by the Company in connection with its proposed Initial Public Offer of equity shares on SME Platform at BSE ("SME IPO") prepared in terms of the requirements of:
 - a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");
 - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and
 - c) The Guidance Note on 'Reports in Company's Prospectus (Revised 2019) 'issued by the Institute of Chartered Accountants of India ('ICAI ') as amended from time to time (the "Guidance Note").
- 2) The Company's Board of Directors is responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the Draft Prospectus/Prospectus to be filed with Securities and Exchange Board of India, relevant stock exchange and Registrar of Companies, Delhi in connection with the proposed SME IPO. The Restated Financial Information has been prepared by the management of the Company on the basis of preparation stated in **Annexure IV** of the Restated Financial Information. The Board of Directors responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Board of Directors is also responsible for identifying and ensuring that the Company complies with the Companies Act, (ICDR) Regulations and the Guidance Note.

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- J P Road, Bilasipara, District Dhubri, **ASSAM** 783 348
- #01-20, 5 Rhu Cross Tangjong Rhu, **Singapore** 437 434

- 3) We have examined such Restated Financial Information taking into consideration:
- a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated September 17, 2024 in connection with the proposed public offering of equity shares on SME Platform;
 - b) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
 - c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and
 - d) The requirements of Section 26 of the Act and the SEBI ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the SEBI ICDR Regulations and the Guidance Note in connection with the IPO.
- 4) The Restated Financial Statements have been extracted and compiled by the management from the Audited Financial Statements of the Company for the financial year ended March 31, 2025, March 31, 2024, March 31, 2023 and March 31, 2022 which has been approved by the Board of Directors in meetings held on August 29, 2025, 30th August 2024, 8th September 2023 and 15th July 2022 respectively. The audit of the financial statements for the financial year/period ended March 31, 2025, March 31, 2024, March 31, 2023 and March 31, 2022 have been conducted by **M/s Timsi & Associates, Chartered Accountants**, who have issued an unqualified audit reports on these financial statements for the respective years.
- 5) We have audited these special purpose financial information for the year March 31, 2025 prepared by the company for the limited purpose of complying with the requirement of getting its financial statements audited by the firm holding a peer review certificate issued by the "Peer Review Board" of the ICAI as required by ICDR Regulation in relation to the proposal of the IPO. We have issued our report dated 29.08.2025 on these special purpose financial information to the Board of Directors who have approved these in their meeting held on 29.08.2025.
- 6) Based on our examination and according to information and explanations given to us, we are of the opinion that the Restated Financial Statements:
- a) The Restated Statement of Assets and Liabilities of the Company as at March 31, 2025, March 31, 2024, March 31, 2023, and March 31, 2022, as set out in **Annexure-I** (along with Notes 1 to 16) to this report, have been examined by us. These statements, read in conjunction with the 'Basis of Preparation and Significant Accounting Policies of the Restated Financial Statements,' reflect adjustments, regroupings, and reclassifications that, in our opinion, were appropriate. These adjustments, which are more fully detailed in the statement of Material Adjustments to the Financial Statements, were made to present the Restated Financial Information as required. Consequently, the amounts reported in these statements differ from those appearing in the Company's audited financial statements for the respective financial years.

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- #01-20, 5 Rhu Cross Tangjong Rhu, **Singapore** 437 434

- b) The Restated Statement of Profit and Loss of the Company for the for the financial year ended as at March 31, 2025, March 31, 2024, March 31, 2023, and March 31, 2022, as set out in **Annexure-II** (along with Notes 17 to 27) to this report, has been examined by us. These statements, read in conjunction with the 'Basis of Preparation and Significant Accounting Policies of the Restated Financial Statements,' reflect adjustments, regroupings, and reclassifications that, in our opinion, were appropriate. These adjustments, which are more fully detailed in the statement of Material Adjustments to the Financial Statements, were made to present the Restated Financial Information as required. Consequently, the amounts reported in these statements may differ from those appearing in the Company's audited financial statements for the respective financial years.
- c) The Restated Statement of Cash Flows of the Company for the financial year ended March 31, 2025, March 31, 2024, March 31, 2023, and March 31, 2022, as set out in **Annexure-III** to this report, has been examined by us. These statements, read in conjunction with the 'Basis of Preparation and Significant Accounting Policies of the Restated Financial Statements,' include adjustments, regroupings, and reclassifications that, in our opinion, were necessary and appropriate. These adjustments, which are more fully described in the statement of Material Adjustments to the Financial Statements, were made to present the Restated Financial Information as required. Consequently, the amounts reported in these statements may not be identical to those appearing in the Company's audited financial statements for the respective financial years.
- d) The books of accounts underlying those financial statements and other records of the Company, to the extent considered necessary for the preparation of the Restated Financial Information, are the responsibility of the Company's Management.
- 7) Based on the above, and to the best of our information and according to the explanation given to us, we report that Restated Financial Information:
- a) have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policies for all the reporting periods based on the significant accounting policies adopted by the Company.
 - b) have been made after incorporating adjustments for prior period and other material amounts in the respective financial years to which they relate and there are no qualifications which require adjustments.
 - c) do not contain any exceptional items that need to be disclosed separately other than those presented in the Restated Financial Information and do not contain any qualification requiring adjustments.

- # 001, B-7/107-A, GF, Safdarjung Enclave Extension, **NEW DELHI** 110 029
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- #01-20, 5 Rhu Cross Tangjong Rhu, **Singapore** 437 434

- 8) We, **Singhi Chugh & Kumar, Chartered Accountants** have been subjected to the peer review process of the Institute of Chartered Accountants of India (“ICAI”) and hold a valid peer review certificate issued by the “Peer Review Board” of the ICAI.
- 9) The Restated Financial Information does not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited financial statements mentioned in paragraph 4 above.
- 10) This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as an opinion on any of the Financial Information referred to herein.
- 11) We have no responsibility to update our report for events and circumstances occurring after the date of the report.
- 12) In our opinion, the above Restated Financial Information contained in **Annexure I to V** to this report read along with the respective Significant Accounting Policies and Notes to Accounts as set out in **Annexure IV** are prepared after making adjustments and regrouping as considered appropriate and have been prepared under the provisions of Section 26 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules 2014, to the extent applicable, the SEBI Regulations, the Guidance Note issued in this regard by the ICAI, as amended from time to time, and in terms of our engagement agreed with you.
- 13) Our report is intended solely for use by the Board of Directors for inclusion in the Draft Prospectus/ Prospectus to be filed with Securities and Exchange Board of India, relevant stock exchange and Registrar of Companies in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For, **SINGHI CHUGH & KUMAR**

Chartered Accountants

Firm Registration No: 013613N

Sachin

Chugh

Sachin Chugh

Partner

Membership No: 502369

Place: Delhi

Date: 05.09.2025

UDIN: 25502369BMINPA8340

Digitally signed by
Sachin Chugh
Date: 2025.09.05 18:51:24
+05'30'

EARKART LIMITED (FORMERLY KNOWN AS EARKART PRIVATE LIMITED)
Shop No. 8-P, Street No. 6, Vasundhara Enclave, East Delhi-110096, India
CIN : U74999DL2021PLC399313
(All amounts in lakhs of INR, unless otherwise stated)

ANNEXURE – I: STATEMENT OF ASSETS AND LIABILITIES AS RESTATED

S.No.	Particulars	Note No.	As at 31st March,			
			2025	2024	2023	2022
A.	EQUITY AND LIABILITIES					
1	Shareholders' Funds					
	(a) Share Capital	1	1,043.89	6.91	6.77	6.74
	(b) Reserves & Surplus	2	947.77	1,296.58	649.47	471.94
2	Non-Current Liabilities					
	(a) Long-term Borrowings		-	-	-	-
	(b) Long -term Provisions	3	17.40	10.39	6.18	2.01
	(c) Deferred Tax Liabilities (Net)		-	-	-	-
3	Current Liabilities					
	(a) Short-term Borrowings	4	495.93	400.11	121.42	25.00
	(b) Trade Payables	5				
	- total outstanding dues of Micro, Small and Medium enterprises; and		3.32	5.46	-	-
	- total outstanding dues of creditors other than Micro, Small and Medium enterprises		298.35	100.52	584.04	50.34
	(c) Short-term Provisions	6	183.95	63.75	37.22	11.20
	(d) Other Current Liabilities	7	38.76	41.66	67.70	27.00
	Total Equity & Liabilities		3,029.38	1,925.39	1,472.80	594.23

For SINGHI CHUGH & KUMAR

Chartered Accountants

Firm Registration No: 013613N

Sachin Chugh

Digitally signed
by Sachin Chugh
Date: 2025.09.05
18:52:48 +05'30'

Sachin Chugh

Partner

Membership No: 502369

UDIN: **25502369BMINPA8340**

Place: Delhi

Date: 05.09.2025

For and on behalf of the Board of Directors of

Earkart Limited (Formerly Known As Earkart Private Limited)

[Signature]

Rohit Misra

Managing

Director & CEO

DIN- 00775537

Place: Noida

Date: 05.09.2025

[Signature]

Ajay Kumar Giri

Director & CFO

DIN- 09505964



[Signature]

Preeti Srivastava

Company

Secretary

M No: A31615

EARKART LIMITED (FORMERLY KNOWN AS EARKART PRIVATE LIMITED)
Shop No. 8-P, Street No. 6, Vasundhara Enclave, East Delhi-110096, India
CIN : U74999DL2021PLC399313
 (All amounts in lakhs of INR, unless otherwise stated)

ANNEXURE – I: STATEMENT OF ASSETS AND LIABILITIES AS RESTATED -CONT'D

S.No.	Particulars	Note No.	As at 31st March,			
			2025	2024	2023	2022
B.	ASSETS					
1	Non-Current Assets					
	(a) Property, Plant & Equipment and Intangible Assets					
	-Property, Plant and Equipment	8	100.35	77.08	16.11	14.27
	-Intangible Assets	8	16.50	28.75	9.37	8.00
	(b) Non-current Investments	9	82.62	18.79	10.49	146.25
	(c) Deferred Tax Assets (Net)	10	10.71	5.01	3.61	0.73
	(d) Long-term Loans and Advances		-	-	-	-
	(e) Other Non-current Assets	11	119.64	105.68	82.75	5.44
2	Current Assets					
	(a) Trade Receivables	12	1,856.81	633.95	469.88	161.75
	(b) Inventories	13	654.96	621.59	549.15	74.78
	(c) Cash and Cash Equivalents	14	36.64	137.87	58.20	7.27
	(d) Short-term Loans and Advances	15	81.53	168.30	215.26	153.27
	(e) Other Current Assets	16	69.61	128.35	57.98	22.48
	Total Assets		3,029.38	1,925.39	1,472.80	594.23

Note: The above should be read with the Significant Accounting Policies appearing in Annexure IV and Notes to the Restated Financial Statements.

