

## INDEPENDENT AUDITOR'S REPORT

To the Members of Kusumgar Private Limited (formerly known as "Kusumgar Corporates Private Limited")

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of Kusumgar Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss, including Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information (hereinafter referred to as the "financial statements").

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

#### Basis for Opinion

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

#### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Director's report but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.





## Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

## Auditor's Responsibilities for the Audit of the Financial Statements

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

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Financial Statements.

## Other Matter

The comparative financial information of the Company for the year ended March 31, 2023 and the transition date opening Balance Sheet as at April 1, 2022 included in these financial statements, are based on the previously issued financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2021, specified under Section 133 and other relevant provisions of the Act audited by the predecessor auditor whose report for the year ended March 31, 2023 and March 31, 2022 dated September 7, 2023 and September 7, 2022 respectively expressed an unmodified audit opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of this matters.

## Report on Other Legal and Regulatory Requirements

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





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- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2(h)(vi) below relating to reporting under Rule 11(g).
- (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 2(b) above on reporting under Section 143(3)(b) and paragraph 2(h)(vi) below on reporting under Rule 11(g).
- (g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv.
    - 1. The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - 2. The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company shall, directly or indirectly, lend or invest in other persons



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or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

3. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.
- v. The Company has neither declared nor paid any dividend during the year.
- vi. Based on our examination, the Company has used an accounting software for maintaining its books of account during the year ended March 31, 2024, which has a feature of recording audit trail (edit log) facility, except that the audit trail feature was not enabled in the accounting software throughout the year.
3. In our opinion, according to information, explanations given to us, the provisions of Section 197 read with Schedule V of the Act and the rules thereunder are not applicable to the Company as it is a private Company.

For M S K A & Associates  
Chartered Accountants  
ICAI Firm Registration No. 105047W

  
Amrith Vaidya  
Partner  
Membership No. 101739  
UDIN: 24101739BKEZUG1228



Place: Mumbai  
Date: September 24, 2024



## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE FINANCIAL STATEMENTS OF KUSUMGAR PRIVATE LIMITED

### Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



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

For M S K A & Associates  
Chartered Accountants  
ICAI Firm Registration No. 105047W

Amrish Vaidya  
Partner  
Membership No. 101739  
UDIN: 24101739BKEZUG1228



Place: Mumbai  
Date: September 24, 2024



## ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF KUSUMGAR PRIVATE LIMITED FOR THE YEAR ENDED MARCH 31, 2024

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

- i. (a) A The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment, and relevant details of right-of-use assets.  
B The Company has maintained proper records showing full particulars of intangible assets.
- (b) Property, Plant and Equipment and right of use assets were physically verified by the management according to a phased programme designed to cover all items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of Property, plant and equipment and right of use assets have been physically verified by Management during the year. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the title deeds of immovable properties (other than properties where the Company is the lessee, and the lease agreements are duly executed in favour of the lessee) as disclosed in the financial statements are held in the name of the Company.
- (d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment (including Right of Use assets) and intangible assets during the year. Accordingly, the provisions stated under clause 3(i)(d) of the Order are not applicable to the Company.
- (e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988, as amended and rules made thereunder. Accordingly, the provisions stated under clause 3(i)(e) of the Order are not applicable to the Company.
- ii. (a) The inventory (excluding stocks-in-transit) has been physically verified by the management during the year. In our opinion, the frequency, coverage and procedure of such verification is reasonable and appropriate, having regard to the size of the Company and the nature of its operations. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.
- (b) During the year the Company has been sanctioned working capital limits in excess of Rs. 5 crores in aggregate from Banks on the basis of security of current assets and immovable fixed assets. Based on the records examined by us in the normal course of audit of the financial statements, quarterly returns filed with such Banks are in agreement with the books of accounts of the Company.
- iii. (a) According to the information and explanation provided to us, the Company has provided loans. The Company has not provided advances in the nature of loans, stood guarantee and provided security to any other entities during the year.



(A) The details of such loans to other parties are as follows:

|  | Guarantees | Security | Loans (Rs. in lakhs) | Advances in the nature of loans |
|--|------------|----------|----------------------|---------------------------------|
| Aggregate amount granted/provided during the year<br>- Others                      | Nil        | Nil      | 52.14                | Nil                             |
| Balance Outstanding as at balance sheet date in respect of above cases<br>- Others | Nil        | Nil      | 61.07                | Nil                             |

- (b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the investments made and terms and conditions in relation to grant of all loans and advances in the nature of loans, investments made are not prejudicial to the interest of the Company.
- (c) In In case of the loans and advances in the nature of loan, schedule of repayment of principal and payment of interest have been stipulated and the borrowers have been regular in the repayment of the principal and payment of interest.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no amounts overdue for more than ninety days in respect of the loans granted to other parties.
- (e) According to the information explanation provided to us, the loans granted has not fallen due during the year. Accordingly, the provisions stated under clause 3(iii)(e) of the Order are not applicable to the Company.
- iv. According to the information and explanations given to us, there are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Act, are applicable and accordingly, the provisions stated under clause 3(iv) of the Order is not applicable to the Company.
- v. According to the information and explanations given to us, the Company has neither accepted any deposits from the public nor any amounts which are deemed to be deposits, within the meaning of Sections 73, 74, 75 and 76 of the Companies Act, 2013 and the rules framed there under. Accordingly, the provisions stated under clause 3(iv) of the Order is not applicable to the Company. Also, there are no amounts outstanding as on March 31, 2024, which are in the nature of deposits.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.





- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including Goods and Services tax, provident fund, employees' state insurance, profession tax, income-tax, duty of customs, cess and other statutory dues have generally been regularly deposited with the appropriate authorities during the year, though there has been a slight delay in a few cases.

There are no undisputed amounts payable in respect of Goods and Services tax, provident fund, employees' state insurance, profession tax, income-tax, duty of customs, cess and other statutory dues in arrears as at March 31, 2024, outstanding for a period of more than six months from the date they became payable.

- (b) According to the information and explanation given to us and the records of the Company examined by us, there are no dues relating to goods and services tax, provident fund, employees' state insurance, profession tax, income-tax, duty of customs, cess and other statutory dues which have not been deposited on account of any dispute.
- viii. According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Income-tax Assessment of the Company. Accordingly, the provision stated under clause 3(viii) of the Order is not applicable to the Company.
- ix. (a) In our opinion and according to the information and explanations given to us and the records of the Company examined by us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations provided to us, money raised by way of term loans during the year have been applied for the purpose for which they were raised.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanation given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from an any entity or person on account of or to meet the obligations of its subsidiary.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiary. Accordingly, reporting under Clause 3(ix)(f) of the order is not applicable to the Company.
- x. (a) In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions stated under clause 3(x)(a) of the Order are not applicable to the Company.





- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully, partly, or optionally convertible debentures during the year. Accordingly, the provisions stated under clause 3(x)(b) of the Order are not applicable to the Company.
- xi. (a) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we report that no material fraud by the Company or on the Company has been noticed or reported during the year in the course of our audit.
- (b) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the provisions stated under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) As represented to us by the Management, there are no whistle-blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company. Accordingly, the provisions stated under clause 3(xii)(a) to (c) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 188 of the Companies Act, 2013, where applicable and details of such transactions have been disclosed in the financial statements as required by applicable accounting standards. Further, the Company is a private company and hence the provisions of section 177 of the Companies Act, 2013 are not applicable to the Company. Accordingly, provisions stated under clause 3(xiii) of the Order insofar as it relates to section 177 of the Companies Act, 2013, is not applicable to the Company.
- xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till the date of our audit report, for the period under audit.
- xv. According to the information and explanations given to us, in our opinion, during the year, the Company has not entered into any non-cash transactions with directors or persons connected with its directors and accordingly, the reporting on compliance with the provisions of Section 192 of the Companies Act, 2013 in clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 (2 of 1934) and accordingly, the provisions stated under clause 3(xvi)(a) of the Order are not applicable to the Company.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities during the year and accordingly, the provisions stated under clause 3 (xvi)(b) of the Order are not applicable to the Company.





- xvi. (c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Accordingly, the provisions stated under clause 3 (xvi)(c) of the Order are not applicable to the Company.
- xvi. (d) According to the information and explanations provided to us, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any Core Investment Company (as part of its group). Accordingly, the provisions stated under clause 3(xvi)(d) of the order are not applicable to the Company.
- xvii. Based on the overall review of financial statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Accordingly, the provisions stated under clause 3(xvii) of the Order are not applicable to the Company.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the provisions stated under clause 3(xviii) of the Order are not applicable to the Company.
- xix. According to the information and explanations given to us and on the basis of the financial ratios (as disclosed in Note 50 to the financial statements), ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. (a) According to the information and explanations given to us there are no projects other than ongoing projects in relation to which unspent amounts are required to be transferred to a Fund specified in schedule VII of the Act, 2013 under sub-section (5) of Section 135 of the Act. Accordingly, clause 3(xx)(a) of the Order is not applicable.
- (b) In respect of ongoing projects, the Company has transferred unspent amount to a special Account within a period of thirty days from the end of the financial year in compliance with sub-section (6) of Section 135 of the Act, 2013. Refer Note 52 to the financial statements.



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- xxi. According to the information and explanations given to us, the Company does not have any Subsidiary, Associate or Joint Venture. Accordingly, reporting under clause 3(xxi) of the Order is not applicable.

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration No. 105047W

Amrish Vaidya

Partner

Membership No. 101739

UDIN: 24101739BKEZUG1228



Place: Mumbai

Date: September 24, 2024



## ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF KUSUMGAR PRIVATE LIMITED

Referred to in paragraph 2(g) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Kusumgar Private Limited on the Financial Statements for the year ended March 31, 2024.

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

We have audited the internal financial controls with reference to financial statements of Kusumgar Private Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### Opinion

In our opinion, the Company, has in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note").

#### Managements' and Board of Director's Responsibility for Internal Financial Controls

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

#### Auditors' Responsibility

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

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





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

### Meaning of Internal Financial Controls With reference to Financial Statements

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

### Inherent Limitations of Internal Financial Controls With reference to financial statements

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

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration No. 105047W

Amrish Vaidya

Partner

Membership No. 101739

UDIN: 24101739BKEZUG1228



Place: Mumbai

Date: September 24, 2024



Kusumgar Private Limited (Formerly known as Kusumgar Corporates Private Limited)  
BALANCE SHEET AS AT 31 MARCH, 2024  
(Amount in INR Lakhs, unless otherwise stated)

| Particulars   | Notes | As at<br>31 March 2024 | As at<br>31 March 2023 | As at<br>01 April 2022 |
|---|-------|------------------------|------------------------|------------------------|
| <b>ASSETS</b>   |       |                        |                        |                        |
| <b>Non-current assets</b>                               |       |                        |                        |                        |
| Property, plant and equipment                           | 7     | 13,878.55              | 8,396.81               | 7,592.80               |
| Right-of-use assets                                     | 8(a)  | 4,182.48               | 874.24                 | 1,273.84               |
| Capital work in progress                                | 9     | 843.36                 | 18.96                  | 100.49                 |
| Intangible assets                                       | 10    | 22.12                  | 45.32                  | 68.05                  |
| Financial assets  |       |                        |                        |                        |
| Investments   | 11    | 1,218.03               | 0.13                   | 0.13                   |
| Other financial assets                                  | 12    | 708.72                 | 180.92                 | 196.67                 |
| Non current tax assets (net)                            | 13    | -                      | 11.37                  | 77.37                  |
| Other non current assets                                | 14    | 831.43                 | 520.10                 | 343.99                 |
| <b>Total non-current assets</b>                         |       | <b>21,684.69</b>       | <b>10,047.85</b>       | <b>9,653.34</b>        |
| <b>Current assets</b>                                   |       |                        |                        |                        |
| Inventories   | 15    | 13,635.66              | 6,102.66               | 4,554.47               |
| Financial assets  |       |                        |                        |                        |
| Trade receivables                                       | 16    | 4,485.61               | 5,897.00               | 4,955.00               |
| Cash and cash equivalents                               | 17    | 3,170.85               | 997.52                 | 790.50                 |
| Other bank balances                                     | 18    | 11,052.68              | 106.03                 | 65.83                  |
| Other financial assets                                  | 19    | 278.63                 | 378.64                 | 209.07                 |
| Other current assets                                    | 20    | 3,037.43               | 999.13                 | 725.77                 |
| <b>Total current assets</b>                             |       | <b>35,660.86</b>       | <b>14,480.98</b>       | <b>11,300.64</b>       |
| <b>TOTAL ASSETS</b>                                     |       | <b>57,345.55</b>       | <b>24,528.83</b>       | <b>20,953.98</b>       |
| <b>EQUITY AND LIABILITIES</b>                           |       |                        |                        |                        |
| <b>EQUITY</b>   |       |                        |                        |                        |
| Equity share capital                                    | 21    | 199.00                 | 199.00                 | 199.00                 |
| Other equity  | 22    | 24,241.73              | 16,091.88              | 12,432.32              |
| <b>Total equity</b>                                     |       | <b>24,440.73</b>       | <b>16,290.88</b>       | <b>12,631.32</b>       |
| <b>LIABILITIES</b>                                      |       |                        |                        |                        |
| <b>Non-current liabilities</b>                          |       |                        |                        |                        |
| Financial liabilities                                   |       |                        |                        |                        |
| Borrowings  | 23(a) | 3,480.53               | 1,965.38               | 1,983.69               |
| Lease liabilities                                       | 8(b)  | 3,599.04               | 614.69                 | 861.92                 |
| Other financial liabilities                             | 24    | -                      | -                      | 6.27                   |
| Deferred tax liabilities (net)                          | 39    | 340.08                 | 173.39                 | 243.10                 |
| Employee benefit obligations                            | 25    | 154.79                 | 69.92                  | 78.43                  |
| <b>Total non-current liabilities</b>                    |       | <b>7,574.44</b>        | <b>2,823.38</b>        | <b>3,173.41</b>        |
| <b>Current liabilities</b>                              |       |                        |                        |                        |
| Financial liabilities                                   |       |                        |                        |                        |
| Borrowings  | 23(b) | 4,172.81               | 2,707.07               | 1,628.95               |
| Lease liabilities                                       | 8(b)  | 497.98                 | 252.18                 | 341.13                 |
| Trade payables  | 26    |                        |                        |                        |
| Total outstanding dues of micro and small enterprises   |       | 143.16                 | 199.60                 | 112.60                 |
| Total outstanding dues other than above micro and small |       | 5,042.22               | 1,548.20               | 2,496.71               |
| Other financial liabilities                             | 27    | 2,167.27               | 293.75                 | 335.78                 |
| Employee benefit obligations                            | 28    | 44.74                  | 37.17                  | 63.86                  |
| Current tax liabilities (net)                           | 29    | 280.19                 | -                      | -                      |
| Other current liabilities                               | 30    | 12,982.01              | 376.60                 | 170.22                 |
| <b>Total current liabilities</b>                        |       | <b>25,330.38</b>       | <b>5,414.57</b>        | <b>5,149.25</b>        |
| <b>Total liabilities</b>                                |       | <b>32,904.82</b>       | <b>8,237.95</b>        | <b>8,322.66</b>        |
| <b>TOTAL EQUITY AND LIABILITIES</b>                     |       | <b>57,345.55</b>       | <b>24,528.83</b>       | <b>20,953.98</b>       |


Summary of material accounting policies

2 & 3

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

As per our report of even date  
For M S K A & Associates  
Chartered Accountants  
ICAI Firm Registration No: 105047W

For and on behalf of the Board of Directors  
Kusumgar Private Limited  
CIN: U65990MH1990PTC056871

  
Amrish Vaidya  
Partner  
Membership No. 101739



Place: Mumbai  
Date: 24-09-2024

  
Yogesh Kusumgar  
Director  
DIN: 01080769

Place: Mumbai  
Date: 24-09-2024

  
Siddharth Kusumgar  
Director  
DIN: 01676799

Place: Mumbai  
Date: 24-09-2024



Kusumgar Private Limited (Formerly known as Kusumgar Corporates Private Limited)  
**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH, 2024**  
(Amount in INR Lakhs, unless otherwise stated)

| Particulars  | Notes | For the year ended<br>31 March 2024 | For the year ended<br>31 March 2023 |
|--|-------|-------------------------------------|-------------------------------------|
| <b>INCOME</b>  |       |                                     |                                     |
| Revenue from operations                                    | 31    | 47,414.03                           | 31,301.84                           |
| Other income   | 32    | 669.02                              | 213.26                              |
| <b>Total income</b>  |       | <b>48,083.05</b>                    | <b>31,515.10</b>                    |
| <b>EXPENSES</b>  |       |                                     |                                     |
| Cost of materials consumed                                 | 33    | 20,621.69                           | 16,729.80                           |
| Changes in inventories of stock-in-trade                   | 34    | (1,959.05)                          | (1,156.36)                          |
| Employee benefits expense                                  | 35    | 3,872.42                            | 2,949.82                            |
| Finance costs  | 36    | 628.60                              | 519.09                              |
| Depreciation and amortization expense                      | 37    | 1,640.46                            | 1,469.99                            |
| Other expenses   | 38    | 12,254.72                           | 6,163.08                            |
| <b>Total expenses</b>                                      |       | <b>37,058.83</b>                    | <b>26,675.42</b>                    |
| <b>Profit before tax</b>                                   |       | <b>11,024.22</b>                    | <b>4,839.68</b>                     |
| <b>Income tax expense</b>                                  | 39    |                                     |                                     |
| Current tax  |       | 2,756.37                            | 1,250.00                            |
| (Excess) provision for tax relating to prior years         |       | (21.33)                             | -                                   |
| Deferred tax   |       | 174.79                              | (69.75)                             |
| <b>Total income tax expense</b>                            |       | <b>2,909.83</b>                     | <b>1,180.25</b>                     |
| <b>Profit for the year</b>                                 |       | <b>8,114.39</b>                     | <b>3,659.43</b>                     |
| <b>Other comprehensive income / (loss)</b>                 |       |                                     |                                     |
| Items that will not be reclassified to profit or loss      |       |                                     |                                     |
| Remeasurement gain/(loss) of net defined benefit liability |       | (110.56)                            | 0.17                                |
| Gain/(loss) on FVTOCI equity investments                   |       | 137.90                              | -                                   |
| Income tax effect on above                                 |       | 8.11                                | (0.04)                              |
| <b>Other comprehensive income for the year, net of tax</b> |       | <b>35.45</b>                        | <b>0.13</b>                         |
| <b>Total comprehensive income for the year</b>             |       | <b>8,149.83</b>                     | <b>3,659.56</b>                     |
| <b>Earnings per equity share:</b>                          | 40    |                                     |                                     |
| - Basic EPS (INR)  |       | 4,077.58                            | 1,838.91                            |
| - Diluted EPS (INR)  |       | 4,077.58                            | 1,838.91                            |

Summary of material accounting policies

2 & 3

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

As per our report of even date  
For M S K A & Associates  
Chartered Accountants  
ICAI Firm Registration No: 105047W

For and on behalf of the Board of Directors  
Kusumgar Private Limited  
CIN: U65990MH1990PTC056871

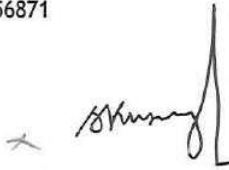
  
**Amrish Vaidya**  
Partner  
Membership No. 101739



Place: Mumbai  
Date: 24-09-2024

  
**Yogesh Kusumgar**  
Director  
DIN: 01080769

Place: Mumbai  
Date: 24-09-2024

  
**Siddharth Kusumgar**  
Director  
DIN: 01676799

Place: Mumbai  
Date: 24-09-2024





Kusumgar Private Limited (Formerly known as Kusumgar Corporates Private Limited)  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2024**  
(Amount in INR Lakhs, unless otherwise stated)

| Particulars   | For the year ended<br>31 March 2024 | For the year ended<br>31 March 2023 |
|---|-------------------------------------|-------------------------------------|
| <b>Cash flow from operating activities</b>  |                                     |                                     |
| Profit before tax   | 11,024.22                           | 4,839.68                            |
| Adjustments for:  |                                     |                                     |
| Add :   |                                     |                                     |
| Depreciation and amortization expenses  | 1,640.46                            | 1,469.99                            |
| Finance cost  | 402.28                              | 399.61                              |
| Unwinding of transaction cost   | 4.15                                | 7.58                                |
| Impairment on Investment  | -                                   | 1.02                                |
| Allowance for expected credit loss  | 98.39                               | -                                   |
| Less :  |                                     |                                     |
| Gain on sale of property, plant and equipment   | (16.75)                             | (13.01)                             |
| Unwinding of discount on security deposits  | (9.66)                              | (12.81)                             |
| Allowance for expected credit loss reversal   | -                                   | (67.76)                             |
| Sundry balance written off  | (30.50)                             | -                                   |
| Interest income   | (297.51)                            | (15.01)                             |
| Unrealized foreign exchange loss  | (324.03)                            | (86.71)                             |
| Financial guarantee commission income   | (6.86)                              | (7.50)                              |
| Sundry balance written back   | -                                   | (6.27)                              |
| <b>Operating Profit before working capital changes</b>                                | <b>12,484.19</b>                    | <b>6,508.81</b>                     |
| <b>Changes in operating assets and liabilities</b>                                    |                                     |                                     |
| Adjustments for: Operation Assets   |                                     |                                     |
| Decrease / (Increase) in trade receivables  | 1,637.10                            | (781.26)                            |
| (Increase) in inventories   | (7,533.00)                          | (1,548.19)                          |
| (Increase) in loans and other financial assets  | (90.95)                             | (143.45)                            |
| Decrease in other assets  | 402.08                              | 1,032.64                            |
| Adjustments for: Operation Liabilities  |                                     |                                     |
| Increase / (Decrease) in trade payables   | 3,468.09                            | (861.52)                            |
| Increase / (Decrease) in provisions   | 127.89                              | (35.21)                             |
| Increase / (Decrease) in other financial liabilities                                  | 1,822.13                            | (234.06)                            |
| Increase / (Decrease) in other liabilities  | 10,148.50                           | (1,042.22)                          |
| <b>Cash generated from operations</b>   | <b>22,466.03</b>                    | <b>2,895.55</b>                     |
| Income tax paid (net)   | (2,400.00)                          | (1,240.00)                          |
| <b>Net cash flows generated from operating activities (a)</b>                         | <b>20,066.03</b>                    | <b>1,655.55</b>                     |
| <b>Cash flows from investing activities</b>   |                                     |                                     |
| Capital work in progress and change in capital advance and creditor for capital items | (1,113.35)                          | 97.45                               |
| Purchase of property, plant and equipment   | (6,689.50)                          | (1,901.25)                          |
| Purchase of other intangible assets   | -                                   | (1.93)                              |
| Proceeds from sale/ disposal of property, plant and equipment                         | 50.25                               | 72.47                               |
| Investment in bank deposits   | (11,381.05)                         | (40.20)                             |
| Interest received   | 255.19                              | 16.36                               |
| Purchase of investments   | (1,217.90)                          | -                                   |
| <b>Net cash flows (used in) investing activities (b)</b>                              | <b>(20,096.36)</b>                  | <b>(1,757.11)</b>                   |
| <b>Cash flow from financing activities</b>  |                                     |                                     |
| Changes in borrowings   | 2,957.96                            | 1,052.25                            |
| Principal paid on lease liabilities   | (370.80)                            | (344.05)                            |
| Interest paid on lease liabilities  | (99.65)                             | (83.97)                             |
| Interest paid on borrowings   | (283.86)                            | (315.64)                            |
| <b>Net cash flows generated from financing activities (c)</b>                         | <b>2,203.66</b>                     | <b>308.59</b>                       |
| <b>Net increase in cash and cash equivalents (a+b+c)</b>                              | <b>2,173.33</b>                     | <b>207.02</b>                       |
| Cash and cash equivalents at the beginning of the year                                | 997.52                              | 790.50                              |
| <b>Cash and cash equivalents at the end of the year (refer note no 17)</b>            | <b>3,170.85</b>                     | <b>997.52</b>                       |



**Kusumgar Private Limited (Formerly known as Kusumgar Corporates Private Limited)**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2024**  
(Amount in INR Lakhs, unless otherwise stated)

(a) Changes in liabilities arising from financing activities and non-cash financing

| Particulars                                 | As at<br>31 March 2023 | Cash flows | Non- cash changes | As at<br>31 March 2024 |
|---|------------------------|------------|-------------------|------------------------|
| Non-current borrowings                      | 1,965.38               | 1,511.00   | 4.15              | 3,480.53               |
| Current borrowings                          | 2,707.07               | 1,446.96   | -                 | 4,172.81               |
| Total liabilities from financing activities | 4,672.46               | 2,957.96   | 4.15              | 7,653.34               |

| Particulars                                 | As at<br>01 April 2022 | Cash flows | Non- cash changes | As at<br>31 March 2023 |
|---|------------------------|------------|-------------------|------------------------|
| Non-current borrowings                      | 1,983.69               | (25.89)    | 7.58              | 1,965.38               |
| Current borrowings                          | 1,628.95               | 1,078.13   | -                 | 2,707.07               |
| Total liabilities from financing activities | 3,612.64               | 1,052.24   | 7.58              | 4,672.46               |

(b) Non-cash transactions from investing activities

| Particulars            | As at<br>31 March 2023 | Cash flows | Non-cash changes Fair<br>value adjustment | As at<br>31 March 2024 |
|------------------------|------------------------|------------|---|------------------------|
| Non-current investment | 0.13                   | 1,080.00   | 137.90                                    | 1,218.03               |

| Particulars            | As at<br>01 April 2022 | Cash flows | Non-cash changes Fair<br>value adjustment | As at<br>31 March 2023 |
|------------------------|------------------------|------------|---|------------------------|
| Non-current investment | 0.13                   | -          | -   | 0.13                   |

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

1. The above Cash flow statement has been prepared under the indirect method set out in Indian Accounting Standard 7 (IND AS 7), "Statement of Cash Flows" notified under section 133 of the Companies Act 2013.