For SINGHI CHUGH & KUMAR

Chartered Accountants

Firm Registration No: 013613N

Sachin Chugh
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 Date: 2025.09.05 18:53:17 +05'30'

Sachin Chugh

Partner

Membership No: 502369


UDIN: 25502369BM-INPA8340

Place: Delhi

Date: 05.09.2025

For and on behalf of the Board of Directors of

Earkart Limited (Formerly Known As Earkart Private Limited)



Rohit Misra

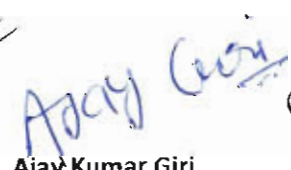
Managing

Director & CEO

DIN- 00775537

Place: Noida

Date: 05.09.2025

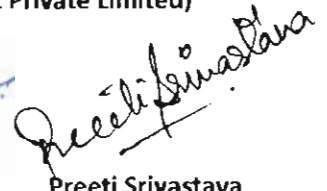


Ajay Kumar Giri

Director &

CFO

DIN- 09505964

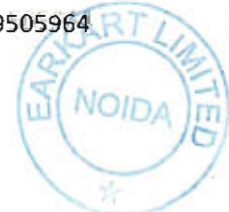


Preeti Srivastava

Company

Secretary

M No: A31615



EARKART LIMITED (FORMERLY KNOWN AS EARKART PRIVATE LIMITED)
Shop No. 8-P, Street No. 6, Vasundhara Enclave, East Delhi-110096, India
CIN : U74999DL2021PLC399313
(All amounts in lakhs of INR, unless otherwise stated)

ANNEXURE – II: STATEMENT OF PROFIT AND LOSS AS RESTATED

Particulars	Note No.	For the year ended March 31,			
		2025	2024	2023	2022
A. INCOME					
(a) Revenue from Operations	17	4,310.62	3,175.46	2,891.63	569.17
(b) Other Income	18	8.59	21.22	5.05	3.85
Total Income		4,319.21	3,196.69	2,896.68	573.02
B. EXPENSES					
(a) Cost of Raw Materials Consumed	19	2,126.04	2,019.90	1,881.69	273.37
(b) Purchases of Stock-in-Trade	19	473.49	609.63	188.35	-
(c) Changes in inventories of Finished Goods, Work in Progress and Stock-in- Trade	20	(37.90)	(492.15)	(13.56)	(72.80)
(d) Employee Benefits Expense	21	406.19	341.48	297.20	148.98
(e) Finance Costs	22	40.86	33.25	5.66	-
(f) Depreciation and Amortization Expense	23	42.43	18.76	15.02	5.98
(g) Other Expenses	24	366.53	341.43	377.07	206.27
Total Expenses		3,417.64	2,872.31	2,751.44	561.80
Profit before Exceptional and Extraordinary Items and Tax (A) - (B)		901.57	324.38	145.24	11.22
(a) Exceptional Items		-	-	-	-
Profit before Extraordinary Items and Tax		901.57	324.38	145.24	11.22
(a) Extraordinary Items		-	-	-	-
Profit Before Tax		901.57	324.38	145.24	11.22
Tax expenses:					
(a) Current tax		174.48	55.08	25.25	2.35
(b) Earlier Tax/Prior Period Tax		(5.48)	0.11	0.22	-
(c) Deferred Tax	10	(5.70)	(1.40)	(2.88)	(0.73)
(d) MAT Credit		50.10	(35.22)	(8.54)	(0.96)
Profit for the year period		688.17	305.81	131.20	10.56
Earnings per equity share:	27				
(a) Basic EPS		6.59	2.03	0.87	0.07
(b) Diluted EPS		6.59	1.46	0.63	0.05

Note: The above should be read with the Significant Accounting Policies appearing in Annexure IV and Notes to the Restated Financial Statements.

For, SINGHI CHUGH & KUMAR
Chartered Accountants
Firm Registration No: 013613N
Sachin Chugh
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Date: 2025.09.05 18:53:45 +05'30'
Sachin Chugh
Partner
Membership No: 502369
UDIN: **25502369BMINPA8340**
Place: Delhi
Date: 05.09.2025

For and on behalf of the Board of Directors of
Earkart Limited (Formerly Known As Earkart Private Limited)

Rohit Misra
Managing Director & CEO
DIN 00775537
Place: Noida
Date: 05.09.2025

Ajay Kumar Giri
Director & CFO
DIN- 09505964

Preeti Srivastava
Company Secretary
M No: A31615



EARKART LIMITED (FORMERLY KNOWN AS EARKART PRIVATE LIMITED)
Shop No. 8-P, Street No. 6, Vasundhara Enclave, East Delhi-110096, India
CIN : U74999DL2021PLC399313
(All amounts in lakhs of INR, unless otherwise stated)

ANNEXURE – III: STATEMENT OF CASH FLOWS AS RESTATED

Particulars	For the year ended March 31,			
	2025	2024	2023	2022
A. CASH FLOWS FROM OPERATING ACTIVITIES:				
Profit before tax & extraordinary items	901.57	324.38	145.24	11.22
Adjustment for:				
(a) Amortisation expense	0.57	0.57	0.57	0.57
(b) Depreciation	42.43	18.76	15.02	5.98
(c) Interest on borrowings	40.86	33.25	5.66	-
(d) Interest Income	(1.04)	(1.56)	(0.79)	(0.98)
(e) Other Adjustments	1.73	-	1.57	(0.59)
Operating profit before Working Capital Changes	986.11	375.41	167.27	16.20
Adjusted for (increase)/decrease in operating assets:				
(a) Decrease / (Increase) in Inventories	(33.37)	(72.44)	(474.37)	(74.78)
(b) Decrease / (Increase) in Trade Receivable	(1,222.86)	(164.08)	(308.13)	(161.75)
(c) (Increase)/ Decrease in Other Current Assets	59.48	(70.38)	(26.41)	(22.48)
(d) (Increase)/ Decrease in Loans & Advances	86.77	46.95	(61.99)	(153.27)
(e) Increase/ (Decrease) in Trade Payables and Other Current Liabilities	195.69	(478.06)	533.70	77.34
(f) Increase/ (Decrease) in Short term Borrowings	95.82	278.69	96.42	25.00
(g) Increase/ (Decrease) in Short term Provisions/Other Current liabilities	124.32	4.69	45.64	13.21
Cash generated from Operations	291.96	(79.21)	(27.87)	(280.53)
(a) Income tax paid	220.83	20.52	1.77	2.35
NET CASH GENERATED FROM OPERATION (A)	71.13	(99.73)	(29.64)	(282.88)
B. CASH FLOW FROM INVESTING ACTIVITIES				
(a) Purchase/Sale of Fixed Assets	(53.45)	(99.11)	(18.24)	(28.13)
(b) Investment in FD	(63.82)	(8.30)	135.75	(146.25)
(c) Interest Income	(0.27)	1.79	0.25	1.85
(d) Others	(13.96)	(23.17)	(77.88)	(5.44)

For, SINGHI CHUGH & KUMAR
Chartered Accountants
Firm Registration No: 013613N

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Date: 2025.09.05
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Sachin Chugh
Partner

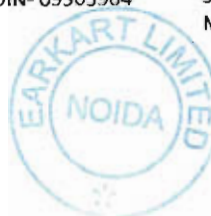
Membership No: S02369
UDIN: 25502369BMINPA8340
Place: Delhi
Date: 05.09.2025

For and on behalf of the Board of Directors of,
Earkart Limited (Formerly Known As
Earkart Private Limited)

Rohit Misra
Managing
Director & CEO
DIN- 00775537
Place: Noida
Date: 05.09.2025

Ajay Kumar Giri
Director & CFO
DIN- 09505964

Preeti Srivastava
Company
Secretary
M No: A31615



EARKART LIMITED (FORMERLY KNOWN AS EARKART PRIVATE LIMITED)
Shop No. 8-P, Street No. 6, Vasundhara Enclave East Delhi-110096, India
CIN : U74999DL2021PLC399313
(All amounts in lakhs of INR, unless otherwise stated)

ANNEXURE – III: STATEMENT OF CASH FLOWS AS RESTATED -CONT'D

Particulars	For the year ended March 31,			
	2025	2024	2023	2022
NET CASH FROM / (USED IN) INVESTING ACTIVITIES (B)	(131.50)	(128.79)	39.88	(177.97)
C. CASH FLOW FROM FINANCING ACTIVITIES				
(a) Share Capital	-	341.44	46.36	468.12
(b) Interest paid on borrowings	(40.86)	(33.25)	(5.66)	-
(c) Proceeds/(Repayment) of Borrowings	-	-	-	-
(d) Buy back of shares	-	-	-	-
NET CASH FROM / (USED IN) FINANCING ACTIVITIES (C)	(40.86)	308.19	40.70	468.12
Net Increase / (Decrease) in Cash & Cash Equivalents (A) + (B) + (C)	(101.23)	79.67	50.93	7.27
Cash & Cash Equivalents as at the beginning of the year	137.87	58.20	7.27	-
Cash & Cash Equivalents as at the end of the year	36.64	137.87	58.20	7.27
Cash & Cash Equivalents consists of:				
a) Cash on hand	0.69	2.01	0.03	-
b) Balances with banks	35.95	135.86	58.17	7.27
Total	36.64	137.87	58.20	7.27

Note: The above should be read with the Significant Accounting Policies appearing in Annexure IV and Notes to the Restated Financial Statements.

For, **SINGHI CHUGH & KUMAR**
Chartered Accountants
Firm Registration No: 013613N

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Date: 2025.09.05
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Sachin Chugh
Partner

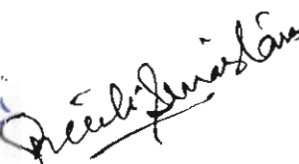
Membership No: 502369
UDIN: 25502369BMINPA8340
Place: Delhi
Date: 05.09.2025

For and on behalf of the Board of Directors of,
Earkart Limited (Formerly Known As
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Rohit Misra
Managing
Director & CEO

DIN- 00775537
Place: Noida
Date: 05.09.2025


Ajay Kumar Giri
Director & CFO
DIN- 09505964


Preeti Srivastava
Company
Secretary
M No: A31615



EARKART LIMITED (FORMERLY KNOWN AS EARKART PRIVATE LIMITED)
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(All amounts in lakhs of INR, unless otherwise stated)

ANNEXURE – V : MATERIAL ADJUSTMENTS TO THE RESTATED FINANCIAL STATEMENTS

1. Material Adjustments having impact on Profit

The summary of results of restatement made in the Audited Financial Statements of the Company for the respective years and its impact on the profit is as follows:

Particulars	For the Financial Year Ended March 31, (Audited)			
	2025	2024	2023	2022
Net Profit after Tax as per Audited Profit & Loss Account (A)	664.09	322.08	128.49	10.02
Add:- Adjustments for:				
1) Provision for Doubtful Debts	9.41	(17.47)	8.06	-
2) Depreciation	0.81	(0.81)	-	-
3) Provision for Gratuity	(7.04)	(4.22)	(4.20)	(2.01)
4) Expenses adjustment	17.47	-	(2.77)	2.77
5) Deferred tax impact on adjustments	1.69	1.40	1.28	0.57
6) Taxation impact on above	1.73	4.84	0.34	(0.79)
Total Adjustments (B)	24.07	(16.26)	2.71	0.54
Profit after tax as Restated (A) + (B)	688.17	305.81	131.20	10.56

2. Explanatory notes to the above restatements to profits made in the financial statement of the company for the respective years:

(1) Provision for doubtful debts: Adjustment relates to:

- Provision for doubtful debts created at 50% for receivables outstanding for more than 1 year and at 100% for those exceeding 2 years across all years, as no such provision was previously made by the management.
- Reversal of provision for doubtful debts in respect of receivables pertaining to FY23 made in FY24 has been adjusted to the financial year i.e. FY23 it belongs to.

(2) Depreciation: Adjustment pertains to depreciation realignment due to reclassification of an asset from plant & machinery (under tangible assets) to software under intangible assets.

(3) Provision for Gratuity: The liability for gratuity was not recognised in the earlier years. Accordingly, the same has now been recorded in the restated financials in line with the applicable statutory requirements.

(4) Expenses adjustment:

- First adjustment pertains to the gratuity provision cumulatively recorded by the management in FY24-25 financials, covering liabilities for the past three financial years. This adjustment is made to nullify the single-year impact as the expense has now been recognised year-wise (Refer adjustment no. 3) in line with the period of accrual in restated financials.
- Second pertains to reversal of provision made for business promotion expense pertaining to FY22 made in FY23 has been adjusted to the respective financial year i.e. FY22 it relates to.

EARKART LIMITED (FORMERLY KNOWN AS EARKART PRIVATE LIMITED)
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2. Explanatory notes to the above restatements to profits made in the financial statement of the company for the respective years-cont'd:

(5) Deferred Tax: Due to changes in depreciation, provision for gratuity, and provision for doubtful debts, the related deferred tax impact has been recalculated and restated using the enacted tax rates.

(6) Impact on taxation: The tax impact of the above adjustments has been computed at the applicable income tax rates and reflected through adjustments to deferred tax assets and liabilities as required.

3. Reconciliation of the Opening Balance of Balance in Profit & Loss Account for the FY 2021-2022.

Particulars	For the Financial Year Ended March 31, 2021
*Opening Balance in Profit & Loss Account as per audited financial statements (A)	-
Add/(Less) : Adjustments on account of:	
-Bad debts written off pertaining to earlier years	-
-Provision for Income Taxes for Prior Period	-
Total Adjustments (B)	-
Restated opening Balance in Profit & Loss Account (A+B)	-

*FY-22 was the company's first year of operations and thus, the Opening Balance in Profit & Loss Account for the year ended March, 31, 2021 is Nil.

4. Material Adjustments having no impact on profit:

a. Material Regrouping

Appropriate regrouping have been made in the Restated Summary Statements, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited Financial Statements of the Company, prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018 (as amended).

For, SINGHI CHUGH & KUMAR
Chartered Accountants
Firm Registration No: 013613N

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Date: 2025.09.05 18:57:48
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Sachin Chugh

Partner

Membership No: 502369

UDIN: 25502369BMJNPA8340

Place: Delhi

Date: 05.09.2025

For and on behalf of the Board of Directors of,
Earkart Limited (Formerly Known As
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Rohit Misra
Managing
Director & CEO

DIN- 00775537
Place: Noida
Date: 05.09.2025

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Director & CFO
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EARKART LIMITED (FORMERLY KNOWN AS EARKART PRIVATE LIMITED)

Shop No. 8-P, Street No. 6, Vasundhara Enclave, East Delhi-110096, India

CIN : U74999DL2021PLC399313

ANNEXURE – IV:

SUMMARY STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES & NOTES TO RESTATED FINANCIAL INFORMATION

COMPANY OVERVIEW

Earkart Limited was originally incorporated as a private limited company under the name of 'Earkart Private Limited' under the provisions of The Companies Act, 2013 on 14th Apr'2021. Subsequently, the company converted into a Public Limited Company under the Companies Act, 2013 pursuant to a special resolution passed by the shareholders of the Company on November 27, 2024 under the name of "Earkart Limited" pursuant to a fresh Certificate of Incorporation dated December 18, 2024 issued by the Registrar of Companies, Central Processing Centre, bearing CIN: U74999DL2021PLC399313.

The main object of the company is to assemble, manufacture, sell, trade, provide after sales services (including user training) and undertake research and development of affordable hearing aids, MSIED Kits, TLM Kits & other rehabilitation products, including their components, accessories and parts thereof.

A. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Preparation of Financial Statement

The Restated Statement of Assets and Liabilities (Annexure I) of the company as at March 31, 2025, March 31, 2024, March 31, 2023 and March 31, 2022, the Restated Statements of Profit and Loss (Annexure II), the Restated Cash Flow Statement (Annexure III) for the financial year/period ended March 31, 2025, March 31, 2024, March 31, 2023 and March 31, 2022 (hereinafter collectively referred to as "**Restated Financial Information**") have been extracted by the management from the audited financial statements for the March 31, 2025, March 31, 2024, March 31, 2023, and March 31, 2022, approved by the respective Board of Directors of the companies.

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention, on the accrual basis of accounting, and in accordance with the applicable provisions of the Companies Act, 2013 (the 'Act') and the accounting principles generally accepted in India ('Indian GAAP') read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).

2. Use of estimates

The preparation of interim Financial Statements is in conformity with Indian GAAP requires the Management to make judgements, estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and reported income and expenses during the period.

These financial statements have been prepared to comply with Accounting Principles generally accepted in India, the Accounting Standards specified under the Companies Act 2013 read with Company (Accounting Standards) Rules, 2014 and other relevant provisions of the Companies Act, 2013. The Financial Statements are prepared on accrual basis under the historical cost convention.

The Management believes that the estimates used in preparation of interim financial statements are prudent and reasonable. Future results could differ due to these estimates and the difference between the actual results and the estimates are recognized in the periods in which the results are known/materialized.

3. Cash and Bank Balances

Cash comprises cash in hand, balance in bank accounts maintained with banks and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

4. Revenue and Expenditure recognition

Revenue is recognized only when risks and rewards incidental to ownership are transferred to the customer, it can be reliably measured and it is reasonable to expect ultimate collection.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

Dividend income is recognized when the right to receive payment is established.

Accounting of Income and Expenditure is done on accrual basis and as per above principles.

5. Employee benefits

Short term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized as an expense during the period when the employees render the services. These benefits include performance incentive and compensated absences. The relevant benefits have been charged to Profit and loss account during the period under consideration.

5. Employee benefits-cont'd

Post-employment benefits

(i) Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund, Superannuation Fund, The Employees' State Insurance (ESI) scheme and Pension Scheme.

The Company's contribution is recognized as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

The company has made contributions under The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and Employees' State Insurance Act, 1948 and recognized as expense during the period under consideration. The said contributions were made on timely basis.

(ii) Defined benefit plan

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services. Actuarial gains and losses in respect of post-employment and other long-term benefits are charged to the Statement of Profit and Loss.

The company has made provision on account of Gratuity expense as per the Accounting Standard 15-Employees Benefits prescribed under the Companies Act, 2013 and amount is provided on the basis of Actuarial valuation of the gratuity liability for the period from 01/04/2021 to 31/03/2025.

Employee Separation Costs

Compensation to employees who have opted for retirement under the voluntary retirement scheme of the Company is charged to the Statement of Profit and Loss in the period of exercise of option by the employee.

No such items are charged in profit and loss account during the period under consideration as not applicable.

6. Foreign Currency transactions

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction

Foreign currency monetary items are reported or carried in terms of historical cost denominated in a foreign currency reported using the exchange rate at the date of the transaction.

Exchange difference arising on the settlement at rates different from those at which they initially recorded during the year, or reported in previous financial statements, are recognized as income or expenses in the year in which they arise.

7. Taxes on income

Tax expense comprises of current tax and deferred tax.

Deferred income tax reflects the current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier periods.

Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates. The company had claimed the deduction of an amount equal to one hundred per cent of the profits and gains derived from manufacturing business for the preceding three years under section 80-IAC of the Income tax Act, 1961 being allowed for three consecutive assessment years.

Deferred tax assets are recognized only to the extent that there is a reasonable certainty that sufficient future income will be available except that deferred tax assets, in case there are unabsorbed depreciation or losses, are recognized if there is virtual certainty that sufficient future taxable income will be available to realize the same. Deferred tax assets and liabilities are measured using the tax rates and tax law that have been enacted or substantively enacted by the Balance Sheet date.

Minimum Alternative Tax (MAT) is calculated in accordance with the provisions of Income Tax Act 1961, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as asset in the balance sheet.

Further Company is following ICDR requirement and Taxes has been recognized in the interim financial statement as per above mentioned principle

8. Provisions and contingencies

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Provisions involving substantial degree of estimation in measurement are recognized as per said principles.

Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are not recognized nor disclosed in this financial statement.

9. Classification of Assets and Liabilities as Current and Non-Current

All assets and liabilities are classified as current or non-current as per the company's normal operating cycle and other criteria set out in schedule III to the Companies Act, 2013. Based on the nature of products and time between acquisition of assets for processing and their realization in cash and cash equivalents, 12 months has been considered by the Company for the purpose of current or non-current classification of assets and Liabilities.

10. Inventory

The Company is following Weighted Average Method as a measurement of cost. The stock is valued at cost or NRV whichever is lower.

11. Property, Plant and equipment and Intangible Assets

Fixed assets are recognized in Books at cost of acquisition and further stated at their written down value.

Cost includes purchase price, taxes and duties (non-creditable), labour cost and directly attributable overhead expenditure for self-constructed assets incurred up to the date the asset is ready for its intended use.

Depreciation on fixed assets is provided to the extent of depreciable amount on the Written Down Value (WDV) Method, as per the manner prescribed in Schedule II to the Companies Act, 2013.

Expenditure against Capital Assets which are not ready to use as on balance sheet date are separately shown under Fixed Asset Schedule under Capital work in progress

12. Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as a part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Profit and loss statement in the period in which they incurred.

13. Impairment

The carrying value of assets at each balance sheet date are reviewed for impairment, if any indication of impairment exists. An asset is treated as impaired when the carrying cost of the assets exceeds its recoverable value. An impairment loss is charged to the statement of profit and loss in the period in which as asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if a change in the estimates of the recoverable amount. No such relevant adjustment is required in the balance sheet for the period under consideration.

14. Segment Reporting

Company is operating under a single segment.

Unless specifically stated to be otherwise, these policies are consistently followed and there is no change in significant accounting policies of the Company.

B. NOTES ON ACCOUNTS

1. Material Regroupings

The financial statements including financial information have been prepared after making such regroupings and adjustments, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial statements/information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.

Material Adjustments in Restated Profit & Loss Account has been mentioned in Annexure V of the enclosed restated financial information. Prior period items have been adjusted in the year to which it relates. Other than this there is no material adjustment.

2. Provisions, Contingent Liabilities and Contingent Assets

There are no contingent liabilities as on March 31, 2025 except a bank guarantee amounting to Rs 7.66 lacs (PY: Nil) in favor of Artificial Limbs Manufacturing Corporation of India (ALIMCO) has been issued towards after-sales support and warranty obligations under supply contracts.

3. Related Party Disclosure

Related party transactions are reported as per AS-18 of Companies (Accounting Standards) Rules, 2006, as amended, in the Note 25 of the enclosed restated financial information.