2. Figures in bracket indicate an outflow

As per our report of even date  
For M S K A & Associates  
Chartered Accountants  
ICAI Firm Registration No: 105047W

Amrish Vaidya  
Partner  
Membership No. 101739

Place: Mumbai  
Date: 24-09-2024



For and on behalf of the Board of Directors  
Kusumgar Private Limited  
CIN: U65990MH1990PTC056871

Yogesh Kusumgar  
Director  
DIN: 01080769

Place: Mumbai  
Date: 24-09-2024

*(Signature)*

*(Signature)*

Siddharth Kusumgar  
Director  
DIN: 01676799

Place: Mumbai  
Date: 24-09-2024





**Kusumgar Private Limited (Formerly known as Kusumgar Corporates Private Limited)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024**  
(Amount in INR Lakhs, unless otherwise stated)

**1.0 Company overview**

Kusumgar Private Limited ('the Company') was incorporated on 15th June 1990 under the Companies Act, 1956. Kusumgar Private Limited, a globally recognized manufacturer of technical textiles, is committed to meeting customer demands and adhering to all industry standards. The Company is primarily involved in manufacturing and dealing with technical fabric material.

These Financial Statements were authorized for issue by Board of Directors on 24 September, 2024

**2.0 Basis of Preparation of Financial Statements**

**(a) Statement of Compliance with Ind AS**

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

The financial statements up to year ended 31 March 2023 were prepared in accordance with the accounting standards notified under the section 133 of the Act, read with paragraph 7 of the Companies (Accounts) Rules, 2014 ("Indian GAAP", "Previous GAAP"). These financial statements for the year ended 31 March 2024 are the first set of financial statements prepared in accordance with Ind AS. The date of transition to Ind AS is 1 April 2022 (hereinafter referred to as the 'transition date').

The financial statements for the year ended 31 March 2023 and the opening Balance Sheet as at 1 April 2022 have been restated in accordance with Ind AS for comparative information. Reconciliations and explanations of the effect of the transition from Previous GAAP to Ind AS on the Company's Balance Sheet, Statement of comprehensive income (including Comprehensive Income) and Cash Flow Statement are provided in Note no. 6.04.

Accounting policies have been consistently applied to all the years presented except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

**(b) Basis of measurement**

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

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
- Employees defined benefit obligation and leave encashment are recognised as per actuarial valuation.

**Classification into current and non-current:**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- ▶ Expected to be realised or intended to be sold or consumed in normal operating cycle
- ▶ Held primarily for the purpose of trading
- ▶ Expected to be realised within twelve months after the reporting period, or
- ▶ Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

**A liability is current when:**

- ▶ It is expected to be settled in normal operating cycle
- ▶ It is held primarily for the purpose of trading
- ▶ It is due to be settled within twelve months after the reporting period, or
- ▶ There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Based on the nature of business and the time between the acquisition of assets for processing and their realisation in Cash or cash equivalents, the Company has ascertained its normal operating cycle as 12 months for the purpose of Current / Non-current classification of assets and liabilities.

**(c) Use of estimates, judgements and assumptions**

The preparation of financial statements in conformity with Ind AS requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected. Refer Note 4 for details on estimates and judgments.

**(d) Functional and presentation currency**

The financial statements are presented in Indian Rupee (INR), which is also the functional currency of the Company, in denomination of lakhs with rounding off to two decimals as permitted by Schedule III to the Act except where otherwise indicated

**(e) Going Concern**

The financial statements are prepared on a going concern basis as the Management is satisfied that the Company shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption. In making this assessment, the Management has considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources.





(f) Offsetting financial instruments

The Company generally reports financial assets and financial liabilities on a gross basis in the Balance Sheet. They are offset and reported net only where it has legally enforceable right to offset the recognised amounts and the Company intends to either settle on a net basis or to realise the asset and settle the liability simultaneously as permitted by Ind AS. Similarly, the Company offsets incomes and expenses and reports the same on a net basis where the netting off reflects the substance of the transaction or other events as permitted by Ind AS.

3.0 Material accounting policies

A summary of the material accounting policies applied in the preparation of the Financial Statements are as given below. These accounting policies have been applied consistently to all periods presented in the Financial Statements.

3.01 Property, plant and equipment

Property, plant and equipment, are stated at historical cost of acquisition or construction less accumulated depreciation and impairment losses, if any. Cost of property, plant and equipment comprises its purchase price net of any discounts and rebates, any import duties and other taxes (other than those subsequently recovered from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use.

The Company identifies and determines cost of each part of an item of property plant and equipment separately if the part has a cost which is significant to the total cost of that item of property plant and equipment and has useful life that is materially different from that of the remaining item.

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

Transition to Ind AS

The Company has elected to continue with the carrying value of all its property, plant and equipment as recognised in the financial statements as at transition date to Ind AS, measured as per the Previous GAAP and use that as the deemed cost as at transition date pursuant to the exemption under Ind AS 101 'First-time Adoption of Indian Accounting Standards'.

Depreciation methods, estimated useful lives

Depreciation on property, plant and equipment is provided on a pro-rata basis on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013, or re-assessed by the Company. The Company has estimated the following as useful life to provide depreciation on its Property, Plant & Equipment.

The useful life, residual value and the depreciation method are reviewed at least at each financial year end. If the expectations differ from previous estimates, the changes are accounted for prospectively as a change in accounting estimate.

| Name of the asset       | Estimated Useful Lives by the management |
|-------------------------|--|
| Buildings               | 30 years                                 |
| Plant & Machinery       | 15 years                                 |
| Electrical Installation | 10 years                                 |
| Furniture & Fixtures    | 10 years                                 |
| Vehicles                | 8 years                                  |
| Office Equipment        | 5 years                                  |
| Computers               | 3 years                                  |

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Comprehensive Income under 'Other expenses' / 'Other income' respectively.

3.02 Capital work-in-progress

The cost of self-constructed assets includes the cost of materials & direct labour, any other costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management and borrowing costs.

Expenses directly attributable to construction of property, plant and equipment incurred till they are ready for their intended use are identified and allocated on a systematic basis on the cost of related assets.





### 3.03 Other Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognised on a straight line basis over their estimated useful lives so as to reflect the pattern in which the assets economic benefits are consumed. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. The amortization of intangible asset is included in Depreciation and amortization expense in Statement of Comprehensive Income.

#### Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2022 measured as per the Indian GAAP and use that carrying value as the deemed cost of the intangible assets pursuant to the exemption under Ind AS 101 'First-time Adoption of Indian Accounting Standards'.

Software is amortized over the management's estimate of its useful life i.e. 3 years.

Intangible assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

### 3.04 Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use.

The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

The Company bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised.

The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

### 3.05 Inventories

Inventories are valued at the lower of cost or net realizable value.

Cost of raw material, stores spares, packing material etc. includes cost of purchase and other cost incurred in bringing the inventories to their present location and condition. Costs of purchased inventory are determined after deducting rebates and discounts.

Finished goods and work-in-progress : cost includes cost of direct material and labour and a proportion of manufacturing based on the normal operating capacity, but excluding borrowing cost.

Spare parts those does not meet definition of Property, Plant and Equipment are carried as inventory.

Transit stock are valued at cost.

### 3.06 Cash and cash equivalents and Cash flow statement

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand, fixed deposits having a original maturity of less than 3 months which are subject to an insignificant risk of changes in value.

Cash flows are reported using the indirect method, whereby net profits before tax are adjusted for the effects of the transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the company are segregated.





### 3.07 Foreign Currency Transactions

#### (a) Functional and presentation currency

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

#### (b) Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates at the date the transaction first qualifies for recognition. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of comprehensive income.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of comprehensive income.

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not translated thereafter.

### 3.08 Government Grants

The company recognizes government grants only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received. Government grant related to revenue in nature are recognised in statement of comprehensive income under "other operating revenue"

### 3.09 Provisions and contingent liabilities

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Contingent assets are possible assets that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent asset is disclosed, where an inflow of economic benefits is probable.

### 3.10 Fair value measurement

The Company measures certain financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- ▶ In the principal market for the asset or liability, or
- ▶ In the absence of a principal market, in the most advantageous market for the asset or liability accessible to the Company.

The best estimate of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently that difference is recognised in Statement of Comprehensive Income on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- ▶ Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ▶ Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- ▶ Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.





### 3.11 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### (a) Financial assets

##### (i) Initial recognition and measurement

At initial recognition, financial asset is measured at its fair value plus the transaction cost directly attributable to the acquisition of the financial asset in the case of a financial asset measured not at fair value through profit or loss. Transaction costs directly attributable to the acquisition of financial assets measured at fair value through profit or loss are recognized immediately in the Statement of comprehensive income. However, trade receivables that do not contain a significant financing component are measured at transaction price

##### (ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- a) at amortized cost; or
- b) at fair value through other comprehensive income; or
- c) at fair value through profit or loss.

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

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the Statement of comprehensive income.

**Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of comprehensive income.

When the financial asset is derecognised, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of comprehensive income and recognized in other gains / losses.

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

**Equity instruments:** All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument- by-instrument basis. The classification is made on initial recognition and it is irrevocable.

In case of equity instruments classified as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of comprehensive income, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of comprehensive income.

##### (iii) Impairment of financial assets

In accordance with Ind AS 109 "Financial Instruments", the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

#### Trade receivables:

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables resulting from transactions within the scope of Ind AS 115 "Revenue from Contracts with Customers". The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

#### Other financial assets: Security Deposits

For recognition of impairment loss on financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss.

However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent years, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

Lifetime ECL is the expected credit loss resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after year end.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original effective interest rate (EIR). When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/expense in the Statement of comprehensive income. For financial assets measured at amortised cost, ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the Balance Sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.





(iv) **Derecognition of financial assets**

A financial asset is derecognised only when

- a) the rights to receive cash flows from the financial asset is transferred or expired
- b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the received cash flows in full without material delay to one or more recipients.

Where the financial asset is transferred then in that case financial asset is derecognised only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the financial asset is neither transferred, nor the entity retains substantially all risks and rewards of ownership of the financial asset, then in that case financial asset is derecognized only if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On derecognition of a financial asset, the difference between the carrying amount and the consideration received is recognised in the Statement of comprehensive income.

(b) **Financial liabilities and equity instruments**

**Classification as debt or equity**

An instrument issued by a Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

**Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments

**Financial liabilities**

(i) **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or at amortized cost, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans, borrowings and payables, net of directly attributable transaction costs.

(ii) **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

**Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

**Derivative financial instruments**

The Company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for such contracts is generally a bank.

Any derivative that is either not designated as hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in the Statement of comprehensive income when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income/other expense.

Assets or liabilities in this category are presented as financial assets or financial liabilities.

**Borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Statement of comprehensive income when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of comprehensive income.

The entity's long-term borrowings are all at a variable interest rate; therefore, the unamortised transaction costs incurred on these borrowings are amortized on a straight-line basis instead of using the effective interest rate (EIR) method."





**Financial liabilities at amortised cost**

All the financial liabilities of the Company are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of comprehensive income when the liabilities are derecognised as well as through the EIR amortization process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of comprehensive income.

**(iii) Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of comprehensive income as finance costs.

**(c) Offsetting financial instruments**

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

**3.12 Corporate Guarantee**

Corporate guarantees given to banks on behalf of related party are recognized as financial liabilities upon initial measurement.

This recognition is recorded as a deferred income liability (such as 'unearned financial guarantee commission') at their fair value, with a corresponding debit recognized as a deemed distribution to the promoter's/shareholder.

The initially recognized fair value of the guarantee is amortized over the term of the guarantee on a systematic basis, reflecting the time pattern of the usage of the guarantee. The amortization is recognized in the profit or loss account under other income

**3.13 Leases**

**As a lessee:**

The Company assesses, whether the contract is, or contains, a lease, at its inception. A contract is, or contains, a lease if the contract conveys the right to:

- a) control use of an identified asset,
- b) obtain substantially all the economic benefits from use of the identified asset, and
- c) direct the use of the identified asset

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate. The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected to not recognize leases with a lease term of 12 months or less or of low value in the balance sheet, and lease costs for those short-term leases or low-value leases are recognized on a straight-line basis over the lease term in the Statement of comprehensive income. The Company has elected the lessee practical expedient to combine lease and non-lease components and account for the combined unit as a single lease component.

**3.14 Employee Benefits**

**(i) Defined benefit plans**

**Gratuity:** The Company's gratuity benefit scheme is a defined benefit plan. Company's net obligation in respect of a defined benefit plan is calculated by estimating amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Present value of obligation under such benefit plan is determined based on actuarial valuation using projected unit credit method which recognizes each period of service that give rise to additional units of employee benefit entitlement and measures each unit separately to build up final obligation. Obligation is measured at present values of estimated future cash flows. The discounted rates used for determining present value are based on market yields on Government Securities as at the balance sheet dates.