EARKART LIMITED (FORMERLY KNOWN AS EARKART PRIVATE LIMITED)
Shop No. 8-P, Street No. 6, Vasundhara Enclave, East Delhi-110096, India
CIN : U74999DL2021PLC399313
(All amounts in lakhs of INR, unless otherwise stated)

NOTE -1: STATEMENT OF SHARE CAPITAL AS RESTATED

Particulars	As at 31st March,			
	2025	2024	2023	2022
(a) Authorized Share Capital				
*Equity shares of FV*of Rs.10/- each with voting rights (1,45,00,000 Equity Shares of Rs. 10/- each)	1,450	-	-	-
Pre Split Equity shares of FV of Rs.10/- each with voting rights (one lac equity shares of Rs. 10/- each)	-	10.00	10.00	10.00
**Compulsory Convertible Preference Shares of FV Rs.10/- each	3.00	3.00	2.00	2.00
Total	1,453	13.00	12.00	12.00
(b) Issued, Subscribed and Fully Paid-up Share Capital				
*Fully paid up Equity shares of FV of Rs.10/- each with voting rights- Post Conversion, Post Split and Post consolidation	6.91	-	-	-
Fully paid up Equity shares of FV of Rs.10/- each with voting rights - Pre Conversion and Split	-	5.00	5.00	5.00
Fully paid up Compulsory Convertible Preference Shares of FV of Rs. 10/- each - Pre Conversion	-	1.91	1.77	1.74
Fully paid up Bonus Share Issued during the year of FV of Rs 10/- each	1,036.98	-	-	-
Total	1,043.89	6.91	6.77	6.74

1.1 Rights, Preferences and Restrictions attached to Shares

- Authorized share capital

*During the FY 24-25, there is change in the Authorized share capital of the Company which has been increased as under:

- Equity Share capital of Rs. 10,00,000/- being 100,000 Equity Shares of Rs 10/- each increased to Rs.14,50,00,000/- being 1,45,00,000 Equity Shares of Rs 10/- each (Post Consolidation).
- The Authorized Preference share capital remains the same.

- Equity Shares

*The Company has only one class of equity shares having a par value of Rs 10/-. The holders of the equity shares are entitled to receive dividends as declared from time to time, if any, and are entitled to voting rights proportionate to their shareholding at the meeting of the shareholders. The Board of Directors of the Company decided for sub dividing the Equity Shares of the Company, such that the total Share Capital of Rs 6,91,320/- being 50,000 Equity Shares of Rs 10/- each and 19,132 Preference Shares of Rs 10/- each increased to Rs 10,43,89,320/- being 2,08,77,864 Equity Shares of Rs 5/- each. The said increase is on account of under mentioned reasons:

- ***Pursuant to the approval of the shareholders accorded on 30th September, 2024 vide ordinary resolution in Extra Ordinary General Meeting conducted by the Company, each equity share of face value of Rs 10 per share was sub-divided in to two equity shares of face value Rs 5/- per share, with effect from 30th September, 2024.
- ****Pursuant to approval given by the shareholders vide ordinary resolution in Extra Ordinary General Meeting on 30 Sep, 2024, the Company has issued 2,07,39,600 fully paid up bonus equity shares of Face value of Rs 5/- each in the ratio of 150 (One hundred Fifty) equity share of Rs 5/- each for every 1 (One) existing equity share of Rs 5/- each as on record date September 30, 2024.

1.1 Right, Preferences and Restrictions attached to Shares -cont'd

- Equity Shares - cont'd

***The Board of Directors of the Company approved to capitalise a sum of Rs. 10,36,98,000/- (Rupees Ten Crore Thirty-Six Lakh Ninety Eight Thousand) out of the Company's Securities Premium Account or such other accounts as are permissible to be utilized for the purpose, as per the audited accounts of the Company for the financial year ended March 31, 2024 and that such amounts be transferred to the Share Capital Account and be applied for issue and allotment of 2,07,39,600 (Two Crores Seven Lakhs Thirty Nine Thousand and Six Hundred) Equity Shares of Rs. 5/- (Rupees Five only) each as Bonus Equity Shares in the ratio of 1:150, credited as fully paid-up Equity Shares to the holders of the Equity Shares of the Company, whose names appear in the Register of Members / Beneficial Owners' position of the Company on 30 Sept, 2024 ("Record Date"), and that the new Bonus Equity Shares so issued and allotted shall be treated for all purposes as an increase of nominal amount of share capital of the Company held by each such members and not as income in lieu of dividend credited."

*Pursuant to the approval of the shareholders accorded on 3rd February, 2025 vide ordinary resolution in Extra Ordinary General Meeting conducted by the Company, two equity share of face value of Rs 5 per share was consolidated in to one equity share of face value Rs 10/- per share, with effect from 3rd February, 2025.

- Preference Shares

The Company has only one class of Preference shares namely compulsorily convertible preference shares all having a par value of Rs 10/-. The holders of the Preference shares are entitled to receive dividends as declared from time to time, if any, as per the terms laid out in shareholder's agreement and are entitled to voting rights proportionate to their shareholding at the meeting of the shareholders. The Preference shares shall be automatically converted to Equity shares on the 19th anniversary of the date of issue and allotment of securities.

- Equity Shares

Reconciliation of Equity shares outstanding at the beginning and at the end of the year	As at 31st March,			
	2025	2024	2023	2022
Outstanding at the beginning of the year	50,000	50,000	50,000	-
Add:- Increase in equity shares on account of sub-division of shares from Face value of Rs.10/- to Rs.5/- each during the year	69,132	-	-	50,000
Add:-Conversion of compulsorily convertible preference shares into equity shares (1:1)	19,132	-	-	-
***Total shares after split of face value from Rs 10/- to Rs 5/-	138,264			
***Bonus Share Issued during the year -Post split / Pre consolidation	20,739,600	-	-	-
Outstanding at the end of the reporting year - After conversion & sub-division	20,877,864	50,000	50,000	50,000
Post Consolidation - Shares outstanding at the end of the year	10,438,932	50,000	50,000	50,000

- Preference Shares

Reconciliation of Preference shares outstanding at the beginning and at the end of the year	As at 31st March,			
	2025	2024	2023	2022
Outstanding at the beginning of the year	19,132	17,706	17,400	-
Add:- Shares issued during the year	-	1,426	306	17,400
Conversion of compulsorily convertible preference shares into equity shares (Ratio 1:1).	(19,132)	-	-	-
Outstanding shares at the close of the year after conversion	-	19,132	17,706	17,400

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Details of Shareholders holding more than 5% shares in the company:

Name of Shareholder	As at 31-03-2025			As at 31-03-2024		
	No. of shares held	% of Holding	% change during the year	No. of shares held	% of Holding	% change during the year
- Equity Shares						
Rohit Misra (Promoter)	79,04,397	75.72%	16514.25%	47,576	95.15%	-
Ashneer Grover	9,31,972	8.93%	100%	-	-	-
TOTAL	88,36,369	84.65%		47,576	95.15%	-
- Preference Shares						
Rohit Misra (Promoter)	-	-	-	3,699	19.33%	-
Ashneer Grover	-	-	-	6,172	32.26%	-
Sushma Ninad Shah	-	-	-	1,287	6.73%	-
Kumar Agneet	-	-	-	989	5.17%	-
TOTAL	-	-	-	12,147	63.49%	-

*All compulsorily convertible preference shares converted in to equity share in the ratio of 1:1

Details of Shareholders holding more than 5% shares in the company:

Name of Shareholders	As at 31-03-2023			As at 31-03-2022		
	No. of shares held	% of Holding	% change during the year	No. of shares held	% of Holding	% change during the year
- Equity Shares						
Rohit Misra (Promoter)	47,576	95.15%	-	47,576	95.15%	-
TOTAL	47,576	95.15%	-	47,576	95.15%	-
- Preference Shares						
Rohit Misra (Promoter)	3,699	20.89%	0.03%	3,700	21.26%	-
Ashneer Grover	6,172	34.86%	-	6,172	35.47%	-
Sushma Ninad Shah	1,287	7.27%	-	1,287	7.40%	-
Kumar Agneet	989	5.59%	-	989	5.68%	-
TOTAL	12,147	68.60%		12,148	69.82%	-

(All amounts in lakhs of INR, unless otherwise stated)

NOTE-2: STATEMENT OF RESERVES AND SURPLUS AS RESTATED

Particulars	As at March 31,			
	2025	2024	2023	2022
(a) Securities Premium				
Opening Balance	849.01	507.71	461.38	-
Add: Addition during the year	-	341.30	46.33	461.38
Less: Issue of fully paid Bonus Shares of Face value of Rs 5/- each	(849.01)	-	-	-
Closing balance (A)	-	849.01	507.71	461.38
(b) Surplus as per Statement of Profit and Loss				
Opening Balance	447.57	141.76	10.56	-
Add: Profit for the year	688.17	305.81	131.20	10.56
Less: Issue of fully paid Bonus Shares of Face value of Rs 5/- each	(187.97)	-	-	-
Closing balance (B)	947.77	447.57	141.76	10.56
Total Reserve & Surplus (A+B)	947.77	1,296.58	649.47	471.94

NOTE 3: STATEMENT OF LONG -TERM PROVISIONS AS RESTATED

Particulars	As at March 31,			
	2025	2024	2023	2022
Provision for Employee Benefit*				
-Provision for Gratuity	17.40	10.39	6.18	2.01
Total	17.40	10.39	6.18	2.01

* Refer Note 29 for detailed note on employee benefits

NOTE-4: STATEMENT OF SHORT-TERM BORROWINGS AS RESTATED

Particulars	As at March 31,			
	2025	2024	2023	2022
(a) Secured				
<u>Loans repayable on demand</u>				
-Cash credit from banks*	495.93	400.11	121.42	-
-From others	-	-	-	-
Total	495.93	400.11	121.42	-
(b) Unsecured				
<u>SME Flexi Loan / CC facility from Bajaj Finance Limited</u>	0.00			
<u>Loans from related parties</u>				
-Director:- Mr. Shailendra Yadav	-	-	-	25.00
Total	0.00	-	-	25.00
Total Short-term Borrowings	495.93	400.11	121.42	25.00

*The company has availed cash credit facility from Punjab National Bank (PNB) to meet working capital requirement. The sanctioned amount is Rs.500 lakhs (Rupees Five hundred lacs only), secured against hypothecation of stocks and book debts and all other current assets both present and future along with movable block of assets forming part of fixed assets at interest rate of 9.6%.

*The Company has availed a loan under the CGTMSE scheme, which is further secured by the personal guarantee of the promoters.

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NOTE-5: STATEMENT OF TRADE PAYABLES AS RESTATED

Particulars	As at March 31,			
	2025	2024	2023	2022
(i) Total outstanding dues to Micro Enterprises and Small Enterprises	3.32	5.46	-	-
(ii) Total outstanding dues to creditors other than Micro Enterprises and Small Enterprises	298.35	100.52	584.04	50.34
Total	301.67	105.98	584.04	50.34

Trade Payables ageing schedule as on March 31, 2025

Ageing of Trade payables		As at March 31, 2025				
Particulars	Amount Not Due	Outstanding for the following period from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	3.32	-	-	-	3.32
(ii) Others	-	211.93	86.43	-	-	298.35
(iii) Disputed dues- MSME	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-
Total	-	215.2	86.4	-	-	301.67

Trade Payables ageing schedule as on March 31, 2024

Ageing of Trade payables		As at March 31, 2024				
Particulars	Amount Not Due	Outstanding for the following period from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	5.46	-	-	-	5.46
(ii) Others	-	100.52	-	-	-	100.52
(iii) Disputed dues- MSME	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-
Total	-	105.98	-	-	-	105.98

Trade Payables ageing schedule as on March 31, 2023

Ageing of Trade payables		As at March 31, 2023				
Particulars	Amount Not Due	Outstanding for the following period from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-
(ii) Others	-	584.04	-	-	-	584.04
(iii) Disputed dues- MSME	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-
Total	0.00	584.04	0.00	0.00	0.00	584.04

(All amounts in lakhs of INR, unless otherwise stated)

NOTE-5: Trade Payables ageing schedule as on March 31, 2022

Ageing of Trade payables		As at March 31, 2022				
Particulars	Amount Not Due	Outstanding for the following period from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-
(ii) Others	-	50.34	-	-	-	50.34
(iii) Disputed dues- MSME	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-
Total	-	50.34	-	-	-	50.34

(a) No interest is paid/payable during the year to any enterprise registered under the MSME Act.

(b) The above information has been determined to the extent such parties could be identified on the basis of the information available with the company regarding the status of suppliers under MSME.

(c) Ageing has been considered from the date of transaction.

NOTE-6: STATEMENT OF SHORT-TERM PROVISIONS AS RESTATED

Particulars	As at 31st March,			
	2025	2024	2023	2022
a) Provision for employee benefits				
-Provision for Gratuity	0.07	0.05	0.03	0.01
b) Other Provisions				
-Provision for Income Tax	170.09	55.53	26.04	2.35
-Provision for Statutory Dues	13.79	8.18	11.15	8.85
-Provision for Doubtful debts	-	-	-	-
Total	183.95	63.75	37.22	11.20

NOTE-7: STATEMENT OF OTHER CURRENT LIABILITIES AS RESTATED

Particulars	As at March 31,			
	2025	2024	2023	2022
a) Advance from Customers	2.89	2.57	21.11	0.26
b) Other Payables				
-Salary payable to employees	26.23	22.89	16.89	23.19
-Expense payable to employees	4.67	4.85	16.87	2.56
-Other expenses payables	3.17	3.75	12.83	0.99
-Refundable security deposits	1.80	7.60	-	-
Total	38.76	41.66	67.70	27.00

Note- 8: Property, Plant & Equipment and Intangibles as at 31.03.2025

S.No	Particulars	Gross Amount			Depreciation & Amortization					Net Carrying Amount			
		Cost as on 01.04.2024	Additions for the year	Deletions for the year	Cost as at 31.03.2025	Upto 31.03.2024	Depreciation for the year	Deletions for the year	Upto 31.03.2025	WDV as at 31.03.2025	WDV as at 31.03.2024	Dep Rate	
<u>Tangible Assets</u>													
1	Data Processing Equipments												
(i)	Server and Networks	3.27	-	-	3.27	2.25	0.40	-	2.65	0.62	1.02	39.30%	
(ii)	End user devices	28.59	10.07	-	38.66	13.88	12.12	-	26.00	12.66	14.71	63.16%	
2	Furniture & Fittings	2.16	-	-	2.16	0.91	0.32	-	1.23	0.92	1.25	25.89%	
3	Office Equipment	4.99	-	-	4.99	3.02	0.89	-	3.91	1.08	1.97	45.07%	
4	Airconditioner	0.86	-	-	0.86	0.61	0.11	-	0.72	0.14	0.25	45.07%	
5	Plant & Machinery	61.71	41.37	-	103.09	3.83	14.33	-	18.15	84.93	57.88	45.07%	
Total (a)		101.58	51.44	-	153.03	24.50	28.17	-	52.67	100.35	77.08		
<u>Intangible Assets</u>													
1	Software	44.01	2.01		46.02	15.26	14.26	-	29.52	16.50	28.75	63.16%	
Total (b)		44.01	2.01	-	46.02	15.26	14.26	-	29.52	16.50	28.75		
Total (a+b)		145.59	53.45	-	199.04	39.76	42.43	-	82.19	116.85	105.83		
Previous Year		46.48	99.11	-	145.59	21.00	18.76	-	39.76	105.83	25.49		

Property, Plant & Equipment and Intangibles as at 31.03.2024

S.No	Particulars	Gross Amount			Depreciation & Amortization				Net Carrying Amount				
		Cost as on 01.04.2023	Additions for the year	Deletions for the year	Cost as at 31.03.2024	Upto 31.03.2023	Depreciation for the year	Deletions for the year	Up to 31.03.2024	WDV as at 30.03.2024	WDV as at 31.03.2023	Dep Rate	
<u>Tangible Assets</u>													
1	Data Processing Equipments												
(i)	Server and Networks	3.27	-	-	3.27	1.59	0.66	-	2.25	1.02	1.68	39.30%	
(ii)	End user devices	12.64	15.96	-	28.59	8.60	5.29	-	13.88	14.71	4.04	63.16%	
2	Furniture & Fittings	1.63	0.53	-	2.16	0.51	0.40	-	0.91	1.25	1.12	25.89%	
3	Office Equipment	4.24	0.75	-	4.99	1.56	1.46	-	3.02	1.97	2.68	45.07%	
4	Airconditioner	0.86	-	-	0.86	0.40	0.21	-	0.61	0.25	0.46	45.07%	
5	Plant & Machinery	6.70	55.01	-	61.71	0.57	3.26	-	3.83	57.88	6.13	45.07%	
Total (a)		29.34	72.25	-	101.58	13.22	11.28	-	24.50	77.08	16.11		
<u>Intangible Assets</u>													
1	Software	17.14	26.86	-	44.01	7.77	7.48	-	15.26	28.75	9.37	63.16%	
Total (b)		17.14	26.86	-	44.01	7.77	7.48	-	15.26	28.75	9.37		
Total (a+b)		46.48	99.11	-	145.59	21.00	18.76	-	39.76	105.83	25.49		
Previous Year		28.24	18.24	-	46.48	5.98	15.02	-	21.00	25.49	22.27		

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Note- 8: Property, Plant & Equipment and Intangibles as at 31.03.2023

S.No	Particulars	Gross Amount			Depreciation & Amortization				Net Carrying Amount			
		Cost as on 01.04.2022	Additions for the year	Deletions for the year	Cost as at 31.03.2023	Upto 31.03.2022	Depreciation for the year	Deletions for the year	Up to 31.03.2023	WDV as at 31.03.2023	WDV as at 31.03.2022	Dep Rate
<u>Tangible Assets</u>												
1	Data Processing Equipments											
(i)	Server and Networks	3.27	-	-	3.27	0.51	1.09	-	1.59	1.68	2.76	39.30%
(ii)	End user devices	10.83	1.80	-	12.64	2.85	5.75	-	8.60	4.04	7.99	63.16%
2	Furniture & Fittings	1.56	0.07	-	1.63	0.12	0.39	-	0.51	1.12	1.44	25.89%
3	Office Equipment	1.78	2.45	-	4.24	0.54	1.01	-	1.56	2.68	1.24	45.07%
4	Airconditioner	0.86	-	-	0.86	0.02	0.38	-	0.40	0.46	0.84	45.07%
5	Plant & Machinery	-	6.70	-	6.70	-	0.57	-	0.57	6.13	-	45.07%
Total (a)		18.31	11.03	-	29.34	4.04	9.19	-	13.22	16.11	14.27	
<u>Intangible Assets</u>												
1	Software	9.94	7.21	-	17.15	1.94	5.83	-	7.77	9.37	8.00	63.16%
Total (b)		9.94	7.21	-	17.15	1.94	5.83	-	7.77	9.37	8.00	
Total (a+b)		28.24	18.24	-	46.48	5.98	15.02	-	21.00	25.49	22.27	
Previous Year		-	28.76	0.52	28.24	-	5.98	-	5.98	22.27	-	

Property, Plant & Equipment and Intangibles as at 31.03.2022[illegible]

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CIN : U74999DL2021PLC399313

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NOTE- 9: STATEMENT OF NON-CURRENT INVESTMENT AS RESTATED

Particulars	As at March 31,			
	2025	2024	2023	2022
Balance in Fixed Deposits with banks	67.66	18.79	10.49	146.25
Other Investments (Unquoted, fully paid):				
Investment in Preference Shares:				
Long term Investment in Unquoted 119 Compulsory Convertible Preference Shares (CCPS) of N.G. Consumertech Private Limited of Face Value of Rs 10/- each (At Cost)- Fully Paid up	14.96	-	-	-
Total	82.62	18.79	10.49	146.25

Note: Fixed Deposit amounting to Rs 7.66 lacs (PY: Rs 7.66 lacs) has been pledged with the bank as cash margin against the bank guarantee.

NOTE - 10: STATEMENT OF DEFERRED TAX ASSETS**Note -10.1 - Deferred Tax Working as per Restated Financial Statements**

Particulars	As at 31.03.2025	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
WDV as per Company Act, 2013	116.85	105.83	25.49	22.27
Less: WDV as per Income Tax Act, 1961	137.57	113.40	32.24	22.86
Provision for Gratuity as per Companies Act	17.47	10.43	6.21	2.01
Provision as per Income Tax Act, 1961	-	-	-	-
Timing Difference due to Fixed Assets	20.72	7.56	6.75	0.59
Timing Difference due to Gratuity	17.47	10.43	6.21	2.01
Difference due to non deduction of TDS	0.30	-	-	-
Timing Difference due to provision for doubtful debts	-	-	-	-
Net Timing Difference	38.49	18.00	12.96	2.61
(x) Tax Rate	27.82	27.82	27.82	27.82
Deferred Tax Assets	10.71	5.01	3.61	0.73
Previous Year's Deferred Tax Assets	5.01	3.61	0.73	-
Add: Short/(Excess) of Previous year	-	-	-	-
Debit/(Credit) to P&L Account	(5.70)	(1.40)	(2.88)	(0.73)

Note -10.2 - Deferred Tax Working as per Audited Financial Statements

Particulars	As at 31.03.2025	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
WDV as per Company Act, 2013	116.85	106.64	25.49	22.27
Less: WDV as per Income Tax Act, 1961	137.57	113.40	32.24	22.86
Provision for Gratuity as per Companies Act	-	-	-	-
Provision as per Income tax act	-	-	-	-
Timing Difference due to Depreciation	20.72	6.76	6.75	0.59
Timing Difference due to Gratuity	-	-	-	-
Net Timing Difference	20.72	6.76	6.75	0.59
(x) Tax Rate	27.82	26.00	26.00	26.00
Deferred Tax Assets	5.76	1.76	1.75	0.15
Previous Year's Deferred Tax Asset	1.76	1.75	0.15	-
Add: Short Provision of Previous year	-	-	-	-
Debit/(Credit) to P&L Account	(4.01)	(0.00)	(1.60)	(0.15)

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Note 10.3 - Difference in Deferred Tax Working as per Audited Financials and Restated Financials

Particulars	As at 31.03.2025	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
Deferred Tax Asset as Per Restated BS	10.71	5.01	3.61	0.73
Deferred Tax Asset as Client BS	5.76	1.76	1.75	0.15
Add: Short/(Excess)	4.94	3.25	1.85	0.57

Particulars	As at 31.03.2025	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
Deferred Tax Asset/(Liability) as Restated P&L	(5.70)	(1.40)	(2.88)	(0.73)
Deferred Tax Asset/(Liability) as Client P&L	(4.01)	(0.00)	(1.60)	(0.15)
Add: Short/(Excess)	(1.69)	(1.40)	(1.28)	(0.57)

NOTE-11: STATEMENT OF OTHER NON-CURRENT ASSETS AS RESTATED

Particulars	As at March 31,			
	2025	2024	2023	2022
a) Security deposits- Rent & EMD	107.64	104.54	81.04	3.16
b) Others				
-Preliminary expenses not written off	12.00	1.14	1.71	2.28
Total	119.64	105.68	82.75	5.44

Note: Earnest Money Deposits amounting to Rs.99.76 lacs (PY: 99.72 lacs) have been submitted against tenders, primarily for contracts involving supply and warranty obligations. These are recoverable upon completion of contractual terms.