Defined benefit costs are categorised as follows:

- i. The current service cost of the defined benefit plans, recognised in the Statement of comprehensive income in employee benefits expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs, which comprise plan amendments and curtailments, as well as gains or losses on the settlement of pension benefits are recognised immediately in the Statement of comprehensive income when they occur.
- ii. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in finance cost in the Statement of comprehensive income.
- iii. Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to the Statement of comprehensive income in subsequent periods.

(ii) **Defined contribution plans**

Contributions to defined contribution plans are recognised as expense when employees have rendered services entitling them to such benefits.

The company provides benefits such as provident fund to its employees which is treated as defined contribution plan.

(iii) **Short-term employee benefit obligations**

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits and are recognised in the period in which the employee renders the related service. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognized as an expense as the related service is rendered by employees.

(iv) **Compensated absences:**

Compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as undiscounted liability at the balance sheet date. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the balance sheet date using the Projected Unit Credit Method

**Presentation and disclosure:**

For the purpose of presentation of defined benefit plans and compensated absences, the allocation between the current and non-current provisions has been made as determined by an actuary.

**3.15 Revenue Recognition**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer, at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Revenue from contracts with customers involving sale of goods is recognised at a point in time when control of the product has been transferred at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services, and there are no unfulfilled obligation that could affect the customer's acceptance of the products and the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold. The point of time of transfer of control to customers depends on the terms of the trade/ delivery.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of trade discounts, volume rebates offered by the Company as part of the contract and any taxes or duties collected on behalf of the Government such as goods and services tax, etc.

(ii) **Other Operating revenue**

**Export Benefit (Government Grant)**

Revenue from export benefits arising from Remission of Duties and Taxes on Export Products, merchandise export incentive scheme, duty drawback scheme, are recognised on post export basis at the rate at which the entitlements accrue and is included in the 'Other Operating Income'

(b) **Other income**

(i) **Interest income**

For all financial instruments classified and measured at amortized cost, interest income is recorded using the effective interest rate (EIR).

The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in the Statement of comprehensive income.





### 3.16 Taxes

Tax expense for the year, comprising current tax and deferred tax, are included in determination of the net profit or loss for the year.

#### (a) Current income tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Advance taxes and provisions for current income taxes are presented in the balance sheet after offsetting advance tax paid and income tax provision arising in the same tax jurisdiction and where the Company intends to settle the asset and liability on a net basis.

Current income tax relating to items recognised outside the Statement of comprehensive income is recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### (b) Deferred tax

Deferred tax is recognised on temporary differences, being differences between the carrying amount of assets and liabilities and corresponding tax bases used in the computation of taxable profit. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off.

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

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

### 3.17 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

### 3.18 Segment Reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's chief operating decision maker (CODM) to make decisions for which discrete financial information is available. The Company is engaged in selling of goods. The CODM identified entire business as a single reportable segment, hence segment reporting is not applicable.

### 4.0 Material accounting judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

#### 4.01 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the year end date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.





**Useful lives of property, plant and equipment and intangible assets**

As described in the significant accounting policies, the Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period. Useful lives of intangible assets is determined on the basis of estimated benefits to be derived from use of such intangible assets. These reassessments may result in change in the depreciation /amortization expense in future periods.

- (a) at the end of each reporting period. Useful lives of intangible assets is determined on the basis of estimated benefits to be derived from use of such intangible assets. These reassessments may result in change in the depreciation /amortization expense in future periods.

**Actuarial Valuation**

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of comprehensive income and in Other Comprehensive Income. Such valuation depend upon assumptions determined after taking into account discount rate, salary growth rate, expected rate of return, mortality and attrition rate. Information about such valuation is provided in notes to the financial statements.

- (b) determination of amounts to be recognised in the Statement of comprehensive income and in Other Comprehensive Income. Such valuation depend upon assumptions determined after taking into account discount rate, salary growth rate, expected rate of return, mortality and attrition rate. Information about such valuation is provided in notes to the financial statements.

**Impairment of non-financial assets**

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

- (c) uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

**(d) Contingencies**

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/ claim/ litigation against company as it is not possible to predict the outcome of pending matters with accuracy.

**(e) Provisions**

Provisions are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change. The litigations and claims to which the Company is exposed are assessed by management and in certain cases with the support of external specialised lawyers.

**(f) Provision for expected credit losses of trade receivables and contract**

The Company uses a provision matrix to calculate expected credit loss (ECL) for trade receivables and contract assets.

The provision matrix is initially based on the Company's historical observed default rates. At every reporting date, the historical observed default rates are updated.

The assessment of the correlation between historical observed default rates and ECLs is a significant estimate. The Company's historical credit loss experience may also not be representative of customer's actual default in the future.

**5.0 New Standards/ Amendments and Other Changes adopted Effective 1 April 2023 or thereafter**

The Ministry of Corporate Affairs ("MCA") has notified Companies (Indian Accounting Standard) Amendment Rules, 2023 dated March 31, 2023 to amend certain Ind AS which are effective from 01 April 2023:

**(a) Disclosure of Accounting Policies - Amendment to Ind AS 1 Presentation of financial statements**

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the financial statements.

**(b) Definition of Accounting Estimates - Amendments to Ind AS 8 Accounting policies, changes in accounting estimates and errors**

The amendment to Ind AS 8, which added the definition of accounting estimates, clarifies that the effects of a change in an input or measurement technique are changes in accounting estimates, unless resulting from the correction of prior period errors. These amendments clarify how entities make the distinction between changes in accounting estimate, changes in accounting policy and prior period errors. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

The amendments doesn't have a material impact on these financial statements.

**Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12 Income taxes**

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases.

The Company has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. Since, these balances qualify for offset as per the requirements of paragraph 74 of Ind AS 12, there is no impact in the balance sheet.

The amendments doesn't have a material impact on these financial statements.





**5.01 Recent pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

**6.0 First-time adoption of Ind-AS**

These financial statements are the first set of Ind AS financial statements prepared by the Company. Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for year ending on 31 March 2024, together with the comparative year data as at and for the year ended 31 March 2023, as described in the material accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2022, being the Company's statutory date of transition to Ind AS.

**6.01 Exemptions availed on first time adoption of Ind AS**

Ind AS 101, First-time Adoption of Indian Accounting Standards, allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has accordingly applied the following exemptions.

**6.02 Optional Exemption**

**(a) Deemed Cost of property plant and equipment and other intangible assets**

Ind AS 101 permits a first time adopter to elect to continue with the carrying value for all its property, plant and equipment and intangible assets as recognised in the financial statement as at the date of transition to Ind AS, measured as per the Previous GAAP and use that as its deemed cost as at the date of transition. Accordingly, the company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

**(b) Revenue Recognition**

The Company has availed the following practical expedients in applying the standard retrospectively:

- For completed contracts within the same annual reporting period, no restatement has been done;
- For contracts that were completed before the transition date, no restatement has been done.

**(c) Leases**

The Company has availed the following practical expedients in applying Ind AS 116:

- With leases previously classified as operating leases according to Previous GAAP, the lease liability was measured at the present value of the outstanding lease payments, discounted by the incremental borrowing rate at 1 April 2022. The respective right-of-use asset was recognised at an amount equal to the lease liability;
- Regardless of their original lease term, leases for which the lease term ends latest on March 31, 2023, were recognised as short-term leases;
- At the date of initial application, the measurement of a right-of-use asset excluded the initial direct costs.
- Hindsight was considered when determining the lease term if the contract contains options to extend or terminate the leases.

**6.03 Mandatory Exceptions on first-time adoption of Ind AS**

**(a) Estimates**

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2022 are consistent with the estimates as at the same date made in conformity with Previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under Previous GAAP:

- Impairment of financial assets based on expected credit loss model.

**(b) Derecognition of financial assets and financial liabilities**

Ind AS 101 requires a first time adopter to apply the derecognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. Accordingly, the Company has applied the derecognition requirement for financial assets and financial liabilities in Ind AS 109 prospectively for transactions occurring on or after date of transition to Ind AS.

**(c) Classification and measurement of financial assets**

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of facts and circumstances that exist on the date of transition to Ind AS. Accordingly, the Company has applied the above requirement prospectively.

**(d) Impairment of financial assets**

Ind AS 101 requires an entity to assess and determine the impairment allowance on financial assets as per Ind AS 109 using the reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments which were initially recognised and compare that to the credit risk at the date of transition to Ind AS. Company has applied this exception prospectively.



#### 6.04 RECONCILIATIONS

##### (a) Reconciliation of total equity as at 31 March 2023 and 1 April 2022

| Particulars  | Notes to first-time adoption | As at 31 March 2023 | As at 1 April 2022 |
|--|------------------------------|---------------------|--------------------|
| Equity share capital   |                              | 199.00              | 199.00             |
| Other equity   |                              | 16,273.07           | 12,687.80          |
| Shareholder's equity as per Previous GAAP (A)                        |                              | 16,472.07           | 12,886.80          |
| <b>Add/(Less): Adjustment</b>  |                              |                     |                    |
| Impairment allowance for expected credit losses on trade receivables | (ii)                         | (165.10)            | (232.86)           |
| on security deposits   | (ii)                         | (8.01)              | (8.01)             |
| Impact on account of adoption of Ind AS 116                          | (iii)                        | (69.41)             | -                  |
| Fair valuation/amortisation of corporate guarantee                   | (iv)                         | (6.27)              | (12.49)            |
| Impact of transaction cost on long term borrowings                   | (v)                          | 17.78               | 25.36              |
| Fair value of security deposit                                       | (vi)                         | 9.53                | (3.28)             |
| Deferred tax impact on Ind AS adjustments                            | (viii)                       | 40.29               | (24.20)            |
| <b>Total adjustments (B)</b>   |                              | <b>(181.19)</b>     | <b>(255.48)</b>    |
| Shareholder's equity as per Ind AS (A-B)                             |                              | 16,290.88           | 12,631.32          |

##### (b) Reconciliation of total comprehensive income / (loss) for the year ended 31 March 2023

| Particulars  | Notes to first-time adoption | As at 31 March 2023 |
|--|------------------------------|---------------------|
| Profit after tax as per Previous GAAP (A)                            |                              | 3,585.26            |
| <b>Add/(Less): Adjustment</b>  |                              |                     |
| Impairment allowance for expected credit losses on trade receivables | (ii)                         | 67.76               |
| on security deposits   | (ii)                         | -                   |
| Impact on account of adoption of Ind AS 116                          | (iii)                        | (69.41)             |
| Fair valuation/amortisation of corporate guarantee                   | (iv)                         | 6.22                |
| Impact of transaction cost on long term borrowings                   | (v)                          | (7.58)              |
| Fair value of security deposit                                       | (vi)                         | 12.81               |
| Remeasurement (gain)/loss of net defined benefit liability           | (vii)                        | (0.17)              |
| Deferred tax impact on Ind AS adjustments                            | (viii)                       | 64.54               |
| <b>Total adjustments (B)</b>   |                              | <b>74.17</b>        |
| Profit after tax as per Ind AS (C=A-B)                               |                              | 3,659.44            |
| <b>Add/(Less): Adjustment</b>  |                              |                     |
| Remeasurement loss of net defined benefit plan                       | (vii)                        | 0.17                |
| Income tax effect on above   |                              | (0.04)              |
| <b>Remeasurement loss of net defined benefit plan, net (D)</b>       |                              | <b>0.13</b>         |
| <b>Total comprehensive income / (loss) for the year (E= C-D)</b>     |                              | <b>3,659.56</b>     |





**(c) Notes to first-time adoption**

**(i) Deemed Cost of property plant and equipment and other intangible assets**

The Company has availed the deemed cost exemption as per IND AS 101 in relation to property, plant and equipment and other intangible assets as on the date of transition i.e. 1 April 2022 and hence the Net block carrying amount (as per IGAAP) has been considered as the gross block carrying amount (as per Ind AS) on that date i.e. 1 April 2022.

**(ii) Impairment allowance for expected credit losses**

Under Previous GAAP, the Company has created provision for impairment of receivables based on the incurred loss model. Under Ind AS 109 "Financial Instruments", all financial assets recorded at amortised costs are required to recognise a loss allowance for expected credit losses. Ind AS requires an entity shall always measure the loss allowance at an amount equal to lifetime expected credit losses for trade receivables using the simplified approach method and for security deposit as per general approach method. At the date of transition to Ind AS and at each reporting dates, the Company applied the simplified approach for trade receivable and general approach for security deposit to record loss allowance.

**(iii) Impact on account of adoption of Ind AS 116**

Under Previous GAAP, a lease is classified as a finance lease or an operating lease. Operating lease payments are recognised as an operating expense in the statement of profit or loss on a straight-line basis over the lease term. Under Ind AS 116, a lessee applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets and recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. At the date of transition to Ind AS, the Company has applied the modified retrospective approach and measured the lease liabilities at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate. Right-of-use assets were measured at the amount equal to the lease liabilities and also include the impact of fair valuation of security deposit.