NOTE-12: STATEMENT OF TRADE RECEIVABLES AS RESTATED

Particulars	As at March 31,			
	2025	2024	2023	2022
a) Secured, considered good	-	-	-	-
b) Unsecured, considered good	1,853.62	626.53	468.58	161.75
c) Doubtful	9.53	16.83	2.60	-
Total	1863.15	643.36	471.18	161.75
Less: Provision for doubtful receivables	6.33	9.41	1.30	-
Total	1856.81	633.95	469.88	161.75

Note 12.1: Ageing of Trade Receivables as at March 31, 2025

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables-considered good	1,831.58	22.04	-	-	-	1,853.62
(ii) Undisputed Trade Receivables-considered doubtful	-	-	6.39	1.15	1.98	9.53
(iii) Disputed Trade Receivables-considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables-considered doubtful	-	-	-	-	-	-
Total	1831.58	22.04	6.39	1.15	1.98	1863.15

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Note 12.2: Ageing of Trade Receivables as at March 31, 2024

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables-considered good	607.18	19.35	-	-	-	626.53
(ii) Undisputed Trade Receivables-considered doubtful	-	-	14.85	1.98	-	16.83
(iii) Disputed Trade Receivables-considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables-considered doubtful	-	-	-	-	-	-
Total	607.18	19.35	14.85	1.98	-	643.36

Note 12.3: Ageing of Trade Receivables as at March 31, 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables-considered good	446.07	22.51	-	-	-	468.58
(ii) Undisputed Trade Receivables-considered doubtful	-	-	2.60	-	-	2.60
(iii) Disputed Trade Receivables-considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables-considered doubtful	-	-	-	-	-	-
Total	446.07	22.51	2.60	-	-	471.18

Note 12.4: Ageing of Trade Receivables as at March 31, 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables-considered good	161.75	-	-	-	-	161.75
(ii) Undisputed Trade Receivables-considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables-considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables-considered doubtful	-	-	-	-	-	-
Total	161.75	-	-	-	-	161.75

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NOTE-13: STANDALONE STATEMENT OF INVENTORIES AS RESTATED

Particulars	As at March 31,			
	2025	2024	2023	2022
a) Inventories:				
-Raw Materials**	38.56	43.08	149.51	1.98
-Work-in-progress	-	-	-	-
-Finished Goods	482.45	435.14	62.94	72.80
-Stock-in-Trade	133.96	143.37	23.42	-
b) Goods-in-Transit				
-Raw Materials**	-	-	313.28	-
-Work-in-progress	-	-	-	-
-Finished Goods	-	-	-	-
-Stock-in-Trade	-	-	-	-
Total	654.96	621.59	549.15	74.78

* Mode of valuation: Cost or Net Realisable Value whichever is lower.

** Includes Packing Materials

NOTE-14: STATEMENT OF CASH AND CASH EQUIVALENTS AS RESTATED

Particulars	As at March 31,			
	2025	2024	2023	2022
a) Cash on hand	0.69	2.01	0.03	-
b) Balances with bank on current account	35.95	135.86	58.17	7.27
c) Fixed Deposit	-	-	-	-
Total	36.64	137.87	58.20	7.27

NOTE-15: STATEMENT OF SHORT-TERM LOANS AND ADVANCES AS RESTATED

Particulars	As at March 31,			
	2025	2024	2023	2022
a) Loans and advances to Related Parties	-	-	-	-
b) Other loans and advances				
<u>Unsecured, considered good</u>				
-Advances to vendors	61.99	159.92	205.46	147.30
-Advances to other creditors	1.77	1.52	2.40	4.69
-Advance to employees	0.45	-	-	0.20
-Employees imprest account	-	-	-	0.12
Prepaid expenses	17.33	6.87	7.40	0.96
Total	81.53	168.30	215.26	153.27

NOTE-16: STATEMENT OF OTHER CURRENT ASSETS AS RESTATED

Particulars	As at March 31,			
	2025	2024	2023	2022
a) Balance with statutory authorities	14.15	39.28	42.38	20.45
b) Interest accrued on Fixed Deposits	1.31	0.57	0.33	0.87
c) MAT Credit Entitlement	0.00	44.62	9.50	0.96
d) Security deposits- Rent & Others	-	-	0.70	-
e) Advance Income Tax and TDS	54.15	43.89	5.05	0.20
Total	69.61	128.35	57.98	22.48

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NOTE-17: STATEMENT OF REVENUE FROM OPERATIONS AS RESTATED

Particulars	For the year ended March 31,			
	2025	2024	2023	2022
Revenue from Operations:				
A) Sale of Products:				
a) Finished Goods:				
<u>-Hearing Aids</u>				
(i) Domestic Sale	3393.80	2,368.60	2,568.61	449.13
(ii) Exports	0.91	3.35	0.42	-
<u>-Others</u>				
(i) Domestic Sale	499.26	160.94	-	-
(ii) Exports	-	-	-	-
b) Traded Goods:				
<u>-Hearing Aids</u>				
(i) Domestic Sale	211.12	89.72	129.62	90.69
(ii) Exports	-	6.60	1.87	-
<u>-Hearing Aids Parts & Accessories</u>				
(i) Domestic Sale	101.11	463.74	75.84	-
(ii) Exports	33.19	0.88	-	-
	4,239.39	3,093.83	2,776.36	539.82
B) Sale of Services:				
-Support services - Conversion Charge	55.49	78.13	106.66	26.16
-Support services- Consultancy charges	0.19	0.59	5.81	3.19
-Freight Charge	-	2.91	2.81	-
-Franchise Fees	11.86	-	-	-
-Audiometry Charge	3.69			
	71.24	81.63	115.27	29.35
C) Other Operating Revenues	-	-	-	-
Total (A+B+C)	4,310.62	3,175.46	2,891.63	569.17

NOTE-18: STATEMENT OF OTHER INCOME AS RESTATED

Particulars	For the year ended March 31,			
	2025	2024	2023	2022
a) Interest income on Bank deposits	1.04	1.56	0.79	0.98
b) Exchange fluctuation differences	5.10	16.46	4.09	2.73
c) Other non-operating income	2.43	3.20	0.17	0.14
d) Reversal of Provision for Doubtful Debts	-	-	-	-
e) Short & excess	0.01	-	-	-
Total	8.59	21.22	5.05	3.85

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NOTE-19: STATEMENT OF COST OF MATERIAL CONSUMED AND PURCHASE OF STOCK-IN-TRADE AS RESTATED

Particulars	For the year ended March 31,			
	2025	2024	2023	2022
I) Cost of Material Consumed				
A) Opening Stock of Raw material	43.08	149.51	1.98	-
B) Add: Purchases of Raw Material:				
- Domestic	558.28	154.29	900.96	174.41
- Import	1,505.18	1,628.62	1,058.45	98.62
(i) Custom Agency Charges	3.82	3.44	3.24	0.26
(ii) Custom Handling Expenses	1.43	4.09	1.60	0.60
(iii) Freight Inward	11.72	19.01	2.88	0.93
(iv) Impression Material	-	-	-	0.11
(v) Custom Duty & GST	36.38	95.42	49.97	-
(vii) Consumable Stores	0.91	3.71	7.09	-
(vii) Laser Printing Expenses	3.79	4.90	5.03	0.43
Total (B)	2,121.52	1,913.47	2,029.22	275.35
C) Less: Closing Stock of Raw Material	38.56	43.08	149.51	1.98
Total (D) = (A) + (B) - (C)	2,126.04	2,019.90	1,881.69	273.37
II) Purchase of Stock-in-Trade:				
- Domestic	460.31	609.63	188.35	-
- Import	13.18	-	-	-
Total (E)	473.49	609.63	188.35	-
Total (D) + (E)	2,599.53	2,629.53	2,070.05	273.37

NOTE-20: STATEMENT OF CHANGES IN INVENTORIES OF FINISHED GOODS, WORK -IN-PROGRESS AND STOCK IN TRADE AS RESTATED

Particulars	For the year ended March 31,			
	2025	2024	2023	2022
A) Closing Inventories				
-Finished goods	482.45	435.14	62.94	72.80
-Work-in-progress	-	-	-	-
-Stock-in-Trade	133.96	143.37	23.42	-
-Goods -in-Transit	-	-	-	-
Total (A)	616.41	578.51	86.36	72.80
B) Opening Inventories				
-Finished goods	435.14	62.94	72.80	-
-Work-in-progress	-	-	-	-
-Stock in Trade	143.37	23.42	-	-
-Goods -in-Transit	-	-	-	-
Total (B)	578.51	86.36	72.80	-
Net Increase (B) - (A)	(37.90)	(492.15)	(13.56)	(72.80)

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NOTE-21: STATEMENT OF EMPLOYEE BENEFITS EXPENSE AS RESTATED

Particulars	For the year ended March 31,			
	2025	2024	2023	2022
a) Salaries and Wages	373.91	313.50	273.24	139.87
b) Contribution to Provident Fund	17.65	19.04	17.37	5.36
c) Gratuity Expense	7.04	4.22	4.20	2.01
d) Staff Welfare Expenses	7.59	4.72	2.40	1.74
Total	406.19	341.48	297.20	148.98

NOTE-22: STATEMENT OF FINANCE COSTS AS RESTATED

Particulars	For the year ended March 31,			
	2025	2024	2023	2022
a) Interest expense from banks	38.41	16.90	0.88	-
b) Other borrowing costs	2.44	16.36	4.78	-
Grand Total	40.86	33.25	5.66	-

NOTE-23: STATEMENT OF DEPRECIATION AND AMORTISATION AS RESTATED

Particulars	For the year ended March 31,			
	2025	2024	2023	2022
a) Depreciation on Tangible Assets	28.17	11.28	9.19	4.04
b) Amortization of Intangible Assets	14.26	7.48	5.83	1.94
Total	42.43	18.76	15.02	5.98

NOTE-24: STATEMENT OF OTHER EXPENSES AS RESTATED

Particulars	For the year ended March 31,			
	2025	2024	2023	2022
Advertisement	55.47	96.84	225.23	132.78
Business Promotion	53.76	24.58	25.81	3.75
Rent	42.16	30.12	14.66	8.69
Legal and professional fees	66.76	56.34	27.88	34.79
Freight & Courier	40.69	24.88	16.98	1.61
Subscription, License & Registration Fees	3.72	10.51	8.03	1.34
Hearing Aid Development Cost- R&D	-	16.56	-	-
Tours & Travels	27.66	14.96	8.00	3.28
Hotel & Lodging	7.91	2.95	0.35	0.93
Conveyance	19.65	14.00	6.03	2.71
Power & Fuel	7.61	9.07	2.75	1.16
Repair and maintenance	8.08	7.23	11.23	5.60
Telephone	7.73	5.33	4.14	1.82
Office expenses	10.23	6.89	5.86	1.20
Insurance	1.53	1.03	0.08	0.00
Printing and stationery	0.55	0.96	0.89	0.53
GEM Transaction Charges	6.84	4.81	13.94	0.00
Recruitments Expenses	1.13	1.18	0.22	1.25
Selling Discount	-	-	-	2.73
Bank Charges	3.07	2.39	2.48	0.52
Miscellaneous Expenses	2.74	0.78	0.05	1.02
Provision for Doubtful debts	(3.08)	8.11	1.30	0.00
Commission & Brokerage Expenses	1.74	1.34	0.60	0.00
Preliminary Expenses Written Off	0.57	0.57	0.57	0.57
Grand Total	366.53	341.43	377.07	206.27

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NOTE - 25 (a): STATEMENT OF RELATED PARTIES DISCLOSURES AS RESTATED

As required under Accounting Standard 18 "Related Party Disclosures" as notified pursuant to Company (Accounting Standard) Rules 2006, following are details of transactions during the year with related parties of the company as defined in AS 18.

List of Related Parties and Nature of Relationship :

Nature of Relationship	As at 31st March,			
	2025	2024	2023	2022
Key Management Personnel	Rohit Misra - Managing Director & CEO Monika Misra- Whole Time Director Ajay Kumar Giri- Director & CFO Rahul Salesha - Director Preeti Srivastava- Company Secretary	Rohit Misra - Director Monika Misra- Director Priyadarshi Jha - Managing Director Shailendra Yadav- Director Ajay Kumar Giri- Director Rahul Salesha - Director	Rohit Misra - Director Monika Misra- Director Priyadarshi Jha - Managing Director Shailendra Yadav- Director Ajay Kumar Giri- Director Rahul Salesha - Director	Rohit Misra - CEO Priyadarshi Jha - Managing Director Shailendra Yadav- Director Ajay Kumar Giri- Addl. Director
Enterprises significantly influenced by key management personnel	N/A	N/A	N/A	N/A
Enterprises significantly influenced by key management relatives of key management personnel (Relatives of Key Management Personnel)	N/A	Oishi Care (Sole Proprietor) - Director's Relative (Resigned on 30.11.2023)	Oishi Care - Director's Relative	Oishi Care - Director's Relative

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NOTE - 25 (b): STATEMENT OF RELATED PARTIES TRANSACTIONS AS RESTATED

Nature of Transactions	Name of Related Parties	As at 31st March,			
		2025	2024	2023	2022
1. Remuneration to Key Management Personnel	Priyadarshi Jha	N/A**	14.57	16.92	15.00
	Rohit Misra	78.96	78.96	78.96	42.00
	Ajay Kumar Giri	14.81	14.10	14.10	1.43
	Monika Misra	45.12	45.12	N/A*	N/A*
	Rahul Salesha	34.82	33.16	N/A*	N/A*
	Shailendra Yadav	N/A**	Nil	Nil	Nil
	Geetika Chawla	0.96	Nil	Nil	Nil
	Preeti Srivastava	1.57	Nil	Nil	Nil
Total		176.24	185.91	109.98	58.43
2. Purchase of goods	Oishi Care	N/A**	-	3.33	0.30
Total		-	-	3.33	0.30
3. Loans Received From	Shailendra Yadav	-	-	-	25.00
	Priyadarshi Jha	-	-	-	26.00
Total		-	-	-	51.00
4. Loans Paid To	Priyadarshi Jha	-	-	-	26.00
	Shailendra Yadav	-	-	25.00	-
Total		-	-	25.00	-
5. Sale of Goods & Services	Oishi Care	N/A**	22.09	25.43	10.23
6. Reimbursement of Expenses	Priyadarshi Jha	N/A**	0.05	4.99	19.70
	Shailendra Yadav	N/A**	-	-	-
	Rohit Misra	13.79	73.99	82.32	5.83
	Ajay Kumar Giri	2.92	0.00	0.47	-
	Monika Misra	8.12	6.89	0.14	N/A*
	Rahul Salesha	5.90	4.12	0.02	N/A*
	Geetika Chawla	-	N/A*	N/A*	N/A*
	Preeti Srivastava	-	N/A*	N/A*	N/A*
Total		30.73	85.05	87.95	25.52
Total (1+2+3+4+5+6)		206.97	293.05	251.69	171.48

NOTE -25 (c): YEAR END BALANCES WITH RELATED PARTIES

Name of Related Parties	Balance Outstanding as at			
	31.03.2025	31.03.2024	31.03.2023	31.03.2022
Rohit Misra	1.56	(1.75)	(14.82)	(0.52)
Monika Misra	0.22	(0.74)	(1.28)	N/A*
Rahul Salesha	(0.33)	(0.04)	(0.05)	N/A*
Ajay Kumar Giri	-	-	-	-
Geetika Chawla	-	N/A*	N/A*	N/A*
Preeti Srivastava	-	N/A*	N/A*	N/A*
Priyadarshi Jha	-	N/A**	-	(1.79)
Shailendra Yadav	-	-	-	(0.00)
Oishi Care	-	4.60	3.98	(0.25)

*** Date of Joining**

-Monika Misra 24/03/2023
 -Rahul Salesha 24/03/2023
 -Geetika Chawla 23/09/2024
 -Preeti Srivastava 17/02/2025

**** Date of Leaving/Resigning**

-Priyadarshi Jha 30/11/2023
 -Shailendra Yadav 10/07/2024
 -Geetika Chawla 15/02/2025

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NOTE -26 : STATEMENT OF CAPITALISATION AS RESTATED

Sr. No	Particulars	Post issue
	Debts:	
A	Long Term Debt	-
B	Short Term Debt	495.93
C	Total Debt	495.93
	Shareholder's Funds:	
	Equity Share Capital	1,043.89
	Reserves and Surplus	947.77
	Less: Misc. Expenditure	-
D	Total Shareholder's Funds	1,991.66
E	Total Capitalization	2,487.59
	Long Term Debt/Shareholder's Funds (A/D)	-
	Total Debt/ Shareholder's Funds (C/D)	0.25

Notes :

Long Term Debt are borrowings other than short-term borrowings and also includes current maturities of long- term debt included in other current liabilities.

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NOTE -27: STATEMENT OF EARNINGS PER SHARE AS RESTATED

Particulars		Before Extraordinary items	After Extraordinary items	Before Extraordinary items	After Extraordinary items	Before Extraordinary items	After Extraordinary items	Before Extraordinary items	After Extraordinary items
		March 31, 2025	March 31, 2025	March 31, 2024	March 31, 2024	March 31, 2023	March 31, 2023	March 31, 2022	March 31, 2022
Profit after tax	A	688.17	688.17	305.81	305.81	131.20	131.20	10.56	10.56
Dilutive effect on the profit	B	-	-	-	-	-	-	-	-
Profit attributable to equity shareholders for computing diluted EPS	C=A +/- B	688.17	688.17	305.81	305.81	131.20	131.20	10.56	10.56
Weighted average number of Equity shares outstanding for Basic EPS	D	104.39	104.39	151.00	151.00	151.00	151.00	151.00	151.00
Dilutive effect of outstanding potential equity shares - No. of equity shares	E	-	-	57.78	57.78	57.78	57.78	57.78	57.78
Weighted average number of Equity shares for Diluted EPS	F=D+E	104.39	104.39	208.78	208.78	208.78	208.78	208.78	208.78
(a) Basic Earnings per share	A/D	6.59	6.59	2.03	2.03	0.87	0.87	0.07	0.07
(b) Diluted Earnings per share	C/F	6.59	6.59	1.46	1.46	0.63	0.63	0.05	0.05

Notes :

Pursuant to the approval of the shareholders accorded on 30th September, 2024 vide ordinary resolution in Extra Ordinary General Meeting conducted by the Company, each equity share of face value of Rs 10 per share was sub-divided in to two equity shares of face value Rs 5/- per share, with effect from 30th september , 2024.

Pursuant to approval given by the shareholders on 30 Sep, 2024, the Company has issued 2,07,39,600 fully paid up bonus equity shares of Face value of Rs 5/- each in the ratio of 150 (One hundred Fifty) equity share of Rs 5/- each for every 1 (One) existing equity share of Rs 5/- each as on record date September 30, 2024.

Accordingly, the earnings per share has been adjusted for previous periods and presented in accordance with AS 20, Earnings Per Share

Notes :

- 1) The ratios have been calculated as below:
 - a) Basic Earnings Per Share (Rs.) = Restated PAT attributable to Equity Shareholders/ Weighted Average Number of Equity Shares outstanding during the six months/year.
 - b) Diluted Earnings Per Share (Rs.) = (Restated PAT attributable to Equity Shareholders + Interest adjusted for tax expense)/ Weighted Average Number of Diluted Potential Equity Shares outstanding during the six months/year.
 - c) Return on Net Worth (%) = Restated PAT attributable to Equity Shareholders/ Net Worth X 100.
 - d) Restated Net Asset Value per equity share (Rs.) = Restated Net Worth as at the end of the six months/year/ Total Number of Equity Shares outstanding during the six months/year.
- 2) Weighted Average Number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion to total number of days during the year. Further, number of shares are after considering the impact of buyback of the shares.
- 3) Weighted Average Number of equity shares which would be issued on the conversion of all optionally convertible debentures into equity shares.
- 4) Earnings Per Share calculation are in accordance with Accounting Standard 20- Earnings Per Share, notified under the Companies (Accounting Standards) Rules 2006, as amended.
- 5) Net Worth = Equity Share Capital + Reserve and Surplus (including surplus in the Statement of Profit & Loss)
- 6) The figures disclosed above are based on the Restated Standalone Financial Statements of the Company.

NOTE -28: STATEMENT OF CHANGES IN ACCOUNTING RATIOS AS RESTATED

No.	Particular	Numerator	Denominator	31.03.2025	31.03.2024	31.03.2023	31.03.2022
1	Current ratio	Current Assets	Current Liabilities	2.65	2.76	1.67	3.70
2	Debt-equity ratio	Total Debt	Shareholder's Equity	0.26	0.31	0.19	0.06
3	Interest service coverage ratio	Earnings available for debt service	Debt Service (Interest Expense)	24.10	11.32	29.30	-
4	Return on equity ratio	Net Profits after taxes-Preference Dividend (if any)	Avg Shareholder's Equity	0.42	0.31	0.23	0.04
5	Inventory turnover ratio	Cost of goods sold	Average Inventory	4.01	3.65	6.59	5.36
6	Trade receivables turnover ratio	Total Sales	Average Trade Receivables	3.46	5.75	9.16	7.04
7	Trade payables turnover ratio	Total Purchases	Average Trade Payables	12.75	7.62	6.53	10.86
8	Net capital turnover ratio	Total Sales	Working Capital	3.13	3.95	6.85	3.75
9	Net profit ratio	Net Profit	Net Sales	16%	10%	5%	2%
10	Return on capital employed	Earning before interest and taxes	Capital Employed	47%	27%	23%	2%

NOTE -28: STATEMENT OF CHANGES IN ACCOUNTING RATIOS AS RESTATED

No.	Particular	31.03.2025	31.03.2024	31.03.2023	Reason For Variations
1	Current ratio	(0.12)	1.10	(2.03)	The Company was incorporated during FY 2021-22 and has recorded significant year-on-year growth in operations. During FY 2024-25, the current ratio declined due to a disproportionate increase in current liabilities compared to current assets. Within current assets, the increase was largely concentrated in trade receivables with only a marginal rise in inventory, while cash balances, loans and advances, and other current assets declined. On the other hand, current liabilities rose substantially with business expansion, resulting in an overall drop in the current ratio.
2	Debt-equity ratio	(0.06)	0.12	0.14	During FY 22-23, the Company availed only short-term borrowings from related parties to meet its immediate requirements. In FY 23-24, it diversified its funding base by raising secured loans from financial institutions, which strengthened its capital structure and improved the ratio. In FY 24-25, a marginal decrease in the ratio is observed, primarily on account of a significant increase in trade payables, short-term borrowings, and short-term provisions in line with operational expansion and working capital requirements.