**(iv) Impact on fair value of corporate guarantee**

Under the previous GAAP, corporate guarantees provided to banks on behalf of related party were disclosed under related party transactions. However, under Ind AS 109, "Financial Instruments," corporate guarantees given to banks on behalf of related are recognized as financial liabilities upon initial measurement.

This recognition is recorded as a deferred income liability (such as 'unearned financial guarantee commission') at their fair value, with a corresponding debit recognized as a deemed distribution to the promoter/shareholder.

The initially recognized fair value of the guarantee is amortized over the term of the guarantee on a systematic basis, reflecting the time pattern of guarantee usage. The amortization is recognized in the profit or loss account.

**(v) Impact of Transaction cost on Long term borrowings**

Under the previous GAAP, borrowings were carried at their principal amount, and transaction costs, primarily in the form of upfront processing fees, were expensed in the profit and loss. However, under Ind AS 109, "Financial Instruments," long-term borrowings are carried at amortized cost using the effective interest rate (EIR) method. Transaction costs are debited to the borrowings rather than expensed in the profit and loss.

Since the entity's long-term borrowings are all at a variable interest rate, the transaction costs incurred on these borrowings are amortized on a straight-line basis to the profit and loss.

**(vi) Fair valuation of security deposit**

Under Previous GAAP, interest free security deposits are recorded at it's transaction value. Under Ind AS 109 "Financial Instruments", all financial assets are required to be initially recognized at fair value. Accordingly, the Company has fair valued these security deposit under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognized as prepayment lease rental (part of ROU asset) which has been amortised over it's lease term. The discounted value of the security deposits is increased over the period of lease term by recognising the notional interest income grouped under 'other income'.

**(vii) Remeasurement gain/(loss) of net defined benefit plan**

Under Previous GAAP, actuarial gains and losses on defined benefit obligation were recognised in the statement of profit and loss. Under Ind AS, all actuarial gains and losses are recognised in the other comprehensive income. Further to the above, the deferred tax impact on above transaction has also been regrouped from statement of profit and loss to other comprehensive income as per guidance under Ind AS 12 'Income taxes'.

**(viii) Deferred Tax**

Retained earnings and statement of profit & loss has been adjusted consequent to the Ind AS transition adjustments with corresponding impact to deferred tax, wherever applicable.

**(ix) Statement of cashflow**

No material impact on transition from Indian GAAP to Ind AS on the statement of cash flows.





**Kusumgar Private Limited (Formerly known as Kusumgar Corporates Private Limited)**  
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**7 PROPERTY, PLANT AND EQUIPMENT**

| Particulars                             | Land   | Building | Leasehold Improvements | Electrical Installation | Plant & Machinery* | Furniture & Fixtures | Office Equipment | Vehicles | Computers | Total     |
|---|--------|----------|------------------------|-------------------------|--------------------|----------------------|------------------|----------|-----------|-----------|
| Gross carrying amount (Deemed cost)     |        |          |                        |                         |                    |                      |                  |          |           |           |
| Balance as at 1 April 2022              | 660.00 | 602.81   | 443.51                 | 94.53                   | 5,531.38           | 81.03                | 58.43            | 96.20    | 24.91     | 7,592.80  |
| Additions                               | 310.82 | 7.56     | 22.29                  | 3.72                    | 1,102.61           | 18.66                | 47.28            | 379.52   | 8.81      | 1,901.27  |
| Disposals                               | -      | -        | -                      | -                       | 246.91             | -                    | -                | 84.07    | -         | 330.98    |
| Balance as at 31 March 2023             | 970.82 | 610.37   | 465.80                 | 98.25                   | 6,387.08           | 99.69                | 105.71           | 391.65   | 33.72     | 9,163.09  |
| Accumulated depreciation                |        |          |                        |                         |                    |                      |                  |          |           |           |
| Balance as at 1 April 2022              | -      | -        | -                      | -                       | -                  | -                    | -                | -        | -         | -         |
| Depreciation charge during the year     | -      | 35.82    | 91.12                  | 17.66                   | 779.56             | 16.42                | 27.75            | 56.12    | 13.35     | 1,037.80  |
| Disposals                               | -      | -        | -                      | -                       | 199.31             | -                    | -                | 72.21    | -         | 271.52    |
| Balance as at 31 March 2023             | -      | 35.82    | 91.12                  | 17.66                   | 580.25             | 16.42                | 27.75            | (16.11)  | 13.35     | 766.28    |
| Gross carrying amount                   |        |          |                        |                         |                    |                      |                  |          |           |           |
| Balance as at 01 April 2023             | 970.82 | 610.37   | 465.80                 | 98.25                   | 6,387.08           | 99.69                | 105.71           | 391.65   | 33.72     | 9,163.09  |
| Additions                               | -      | 9.98     | 96.38                  | 250.57                  | 6,181.56           | 31.91                | 59.15            | 35.26    | 24.69     | 6,689.50  |
| Disposals                               | -      | -        | -                      | -                       | 213.17             | -                    | -                | 123.83   | -         | 337.00    |
| Balance as at 31 March 2024             | 970.82 | 620.35   | 562.18                 | 348.82                  | 12,358.47          | 131.60               | 164.86           | 303.08   | 58.41     | 15,515.59 |
| Accumulated depreciation                |        |          |                        |                         |                    |                      |                  |          |           |           |
| Balance as at 01 April 2023             | -      | 35.82    | 91.12                  | 17.66                   | 580.25             | 16.42                | 27.75            | (16.11)  | 13.35     | 766.28    |
| Depreciation charge during the year     | -      | 37.64    | 117.11                 | 19.39                   | 881.56             | 18.28                | 26.04            | 58.76    | 15.48     | 1,174.26  |
| Disposals                               | -      | -        | -                      | -                       | 205.53             | -                    | -                | 97.97    | -         | 303.50    |
| Balance as at 31 March 2024             | -      | 73.46    | 208.23                 | 37.05                   | 1,256.28           | 34.70                | 53.79            | (55.32)  | 28.83     | 1,637.04  |
| Net carrying amount as at 31 March 2024 | 970.82 | 546.89   | 353.95                 | 311.77                  | 11,099.19          | 96.90                | 111.07           | 358.40   | 29.58     | 13,878.55 |
| Net carrying amount as at 31 March 2023 | 970.82 | 574.55   | 374.68                 | 80.59                   | 5,806.83           | 83.27                | 77.96            | 407.76   | 20.37     | 8,396.81  |

\*During the year Company has capitalised borrowings cost of INR 137.02 lakhs (31 March 2023 INR 13.34 lakhs, 1 April 2022 INR nil)

**Deemed Cost -**

The Company has availed the deemed cost exemption as per IND AS 101 in relation to property, plant and equipment as on the date of transition i.e. 1 April 2022 and hence the Net carrying amount (as per IGAAP) has been considered as the gross carrying amount (as per Ind AS) on that date i.e. 1 April 2022. Refer note below for the gross carrying amount and the accumulated depreciation on 1 April 2022 under the Previous GAAP and deemed cost -

| Particulars                                 | Land   | Building | Leasehold Improvements | Electrical Installation | Plant & Machinery* | Furniture & Fixtures | Office Equipment | Vehicles | Computers | Total     |
|---|--------|----------|------------------------|-------------------------|--------------------|----------------------|------------------|----------|-----------|-----------|
| Gross carrying amount as at 1 April 2022    | 660.00 | 1,007.09 | 853.16                 | 359.04                  | 10,042.74          | 234.92               | 170.85           | 337.22   | 100.97    | 13,765.99 |
| Accumulated depreciation as at 1 April 2022 | -      | 404.28   | 409.65                 | 264.51                  | 4,511.36           | 153.89               | 112.42           | 241.02   | 76.06     | 6,173.19  |
| Deemed cost as at 1 April 2022              | 660.00 | 602.81   | 443.51                 | 94.53                   | 5,531.38           | 81.03                | 58.43            | 96.20    | 24.91     | 7,592.80  |





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8 LEASES

Company as a lessee

The Company has entered into various agreements to take premises on rent.

The weighted average incremental borrowing rate applied to lease liabilities as at 1 April 2022 is between 8.65%

Information about leases for which the Company is a lessee is presented below:

(a) Right-of-use asset

| Particulars                                | Land and Building | Plant & Equipment | Total    |
|--|-------------------|-------------------|----------|
| Gross carrying amount (deemed cost)        |                   |                   |          |
| Balance as at 1 April 2022                 | 1,148.75          | 125.09            | 1,273.84 |
| Additions                                  | 7.93              | -                 | 7.93     |
| Balance as at 31 March 2023                | 1,156.68          | 125.09            | 1,281.77 |
| Gross carrying amount as on 1st April 2023 | 1,156.68          | 125.09            | 1,281.77 |
| Additions                                  | 3,592.07          | 159.18            | 3,751.25 |
| Balance as at 31 March 2024                | 4,748.75          | 284.27            | 5,033.02 |
| Accumulated depreciation                   |                   |                   |          |
| Balance as at 1 April 2022                 | -                 | -                 | -        |
| Depreciation for the year                  | 379.75            | 27.78             | 407.53   |
| Balance as at 31 March 2023                | 379.75            | 27.78             | 407.53   |
| Accumulated depreciation                   |                   |                   |          |
| Balance as at 1 April 2023                 | 379.75            | 27.78             | 407.53   |
| Depreciation for the year                  | 415.23            | 27.78             | 443.01   |
| Balance as at 31 March 2024                | 794.98            | 55.56             | 850.54   |
| Net carrying amount as at 31 March 2023    | 776.93            | 97.31             | 874.24   |
| Net carrying amount as at 31 March 2024    | 3,953.77          | 228.71            | 4,182.48 |

(b) Lease liabilities

| Particulars   | As at<br>31 March 2024 | As at<br>31 March 2023 | As at<br>01 April 2022 |
|---|------------------------|------------------------|------------------------|
| Balance of lease liability at the beginning of the year | 866.87                 | 1,203.05               | -                      |
| On adoption of Ind AS 116                               | -                      | -                      | 1,203.05               |
| Add: Additions during the year                          | 3,600.95               | 7.87                   | -                      |
| Add: Interest on lease liabilities                      | 99.65                  | 83.97                  | -                      |
| Less: Lease payments                                    | (470.45)               | (428.02)               | -                      |
| Balance of lease liability at the end of the year       | 4,097.02               | 866.87                 | 1,203.05               |
| Current portion of lease liabilities                    | 497.98                 | 252.18                 | 341.13                 |
| Non-current portion of lease liabilities                | 3,599.04               | 614.69                 | 861.92                 |

Maturity analysis of lease liabilities is disclosed in (Refer Note 49)

(c) Amounts recognised in the statement of profit and loss

The statement of profit or loss shows the following amounts relating to leases:

| Particulars   | Refer note | For the year ended<br>31 March 2024 | For the year ended<br>31 March 2023 |
|---|------------|-------------------------------------|-------------------------------------|
| Depreciation charge of right-of-use assets  | 37         | 443.00                              | 407.53                              |
| Interest expense (included in finance costs)  | 36         | 99.65                               | 83.97                               |
| Expense relating to short-term leases (included in rent expenses under other)                   | 38         | 121.17                              | 27.26                               |
| Expense relating to leases of low-value assets (included in rent expenses under other expenses) |            | -                                   | -                                   |
| Variable lease payments (included in rent expenses under other expenses)                        |            | -                                   | -                                   |

(d) Amounts recognised in the cash flow statement

The cash flow statement shows the following amounts relating to leases:

| Particulars                            | For the year ended<br>31 March 2024 | For the year ended<br>31 March 2023 |
|--|-------------------------------------|-------------------------------------|
| Principal payment of lease liabilities | 370.80                              | 344.05                              |
| Interest payment on lease liabilities  | 99.65                               | 83.97                               |



9 CAPITAL WORK-IN-PROGRESS

| Particulars                          | As at<br>31 March 2024 | As at<br>31 March 2023 | As at<br>01 April 2022 |
|--------------------------------------|------------------------|------------------------|------------------------|
| Opening balance                      | 18.96                  | 100.49                 | 100.49                 |
| Add: Addition during the year        | 840.50                 | 18.96                  | -                      |
| Less: Capitalisation during the year | 16.10                  | 100.49                 | -                      |
| Closing balance                      | 843.36                 | 18.96                  | 100.49                 |

(a) Ageing of capital work-in-progress

| As at 31 March 2024                 | Amounts in capital work-in-progress for |             |             |                      |        |
|-------------------------------------|---|-------------|-------------|----------------------|--------|
| Particulars                         | Less than one<br>year                   | 1 - 2 years | 2 - 3 years | More than<br>3 years | Total  |
| (i) Projects in progress            | 840.50                                  | 2.86        | -           | -                    | 843.36 |
| (ii) Projects temporarily suspended | -                                       | -           | -           | -                    | -      |
| Total                               | 840.50                                  | 2.86        | -           | -                    | 843.36 |

| As at 31 March 2023                 | Amounts in capital work-in-progress for |             |             |                      |       |
|-------------------------------------|---|-------------|-------------|----------------------|-------|
| Particulars                         | Less than one<br>year                   | 1 - 2 years | 2 - 3 years | More than<br>3 years | Total |
| (i) Projects in progress            | 18.96                                   | -           | -           | -                    | 18.96 |
| (ii) Projects temporarily suspended | -                                       | -           | -           | -                    | -     |
| Total                               | 18.96                                   | -           | -           | -                    | 18.96 |

| As at 01 April 2022                 | Amounts in capital work-in-progress for |             |             |                      |        |
|-------------------------------------|---|-------------|-------------|----------------------|--------|
| Particulars                         | Less than one<br>year                   | 1 - 2 years | 2 - 3 years | More than<br>3 years | Total  |
| (i) Projects in progress            | 100.49                                  | -           | -           | -                    | 100.49 |
| (ii) Projects temporarily suspended | -                                       | -           | -           | -                    | -      |
| Total                               | 100.49                                  | -           | -           | -                    | 100.49 |

(b) There are no projects where completion is overdue or costs have exceeded the original plan or where activity has been suspended.

10 INTANGIBLE ASSETS

| Particulars                             | Computer<br>Software | Total |
|---|----------------------|-------|
| Gross carrying amount (Deemed cost)     |                      |       |
| Balance as at 1 April 2022              | 68.05                | 68.05 |
| Additions                               | 1.93                 | 1.93  |
| Disposals                               | -                    | -     |
| Balance as at 31 March 2023             | 69.98                | 69.98 |
| Accumulated amortization                |                      |       |
| Balance as at 1 April 2022              | -                    | -     |
| Amortization charge during the year     | 24.66                | 24.66 |
| Disposals                               | -                    | -     |
| Balance as at 31 March 2023             | 24.66                | 24.66 |
| Gross carrying amount                   |                      |       |
| Balance as at 1 April 2023              | 69.98                | 69.98 |
| Additions                               | -                    | -     |
| Disposals                               | -                    | -     |
| Balance as at 31 March 2024             | 69.98                | 69.98 |
| Accumulated amortization                |                      |       |
| Balance as at 1 April 2023              | 24.66                | 24.66 |
| Amortization charge during the year     | 23.20                | 23.20 |
| Disposals                               | -                    | -     |
| Balance as at 31 March 2024             | 47.86                | 47.86 |
| Net carrying amount as at 31 March 2024 | 22.12                | 22.12 |
| Net carrying amount as at 31 March 2023 | 45.32                | 45.32 |

Deemed Cost -

The Company has availed the deemed cost exemption as per IND AS 101 in relation to Intangible assets as on the date of transition i.e. 1 April 2022 and hence the Net carrying amount (as per IGAAP) has been considered as the gross carrying amount (as per Ind AS) on that date i.e. 1 April 2022. Refer note below for the gross carrying amount and the accumulated amortization as on 1 April 2022 under the Previous GAAP and deemed cost.

| Particulars                                 | Computer<br>Software | Total  |
|---|----------------------|--------|
| Gross carrying amount as at 1 April 2022    | 184.06               | 184.06 |
| Accumulated amortization as at 1 April 2022 | 116.01               | 116.01 |
| Deemed cost as at 1 April 2022              | 68.05                | 68.05  |





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11 INVESTMENTS (NON CURRENT)

| Particulars   | As at<br>31 March 2024 | As at<br>31 March 2023 | As at<br>01 April 2022 |
|---|------------------------|------------------------|------------------------|
| <b>Investment in equity instruments</b>   |                        |                        |                        |
| Investment in subsidiary company at cost (unquoted)   |                        |                        |                        |
| 1000 equity shares of Pertex Innovations Pvt Ltd (Face Value Rs. 100)   | -                      | 1.02                   | -                      |
| Less : Provision for impairment (refer note no 38)  | -                      | (1.02)                 | -                      |
|   | -                      | -                      | -                      |
| <b>Investment in other entities at FVTOCI (unquoted)</b>  |                        |                        |                        |
| 72000 (31 March 2024: 72000) equity shares of Torey Kusumgar Advanced Textile Private Limited (Face Value Rs. 1000) | 1,217.90               | -                      | -                      |
| 1000 (31 March 2023: 1000) equity shares of Saraswat Co-operative Bank (Face Value Rs. 10)                          | 0.10                   | 0.10                   | 0.10                   |
| 100 (31 March 2023: 100) equity shares of SVC Bank (Face Value Rs. 25)  | 0.03                   | 0.03                   | 0.03                   |
|   | 1,218.03               | 0.13                   | 0.13                   |
| <b>Total</b>  | 1,218.03               | 0.13                   | 0.13                   |
| Aggregate amount of unquoted investments  | 1,218.03               | 1.15                   | 0.13                   |
| Aggregate amount of impairment in value of investments  | -                      | (1.02)                 | -                      |

12 OTHER FINANCIAL ASSETS (NON CURRENT)

| Particulars  | As at<br>31 March 2024 | As at<br>31 March 2023 | As at<br>01 April 2022 |
|--|------------------------|------------------------|------------------------|
| <b>Security deposits*</b>                                      | 274.32                 | 180.92                 | 196.67                 |
| Bank deposits having remaining maturity of more than 12 months | -                      | -                      | -                      |
| <b>Fixed deposit</b>   |                        |                        |                        |
| Against bank guarantees  | 259.40                 | -                      | -                      |
| Against letter of credit                                       | 175.00                 | -                      | -                      |
| <b>Total</b>   | 708.72                 | 180.92                 | 196.67                 |

\*Refer note 44

13 NON CURRENT TAX ASSETS (NET)

| Particulars                   | As at<br>31 March 2024 | As at<br>31 March 2023 | As at<br>01 April 2022 |
|-------------------------------|------------------------|------------------------|------------------------|
| Income tax asset (net of tax) | -                      | 11.37                  | 77.37                  |
| <b>Total</b>                  | -                      | 11.37                  | 77.37                  |

14 OTHER NON CURRENT ASSETS

| Particulars                                     | As at<br>31 March 2024 | As at<br>31 March 2023 | As at<br>01 April 2022 |
|---|------------------------|------------------------|------------------------|
| Balance with statutory & government authorities | -                      | 29.01                  | 29.01                  |
| Advance paid to creditors-Capital               | 831.43                 | 491.09                 | 314.98                 |
| <b>Total</b>                                    | 831.43                 | 520.10                 | 343.99                 |

15 INVENTORIES (VALUED AT LOWER OF COST OR NET REALISABLE VALUE)

| Particulars          | As at<br>31 March 2024 | As at<br>31 March 2023 | As at<br>01 April 2022 |
|----------------------|------------------------|------------------------|------------------------|
| <b>a.</b>            |                        |                        |                        |
| Raw Material         | 5,693.98               | 1,666.78               | 1,363.76               |
| Semi Finished Fabric | 2,317.93               | 1,807.03               | 1,088.24               |
| Finished Fabric      | 3,813.99               | 2,365.84               | 1,928.27               |
| Stores & Spares      | 298.47                 | 263.01                 | 174.20                 |
| <b>b.</b>            |                        |                        |                        |
| Stock In Transit     | 1,511.29               | -                      | -                      |
| <b>Total</b>         | 13,635.66              | 6,102.66               | 4,554.47               |

16 TRADE RECEIVABLES

| Particulars  | As at<br>31 March 2024 | As at<br>31 March 2023 | As at<br>01 April 2022 |
|--|------------------------|------------------------|------------------------|
| <b>Unsecured</b>   |                        |                        |                        |
| Considered good*   | 4,749.10               | 6,062.10               | 5,187.86               |
| Less- Allowance for expected credit loss (refer note no 32 and 38) | (263.49)               | (165.10)               | (232.86)               |
| <b>Total</b>   | 4,485.61               | 5,897.00               | 4,955.00               |

\*Refer note 44



Kusumgar Private Limited (Formerly known as Kusumgar Corporates Private Limited)  
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024  
(Amount in INR Lakhs, unless otherwise stated)

| March 31, 2024                                   | Current  |         |   |                   |           |           |                   |          |
|--|----------|---------|---|-------------------|-----------|-----------|-------------------|----------|
| Particulars                                      | Unbilled | Not Due | Outstanding for following periods from due date of Receipts |                   |           |           |                   | Total    |
|  |          |         | Less than 6 months  | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years |          |
| Undisputed trade receivables                     | -        | -       | 4,520.82  | 101.74            | 81.72     | 23.78     | 21.04             | 4,749.10 |
| - considered good                                | -        | -       | -   | -                 | -         | -         | -                 | -        |
| - which have significant increase in credit risk | -        | -       | -   | -                 | -         | -         | -                 | -        |
| - credit impaired                                | -        | -       | -   | -                 | -         | -         | -                 | -        |
| Disputed trade receivables                       | -        | -       | -   | -                 | -         | -         | -                 | -        |
| - considered good                                | -        | -       | -   | -                 | -         | -         | -                 | -        |
| - which have significant increase in credit risk | -        | -       | -   | -                 | -         | -         | -                 | -        |
| - credit impaired                                | -        | -       | -   | -                 | -         | -         | -                 | -        |
| Subtotal   | -        | -       | 4,520.82  | 101.74            | 81.72     | 23.78     | 21.04             | 4,749.10 |
| Less: Allowance for expected credit loss         |          |         |   |                   |           |           |                   | (263.49) |
| Total  |          |         |   |                   |           |           |                   | 4,485.61 |

| March 31, 2023                                   | Current  |         |   |                   |           |           |                   |          |
|--|----------|---------|---|-------------------|-----------|-----------|-------------------|----------|
| Particulars                                      | Unbilled | Not Due | Outstanding for following periods from due date of Receipts |                   |           |           |                   | Total    |
|  |          |         | Less than 6 months  | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years |          |
| Undisputed trade receivables                     | -        | -       | 5,261.99  | 743.22            | 42.50     | 14.39     | -                 | 6,062.10 |
| - considered good                                | -        | -       | -   | -                 | -         | -         | -                 | -        |
| - which have significant increase in credit risk | -        | -       | -   | -                 | -         | -         | -                 | -        |
| - credit impaired                                | -        | -       | -   | -                 | -         | -         | -                 | -        |
| Disputed trade receivables                       | -        | -       | -   | -                 | -         | -         | -                 | -        |
| - considered good                                | -        | -       | -   | -                 | -         | -         | -                 | -        |
| - which have significant increase in credit risk | -        | -       | -   | -                 | -         | -         | -                 | -        |
| - credit impaired                                | -        | -       | -   | -                 | -         | -         | -                 | -        |
| Subtotal   | -        | -       | 5,261.99  | 743.22            | 42.50     | 14.39     | -                 | 6,062.10 |
| Less: Allowance for expected credit loss         |          |         |   |                   |           |           |                   | (165.10) |
| Total  |          |         |   |                   |           |           |                   | 5,897.00 |

| April 01, 2022                                   | Current  |         |   |                   |           |           |                   |          |
|--|----------|---------|---|-------------------|-----------|-----------|-------------------|----------|
| Particulars                                      | Unbilled | Not Due | Outstanding for following periods from due date of Receipts |                   |           |           |                   | Total    |
|  |          |         | Less than 6 months  | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years |          |
| Undisputed trade receivables                     | -        | -       | 3,815.31  | 1,304.96          | 63.05     | 4.54      | -                 | 5,187.86 |
| - considered good                                | -        | -       | -   | -                 | -         | -         | -                 | -        |
| - which have significant increase in credit risk | -        | -       | -   | -                 | -         | -         | -                 | -        |
| - credit impaired                                | -        | -       | -   | -                 | -         | -         | -                 | -        |
| Disputed trade receivables                       | -        | -       | -   | -                 | -         | -         | -                 | -        |
| - considered good                                | -        | -       | -   | -                 | -         | -         | -                 | -        |
| - which have significant increase in credit risk | -        | -       | -   | -                 | -         | -         | -                 | -        |
| - credit impaired                                | -        | -       | -   | -                 | -         | -         | -                 | -        |
| Subtotal   | -        | -       | 3,815.31  | 1,304.96          | 63.05     | 4.54      | -                 | 5,187.86 |
| Less: Allowance for expected credit loss         |          |         |   |                   |           |           |                   | (232.86) |
| Total  |          |         |   |                   |           |           |                   | 4,955.00 |

17 CASH AND CASH EQUIVALENTS

| Particulars         | As at 31 March 2024 | As at 31 March 2023 | As at 01 April 2022 |
|---------------------|---------------------|---------------------|---------------------|
| Balances with banks |                     |                     |                     |
| In current accounts | 3,159.65            | 988.34              | 789.21              |
| Cash on hand        | 11.20               | 9.18                | 1.29                |
| Total               | 3,170.85            | 997.52              | 790.50              |





Kusumgar Private Limited (Formerly known as Kusumgar Corporates Private Limited)  
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024  
(Amount in INR Lakhs, unless otherwise stated)