NOTE -28: STATEMENT OF CHANGES IN ACCOUNTING RATIOS AS RESTATED

No.	Particular	31.03.2025	31.03.2024	31.03.2023	Reason For Variations
3	Interest service coverage ratio	12.79	(17.98)	29.30	In FY 2022-23, the Company's borrowings were relatively low, resulting in lower interest outflow and a stronger ratio. In FY 23-24, borrowings increased significantly, leading to higher interest expenses and a consequent decline in the ratio. In FY24-25, borrowings and related interest costs rose further; however, the ratio improved, reflecting stronger profitability and better cost management.
4	Return on equity ratio	0.11	0.08	0.19	The increase in ROE is primarily driven by a sharp rise in net profits relative to the increase in net worth. While equity has grown over the years, profitability has improved at a faster pace, supported by operational expansion, better cost management, and efficient utilization of capital, resulting in higher returns on shareholders' funds.
5	Inventory turnover ratio	0.36	(2.94)	1.23	The increase in ratio is primarily due to a significant reduction in average inventory levels, while the cost of material consumed has remained broadly stable. This indicates faster inventory movement reflecting better inventory management.
6	Trade receivables turnover ratio	(2.29)	(3.40)	2.12	The ratio has declined over the years, primarily due to a steady increase in average trade receivables despite growth in revenue. This indicates a lengthening of the collection cycle, as higher receivables are being maintained relative to sales. The trend reflects extended credit terms or slower collections from customers, leading to reduced efficiency in receivables management.
7	Trade payables turnover ratio	5.13	1.10	(4.33)	The ratio has increased significantly in FY 2024-25, primarily due to a reduction in average trade payables despite broadly stable credit purchases. This indicates faster settlement of supplier dues and a shorter payment cycle.
8	Net capital turnover ratio	(0.82)	(2.90)	3.10	The decline in the ratio is attributable to a substantial increase in average working capital over the years, outpacing the growth in revenue. While revenues have shown steady growth, the higher buildup of current assets relative to current liabilities has led to a larger working capital base.
9	Net profit ratio	0.06	0.05	0.03	The ratio has improved consistently over the period, as profit after tax has increased at a faster pace than sales. This improvement highlights effective cost control, better operational efficiency, and stronger margin realization, enabling the Company to retain a higher share of earnings from its revenues.
10	Return on capital employed (ROCE)	0.20	0.04	0.21	The ROCE has increased as EBIT has grown at a faster pace than the capital employed. This reflects improved operational efficiency, stronger profitability, and effective utilization of capital to generate higher returns.

EARKART LIMITED (FORMERLY KNOWN AS EARKART PRIVATE LIMITED)
Shop No. 8-P, Street No. 6, Vasundhara Enclave, East Delhi-110096, India
CIN : U74999DL2021PLC399313
(All amounts in lakhs of INR, unless otherwise stated)

NOTE -28: STATEMENT OF CHANGES IN ACCOUNTING RATIOS AS RESTATED

No.	Particulars	31.03.2025	31.03.2024	31.03.2023	31.03.2022
1	Current Ratio (Current Assets/Current liabilities)	2.65	2.76	1.67	3.70
	Current Assets	2,700	1,690	1,350	420
	Current Liabilities	1,020	612	810	114
	Current Assets Includes the items mentioned below:				
	(a) Inventories	655	622	549	75
	(b) Trade Receivables	1,857	634	470	162
	(c) Cash And Cash Equivalents	37	138	58	7
	(d) Short-Term Loans & Advances	82	168	215	153
	(e) Other Current Assets	70	128	58	22
	(f) Investment in subsidiary				
	Total Current Assets	2,700	1,690	1,350	420
	Current Liabilities Includes the items mentioned below:				
	(a) Short Term Borrowings	496	400	121	25
	(b) Trade Payables	302	106	584	50
	(c) Other Current Liabilities	39	42	68	27
	(d) Short Term Provisions	184	64	37	11
	Total Current Liabilities	1,020	612	810	114
2	Debt Equity Ratio(Debt/Shareholder's Fund)	0.26	0.31	0.19	0.06
	Total Debt	513	410	128	27
	Shareholder's Fund	1,992	1,303	656	479
	Debt Includes the item mentioned below:				
	Long Term Borrowings	17	10	6	2
	Short Term Borrowings	496	400	121	25
	Total Debt	513	410	128	27

NOTE -28: STATEMENT OF CHANGES IN ACCOUNTING RATIOS AS RESTATED

No.	Particulars	31.03.2025	31.03.2024	31.03.2023	31.03.2022
	Shareholder's Fund Includes the Items mentioned below:				
	(a) Share Capital	1,044	7	7	7
	(b) Reserves And Surplus	948	1,297	649	472
	Total Shareholder's Fund	1,992	1,303	656	479
3	Debt Service coverage Ratio (Net Operating Income/Debt (Principal	24.10	11.32	29.30	-
	Profit	902	324	145	11
	Add: Non Operating Expense(Interest)	41	33	6	-
	Add: Non Operating Expense (Dep)	42	19	15	6
	Expense(Assets W/Off)	-	-	-	-
	Less: Non Operating Income	-	-	-	-
	Net Operating Income	985	376	166	17
	Debt Service	-	-	-	-
	Principal Amount repaid	-	-	-	-
	Interest	41	33	6	-
	Debt(Principal amount and Interest)				
4	Return on Equity (ROE) (%)	41.77%	31.21%	23.12%	4.41%
	Profit after Taxes	688	306	131	11
	Average Shareholder's Equity	1,647.58	979.87	567.46	239.34
5	Inventory turnover ratio (times)	4.01	3.65	6.59	5.36
	Cost of material Sold	2,561.63	2,137.38	2,056.49	200.57
	Average Inventory	638.28	585.37	311.97	37.39
6	Trade Receivables turnover	3.46	5.75	9.16	7.04
	Revenue	4,310.62	3,175.46	2,891.63	569.17
	Average Trade Receivable	1,245.38	551.92	315.81	80.87
7	Trade Payables turnover	12.75	7.62	6.53	10.86
	Credit Purchase	2599.53	2629.53	2070.05	273.37
	Average Trade Payable	203.83	345.01	317.19	25.17

NOTE -28: STATEMENT OF CHANGES IN ACCOUNTING RATIOS AS RESTATED

	Particulars	31.03.2025	31.03.2024	31.03.2023	31.03.2022
8	Net capital turnover ratio (times)	3.13	3.95	6.85	3.75
	Total Revenue	4,319	3,197	2,897	573
	Average working capital	1,378.91	809	423	153
	Working Capital	1,679.25	1,079	540	306
9	Net Profit Ratio	16%	10%	5%	2%
	Profit after tax	688	306	131	11
	Total Sales	4,319	3,197	2,897	573
10	Return on Capital employed (EBIT/Capital	47%	27%	23%	2%
	Capital Employed	1,992	1,303	656	479
	EBIT Calculation:				
	Profit before tax	902	324	145	11
	Add Interest Expenses	41	33	6	-
	EBIT	942	358	151	11
	Capital Employed Calculation:				
	Total Assets	3,029	1,925	1,473	594
	Less: Current Liabilities	1,020	612	810	114
	Less: Long term provisions	17	10	6	2
	Capital Employed	1,992	1,303	656	479

(All amounts in lakhs of INR, unless otherwise stated)

NOTE -29: DEFINED EMPLOYEE BENEFITS PLAN

Gratuity

The company has made provisions for the employees benefits in accordance with the Accounting Standard (AS) - 15 "Employee Benefits ". Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on death/ retirement/ termination is the employee's last drawn basic salary per month computed proportionately for 15 days multiplied for the number of years of completed service.

1) Changes in present value of obligation

S.No	Particulars	31/03/2025	31/03/2024	31/03/2023	31/03/2022
a)	Present value of obligation as beginning of the year	10.43	6.21	2.01	-
b)	Acquisition adjustment	-	-	-	-
c)	Interest cost	0.76	0.46	0.15	
d)	Past service cost	-	-	-	-
e)	Current service cost	6.23	4.89	4.29	2.01
f)	Curtailment cost/(Credit)	-	-	-	-
g)	Settlement cost/(Credit)	-	-	-	-
h)	Benefits paid	-	-	-	-
i)	Actuarial (gain)/loss on obligation	0.06	(1.12)	(0.24)	
j)	Present value of obligation as at the end of the year	17.47	10.43	6.21	2.01

2) Actuarial Gain / loss recognized

S.No	Particulars	31/03/2025	31/03/2024	31/03/2023	31/03/2022
a)	Actuarial gain /(loss) for the year- obligation	(0.06)	1.12	0.24	-
b)	Actuarial (gain)/loss for the year- plan assets	-	-	-	-
c)	Total (gain)/loss for the year	0.06	(1.12)	(0.24)	-
d)	Actuarial (gain) / loss recognized in the year	0.06	(1.12)	(0.24)	-

c) Amount recognised in balance sheet

S.No	Particulars	31/03/2025	31/03/2024	31/03/2023	31/03/2022
a)	Present value of obligation as at the end of the year	17.47	10.43	6.21	2.01
b)	Fair value of plan assets as at the end of the year	-	-	-	-
c)	Funded status / Difference	(17.47)	(10.43)	(6.21)	(2.01)
d)	Excess of actual over estimated	-	-	-	-
e)	Unrecognized actuarial (gains)/losses	-	-	-	-
f)	Net asset/(liability)recognized in balance sheet	(17.47)	(10.43)	(6.21)	(2.01)

(All amounts in lakhs of INR, unless otherwise stated)

NOTE -29: DEFINED EMPLOYEE BENEFITS PLAN

d) Expense recognized in the statement of profit and loss

S.No	Particulars	31/03/2025	31/03/2024	31/03/2023	31/03/2022
a)	Current service cost	6.23	4.89	4.29	2.01
b)	Past service cost	-	-	-	-
c)	Interest cost	0.76	0.46	0.15	-
d)	Expected return on plan assets	-	-	-	-
e)	Curtailement cost / (Credit)	-	-	-	-
f)	Settlement cost / (credit)	-	-	-	-
g)	Net actuarial (gain)/ loss recognized in the year	0.06	(1.12)	(0.24)	-
h)	Expenses recognized in statement of profit & losses	7.04	4.22	4.20	2.01