18 OTHER BANK BALANCES

| Particulars  | As at<br>31 March 2024 | As at<br>31 March 2023 | As at<br>01 April 2022 |
|--|------------------------|------------------------|------------------------|
| Bank deposits having original maturity of more than 3 months but less than 12 months | 10,979.39              | 4.18                   | 4.00                   |
| Fixed deposit  |                        |                        |                        |
| Against bank guarantees  | 31.19                  | 76.73                  | 42.90                  |
| Against letter of credit   | 42.10                  | 25.12                  | 18.93                  |
| <b>Total</b>   | <b>11,052.68</b>       | <b>106.03</b>          | <b>65.83</b>           |

19 OTHER FINANCIAL ASSETS (CURRENT)

| Particulars                              | As at<br>31 March 2024 | As at<br>31 March 2023 | As at<br>01 April 2022 |
|--|------------------------|------------------------|------------------------|
| Security deposit                         | 216.75                 | 380.82                 | 209.88                 |
| Less- Allowance for expected credit loss | -                      | (8.01)                 | (8.01)                 |
|  | 216.75                 | 372.81                 | 201.87                 |
| Interest accrued                         | 48.10                  | 5.83                   | 7.20                   |
| Other receivables                        | 13.78                  |                        |                        |
| <b>Total</b>                             | <b>278.63</b>          | <b>378.64</b>          | <b>209.07</b>          |

20 OTHER CURRENT ASSETS

| Particulars                                     | As at<br>31 March 2024 | As at<br>31 March 2023 | As at<br>01 April 2022 |
|---|------------------------|------------------------|------------------------|
| Balance with statutory & government authorities | 1,371.74               | 709.96                 | 485.90                 |
| Advance paid to creditors                       | 1,513.12               | 200.35                 | 129.60                 |
| Prepaid expenses                                | 91.50                  | 64.82                  | 90.48                  |
| Employee's loan                                 | 61.07                  | 24.00                  | 19.79                  |
| <b>Total</b>                                    | <b>3,037.43</b>        | <b>999.13</b>          | <b>725.77</b>          |



**Kusumgar Private Limited (Formerly known as Kusumgar Corporates Private Limited)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024**  
(Amount in INR Lakhs, unless otherwise stated)

**21 EQUITY SHARE CAPITAL**

| Particulars   | As at<br>31 March 2024 | As at<br>31 March 2023 | As at<br>01 April 2022 |
|---|------------------------|------------------------|------------------------|
| <b>Authorized share capital</b>   |                        |                        |                        |
| 3,00,000 (31 March 2023: 3,00,000, 1 April 2022: 3,00,000) Equity Shares of INR 100 each            | 300.00                 | 300.00                 | 300.00                 |
|   | 300.00                 | 300.00                 | 300.00                 |
| <b>Issued, subscribed and paid up</b>   |                        |                        |                        |
| 1,99,000 (31 March 2023: 1,99,000, 1 April 2022: 1,99,000) Equity Shares of INR 100 each fully paid | 199.00                 | 199.00                 | 199.00                 |
| <b>Total</b>  | <b>199.00</b>          | <b>199.00</b>          | <b>199.00</b>          |

**(a) Reconciliation of shares outstanding at the beginning and at the end of the year**

| Particulars                               | As at 31 March 2024 |               | As at 31 March 2023 |               |
|---|---------------------|---------------|---------------------|---------------|
|   | Number of shares    | Amount        | Number of shares    | Amount        |
| Outstanding at the beginning of the year  | 1,99,000            | 199.00        | 1,99,000            | 199.00        |
| Add: Issued during the year               | -                   | -             | -                   | -             |
| <b>Outstanding at the end of the year</b> | <b>1,99,000</b>     | <b>199.00</b> | <b>1,99,000</b>     | <b>199.00</b> |

**(b) Rights, preferences and restrictions attached:**

- 1) The Company has only one class of Equity Shares having a par value of INR 100 per share. Each holder of Equity Shares is entitled to one vote per share.
- 2) They are also entitled to dividend if proposed by the Board of Directors and approved by the shareholders in the ensuing Annual General Meeting except in case of interim dividend.
- 3) In the event of liquidation, the equity shareholders are entitled to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their share holding.

**(c) Details of shares held by shareholders holding more than 5% of the aggregate equity shares in the Company**

| Name of shareholder  | As at 31 March 2024 |           | As at 31 March 2023 |           | As at 01 April 2022 |           |
|----------------------|---------------------|-----------|---------------------|-----------|---------------------|-----------|
|                      | No. of shares       | % holding | No. of shares       | % holding | No. of shares       | % holding |
| Siddharth Y Kusumgar | 1,28,813            | 64.73%    | 1,28,813            | 64.73%    | 1,28,833            | 64.74%    |
| Sapna S Kusumgar     | 61,567              | 30.94%    | 61,567              | 30.94%    | 61,567              | 30.94%    |

**(d) Details of Equity shares held by Promoters at the end of the year**

| Promoter name        | As at 31 March 2024 |           |                          | As at 31 March 2023 |           |                          |
|----------------------|---------------------|-----------|--------------------------|---------------------|-----------|--------------------------|
|                      | No. of shares       | % holding | % change during the year | No. of shares       | % holding | % change during the year |
| Siddharth Y Kusumgar | 1,28,813            | 64.73%    | 0.00%                    | 1,28,813            | 64.73%    | -0.02%                   |
| Sapna S Kusumgar     | 61,567              | 30.94%    | 0.00%                    | 61,567              | 30.94%    | 0.00%                    |
| HUF                  | 8,500               | 4.27%     | 0.00%                    | 8,500               | 4.27%     | 0.00%                    |
| Yogesh K Kusumgar    | 100.00              | 0.05%     | 0.00%                    | 100                 | 0.05%     | 0.00%                    |

**(e) No class of shares have been issued as bonus shares or for consideration other than cash by the Company during the period of five years immediately preceding the current year end.**

**(f) No class of shares have been bought back by the Company during the period of five years immediately preceding the current year end.**





Kusumgar Private Limited (Formerly known as Kusumgar Corporates Private Limited)  
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2024  
(Amount in INR Lakhs, unless otherwise stated)

(a) EQUITY SHARE CAPITAL

| Particulars                     | No. of Shares |
|---------------------------------|---------------|
| As at 1 April 2022              | 1,99,000      |
| Changes in equity share capital | -             |
| As at 31 March 2023             | 1,99,000      |
| Changes in equity share capital | -             |
| As at 31 March 2024             | 1,99,000      |


(b) OTHER EQUITY

| Particulars   | Securities premium | General reserve | Retained earnings | Other comprehensive Income | Total     |
|---|--------------------|-----------------|-------------------|----------------------------|-----------|
| Balance as at 1 April 2022  | 2,693.88           | 579.07          | 9,159.37          | -                          | 12,432.32 |
| Profit for the year   | -                  | -               | 3,659.43          | -                          | 3,659.43  |
| Other Comprehensive Income for the year (net of tax)                | -                  | -               | 0.13              | -                          | 0.13      |
| Balance as at 31 March 2023   | 2,693.88           | 579.07          | 12,818.93         | -                          | 16,091.88 |
| Particulars   | Securities premium | General reserve | Retained earnings | Other comprehensive Income | Total     |
| Balance as at 1 April 2023  | 2,693.88           | 579.07          | 12,818.93         | -                          | 16,091.88 |
| Profit for the year   | -                  | -               | 8,114.39          | -                          | 8,114.39  |
| Add/ (Less) - Gain/ (loss) on FVUCL equity investments (net of tax) | -                  | -               | -                 | 35.45                      | 35.45     |
| Balance as at 31 March 2024   | 2,693.88           | 579.07          | 20,933.32         | 35.45                      | 24,241.73 |

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

As per our report of even date  
For M S K A & Associates  
Chartered Accountants  
ICAI Firm Registration No: 105047W

  
Amrish Vaidya  
Partner  
Membership No. 101739

  
Yogesh Kusumgar  
Director  
DIN: 01080769

For and on behalf of the Board of Directors  
Kusumgar Private Limited  
CIN: U65990MH1990PTC056871



  
Siddharth Kusumgar  
Director  
DIN: 01676799

Place: Mumbai  
Date: 24-09-2024

Place: Mumbai  
Date: 24-09-2024

Place: Mumbai  
Date: 24-09-2024

22. OTHER EQUITY

| Particulars                | As at<br>31 March 2024 | As at<br>31 March 2023 | As at<br>01 April 2022 |
|----------------------------|------------------------|------------------------|------------------------|
| Securities premium         | 2,693.88               | 2,693.88               | 2,693.88               |
| General reserve            | 579.07                 | 579.07                 | 579.07                 |
| Retained earnings          | 20,850.59              | 12,818.93              | 9,159.37               |
| Other comprehensive Income | 118.19                 | -                      | -                      |
| <b>Total</b>               | <b>24,241.73</b>       | <b>16,091.88</b>       | <b>12,432.32</b>       |

(a) Securities premium

| Particulars                                      | As at<br>31 March 2024 | As at<br>31 March 2023 |
|--|------------------------|------------------------|
| Opening balance                                  | 2,693.88               | 2,693.88               |
| Add : Securities premium credited on share issue | -                      | -                      |
| <b>Closing balance</b>                           | <b>2,693.88</b>        | <b>2,693.88</b>        |

(b) General reserve

| Particulars                                    | As at<br>31 March 2024 | As at<br>31 March 2023 |
|--|------------------------|------------------------|
| Opening balance                                | 579.07                 | 579.07                 |
| Add : General reserve credited during the year | -                      | -                      |
| <b>Closing balance</b>                         | <b>579.07</b>          | <b>579.07</b>          |

(c) Retained Earnings (refer notes below)

| Particulars  | As at<br>31 March 2024 | As at<br>31 March 2023 |
|--|------------------------|------------------------|
| Opening balance  | 12,818.93              | 9,159.37               |
| Add: Profit/ (Loss) for the year                                   | 8,114.39               | 3,659.43               |
| Add/(Less) - Remeasurement gain/(loss) of net defined benefit plan | (82.73)                | 0.13                   |
| <b>Closing balance</b>   | <b>20,850.59</b>       | <b>12,818.93</b>       |

(d) Other comprehensive Income

| Particulars   | As at<br>31 March 2024 | As at<br>31 March 2023 |
|---|------------------------|------------------------|
| Opening balance                                       | -                      | -                      |
| Add/(Less) - Gain/(loss) on FVTOCI equity investments | 118.18                 | -                      |
| <b>Closing balance</b>                                | <b>118.19</b>          | <b>-</b>               |

**Nature and purpose of reserves**

(a) Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013

(b) The amount in general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013

(c) Retained earnings are the profits/(loss) that the Company has earned/incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

(c) Retained earnings are the profits/(loss) that the Company has earned/incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

(d) The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the Equity instruments through Other Comprehensive Income within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

**Note**

The Company discontinued the practice of revaluing land in accordance with IGAAP after 2013. The amount of INR 510.84 lakhs previously held in revaluation reserve has been transferred to retained earnings as on 1st April 2022.





## 23 BORROWINGS

### (a) Non-current borrowings

| Particulars                                  | As at<br>31 March 2024 | As at<br>31 March 2023 | As at<br>01 April 2022 |
|--|------------------------|------------------------|------------------------|
| <b>Secured</b>                               |                        |                        |                        |
| (i) Term loan (from Bank) (refer sub-note 1) | 4,624.69               | 2,504.69               | 2,666.63               |
| Less: Current maturities of long term debt   | (1,276.31)             | (702.33)               | (682.94)               |
|  | 3,348.38               | 1,802.36               | 1,983.69               |
| (ii) Vehicle Loan (refer sub-note 2)         | 177.93                 | 282.87                 | 3.04                   |
| Less: Current maturities of long term debt   | (45.78)                | (119.85)               | (3.04)                 |
|  | 132.15                 | 163.02                 | -                      |
| <b>Total</b>                                 | <b>3,480.53</b>        | <b>1,965.38</b>        | <b>1,983.69</b>        |

### (b) Current borrowings

| Particulars  | As at<br>31 March 2024 | As at<br>31 March 2023 | As at<br>01 April 2022 |
|--|------------------------|------------------------|------------------------|
| <b>Secured</b>   |                        |                        |                        |
| Working capital demand loan from a bank (refer sub-note 3) | 355.19                 | 50.00                  | 915.93                 |
| Packing credit foreign currency loans (PCFC)               | 2,454.40               | 1,767.68               | -                      |
| Cash credit  | -                      | 44.85                  | 3.78                   |
| Current maturities of long-term borrowings(Term Loan)      | 1,317.44               | 724.69                 | 706.20                 |
| Current maturities of long-term borrowings(Vehicle Loan)   | 45.78                  | 119.85                 | 3.04                   |
| <b>Total</b>   | <b>4,172.81</b>        | <b>2,707.07</b>        | <b>1,628.95</b>        |

#### Sub-note 1- Term loans

a.The loan from State Bank of India was repaid on 4th July 2023, all hypothecation charge on Plant & Machinery, other properties has been released by Bank. The above term loan carries an interest of 10.15 % p.a

b.Term Loan from HDFC Bank Ltd is secured by way hypothecation charge on Plant & Machinery purchase out of Term Loan, Property Located at Plot 10 & 11 at Kosamba and personal guarantee of directors.

c.There is an another Term Loan from HDFC Bank Ltd, which is secured by way hypothecation charge on Plant & Machinery purchase out of Term Loan, Property Located at Plot 1271 & 1273 at Tadkeshwar and backed by personal guarantee of directors.

d.The HDFC term loan having moratorium period of 1 year from the date of disbursement, but the company needs to pay interest amount on outstanding loan during the moratorium period.

#### Term loans repayment schedule\*

| Sr. No. | Bank name     | Rate of Interest (%) | Instalment period              | Outstanding as at<br>31st March 2024 | Monthly Instalment<br>Amount |
|---------|---------------|----------------------|--------------------------------|--------------------------------------|------------------------------|
| 1       | HDFC Bank Ltd | 8.73                 | 29 June 2020 to 5 May 2027     | 1,007.94                             | 25.84                        |
| 2       | HDFC Bank Ltd | 8.73                 | 18 June 2020 to 13 Sep 2025    | 90.00                                | 5.00                         |
| 3       | HDFC Bank Ltd | 8.73                 | 31 Dec 2021 to 31 Dec 2026     | 189.85                               | 5.75                         |
| 4       | HDFC Bank Ltd | 8.73                 | 31 March 2022 to 31 March 2028 | 3,350.52                             | 69.76                        |
|         | <b>Total</b>  |                      |                                | <b>4,638.31</b>                      | <b>106.35</b>                |

(There is no default in terms of repayment of Principle and Interest)

\*Pursuant to the adoption of Ind AS, the unamortised transaction costs as of April 1, 2022, have been netted off against borrowings, with a corresponding debit to the opening retained earnings. As a result, there has been an impact of INR 13.63 lakhs as on March 31, 2024.

#### Sub-note 2- Vehicle loans

##### Vehicle loans repayment schedule

| Sr. No. | Bank name         | Rate of Interest (%) | Maturity period | Outstanding as at<br>31st March 2024 | Monthly Instalment<br>Amount |
|---------|-------------------|----------------------|-----------------|--------------------------------------|------------------------------|
| 1       | Daimler Financial | 6.7 to 7.90          | 04-May-27       | 43.65                                | 1.28                         |
| 2       | HDFC Bank Ltd     | 6.7 to 7.90          | 04-Nov-27       | 115.30                               | 0.50                         |
| 3       | HDFC Bank Ltd     | 6.7 to 7.90          | 04-May-27       | 18.98                                | 3.01                         |
|         | <b>Total</b>      |                      |                 | <b>177.93</b>                        | <b>4.79</b>                  |



**Sub-note 3**

Working Capital Loan at ranges from 8.73% to 9.25% from Banks are secured by hypothecation charge on the stock of Raw Materials, Finished and Semi Finished Goods and Book Debts arising out of Business transactions.

The quarterly returns or statements filed by the Company for working capital limits with such banks are in agreement with the books of account of the Company except for statements filed for quarters during the year ended 31st March 2024, where except some minor differences due to valuation change in closing inventories were noted between the amount as per books of account for respective quarters and amount as reported in the quarterly statements.

**24 OTHER FINANCIAL LIABILITIES (NON CURRENT)**

| Particulars                   | As at<br>31 March 2024 | As at<br>31 March 2023 | As at<br>01 April 2022 |
|-------------------------------|------------------------|------------------------|------------------------|
| Financial Guarantee liability | -                      | -                      | 6.27                   |
| Total                         | -                      | -                      | 6.27                   |

**25 EMPLOYEE BENEFIT OBLIGATIONS (NON CURRENT)**

| Particulars                                       | As at<br>31 March 2024 | As at<br>31 March 2023 | As at<br>01 April 2022 |
|---|------------------------|------------------------|------------------------|
| Accrued defined benefit liability (Refer Note 43) | 98.72                  | -                      | 23.34                  |
| Leave encashment payable                          | 56.07                  | 69.92                  | 55.09                  |
| Total   | 154.79                 | 69.92                  | 78.43                  |

**26 TRADE PAYABLES**

| Particulars   | As at<br>31 March 2024 | As at<br>31 March 2023 | As at<br>01 April 2022 |
|---|------------------------|------------------------|------------------------|
| Total outstanding dues of micro enterprises and small enterprises                       | 143.16                 | 199.60                 | 112.60                 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises* | 5,042.22               | 1,548.20               | 2,496.71               |
| Total   | 5,185.38               | 1,747.80               | 2,609.31               |

\*Refer note 44

| Particulars  | As at<br>31 March 2024 | As at<br>31 March 2023 | As at<br>01 April 2022 |
|--|------------------------|------------------------|------------------------|
| (i) The amounts remaining unpaid to micro and small suppliers as at the end of the year:<br>- Principal<br>- Interest  | 143.16<br>-            | 199.60<br>-            | 112.60<br>-            |
| (ii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year. | -                      | -                      | -                      |
| (iii) The amount of payments made to micro and small suppliers beyond the appointed day during each accounting year.   | -                      | -                      | -                      |
| (iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond appointed day during the year) but without adding the interest specified under MSMED Act, 2006.                                 | -                      | -                      | -                      |
| (v) The amount of interest accrued and remaining unpaid at the end of each accounting year.  | -                      | -                      | -                      |
| (vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise.  | -                      | -                      | -                      |





Trade Payables ageing schedule

| As at 31 March 2024       |               | Current          |  |           |           |                   |          |
|---------------------------|---------------|------------------|--|-----------|-----------|-------------------|----------|
| Particulars               | Unbilled Dues | Payables Not Due | Outstanding for following periods from due date of Payment |           |           |                   | Total    |
|                           |               |                  | Less than 1 year   | 1-2 years | 2-3 years | More than 3 years |          |
| Undisputed trade payables |               |                  |  |           |           |                   |          |
| - MSME                    |               | 73.35            | 67.18  | 0.24      | 2.27      | 0.12              | 143.16   |
| - Others                  | 1,511.29      | 1,395.63         | 2,042.71   | 68.79     | 4.66      | 19.14             | 5,042.22 |
| Disputed trade payables   |               |                  |  |           |           |                   |          |
| - MSME                    | -             | -                | -  | -         | -         | -                 | -        |
| - Others                  | -             | -                | -  | -         | -         | -                 | -        |
| Total                     | 1,511.29      | 1,468.98         | 2,109.89   | 69.03     | 6.93      | 19.26             | 5,185.38 |

| As at 31 March 2023       |               | Current          |  |           |           |                   |          |
|---------------------------|---------------|------------------|--|-----------|-----------|-------------------|----------|
| Particulars               | Unbilled Dues | Payables Not Due | Outstanding for following periods from due date of Payment |           |           |                   | Total    |
|                           |               |                  | Less than 1 year   | 1-2 years | 2-3 years | More than 3 years |          |
| Undisputed trade payables |               |                  |  |           |           |                   |          |
| - MSME                    | -             | 177.97           | 19.23  | 2.28      | 0.00      | 0.12              | 199.60   |
| - Others                  | -             | 692.16           | 827.59   | 9.75      | 10.09     | 8.61              | 1,548.20 |
| Disputed trade payables   |               |                  |  |           |           |                   |          |
| - MSME                    | -             | -                | -  | -         | -         | -                 | -        |
| - Others                  | -             | -                | -  | -         | -         | -                 | -        |
| Total                     | -             | 870.13           | 846.82   | 12.03     | 10.09     | 8.73              | 1,747.80 |

| As at 01 April 2022       |               | Current          |  |           |           |                   |          |
|---------------------------|---------------|------------------|--|-----------|-----------|-------------------|----------|
| Particulars               | Unbilled Dues | Payables Not Due | Outstanding for following periods from due date of Payment |           |           |                   | Total    |
|                           |               |                  | Less than 1 year   | 1-2 years | 2-3 years | More than 3 years |          |
| Undisputed trade payables |               |                  |  |           |           |                   |          |
| - MSME                    | -             | 81.63            | 30.85  | -         | 0.10      | 0.02              | 112.60   |
| - Others                  | -             | 767.83           | 1,704.60   | 15.74     | 1.76      | 6.78              | 2,496.71 |
| Disputed trade payables   |               |                  |  |           |           |                   |          |
| - MSME                    | -             | -                | -  | -         | -         | -                 | -        |
| - Others                  | -             | -                | -  | -         | -         | -                 | -        |
| Total                     | -             | 849.46           | 1,735.45   | 15.74     | 1.86      | 6.80              | 2,609.31 |

27 OTHER FINANCIAL LIABILITIES (CURRENT)

| Particulars                        | As at<br>31 March 2024 | As at<br>31 March 2023 | As at<br>01 April 2022 |
|------------------------------------|------------------------|------------------------|------------------------|
| Sundry creditors for capital goods | 255.90                 | 63.87                  | 12.48                  |
| Employee dues payable              | 297.82                 | 137.55                 | 213.20                 |
| Foreign currency forward contract* | 18.15                  | -                      | -                      |
| Financial guarantee liability      | -                      | 6.27                   | 6.22                   |
| Expenses payables                  | 1,591.90               | 82.56                  | 100.88                 |
| Scrap deposit                      | 3.50                   | 3.50                   | 3.00                   |
| Total                              | 2,167.27               | 293.75                 | 335.78                 |

\*Derivatives contract not designated as hedge are carried at fair value through profit or loss

28 EMPLOYEE BENEFIT OBLIGATIONS (CURRENT)

| Particulars                                       | As at<br>31 March 2024 | As at<br>31 March 2023 | As at<br>01 April 2022 |
|---|------------------------|------------------------|------------------------|
| Accrued defined benefit liability (Refer Note 43) | 35.77                  | 24.53                  | 24.84                  |
| Leave encashment payable                          | 8.97                   | 12.64                  | 39.02                  |
| Total   | 44.74                  | 37.17                  | 63.86                  |

29 CURRENT TAX LIABILITY

| Particulars                       | As at<br>31 March 2024 | As at<br>31 March 2023 | As at<br>01 April 2022 |
|-----------------------------------|------------------------|------------------------|------------------------|
| Income tax liability (net of tax) | 280.19                 | -                      | -                      |
| Total                             | 280.19                 | -                      | -                      |

30 OTHER CURRENT LIABILITIES

| Particulars            | As at<br>31 March 2024 | As at<br>31 March 2023 | As at<br>01 April 2022 |
|------------------------|------------------------|------------------------|------------------------|
| Advance from customers | 12,646.06              | 291.80                 | 114.04                 |
| Statutory dues         | 335.95                 | 84.80                  | 56.18                  |
| Total                  | 12,982.01              | 376.60                 | 170.22                 |

31 REVENUE FROM OPERATIONS

| Particulars                         | For the year ended<br>31 March 2024 | For the year ended<br>31 March 2023 |
|-------------------------------------|-------------------------------------|-------------------------------------|
| Revenue from contract with customer |                                     |                                     |
| Sale of products*                   |                                     |                                     |
| Manufactured goods                  | 46,098.56                           | 30,361.71                           |
| Sale of services                    | 112.90                              | 338.12                              |
|                                     | 46,211.46                           | 30,699.83                           |
| Other Operating Income              |                                     |                                     |
| Government grants                   | 523.38                              | -                                   |
| Duty drawback                       | 271.95                              | 166.35                              |
| RODTEP income                       | 245.50                              | 240.45                              |
| Sale of scrap                       | 161.74                              | 168.49                              |
| MEIS income                         | -                                   | 14.72                               |
| TED income                          | -                                   | 12.00                               |
|                                     | 1,202.57                            | 602.01                              |
| <b>Total</b>                        | <b>47,414.03</b>                    | <b>31,301.84</b>                    |

Refer note 45 for revenue disclosures as per Ind AS 115.

\*Refer note 44

32 OTHER INCOME

| Particulars                                 | For the year ended<br>31 March 2024 | For the year ended<br>31 March 2023 |
|---|-------------------------------------|-------------------------------------|
| Foreign exchange gain                       | 324.03                              | 86.71                               |
| Interest income on                          |                                     |                                     |
| Fixed deposit                               | 294.57                              | 11.99                               |
| Unwinding of discount on security deposits  | 9.66                                | 12.81                               |
| Other interest income                       | 2.94                                | 3.02                                |
| Financial guarantee commission income       | 6.86                                | 7.50                                |
| Allowance for expected credit loss reversal | -                                   | 67.76                               |
| Profit on sale of assets                    | 16.75                               | 13.01                               |
| Sundry balance written back                 | -                                   | 6.27                                |
| Miscellaneous income                        | 14.21                               | 4.19                                |
| <b>Total</b>                                | <b>669.02</b>                       | <b>213.26</b>                       |

33 COST OF MATERIALS CONSUMED\*\*

| Particulars         | For the year ended<br>31 March 2024 | For the year ended<br>31 March 2023 |
|---------------------|-------------------------------------|-------------------------------------|
| Opening Stock       | 1,666.78                            | 1,363.76                            |
| Add: Purchases*     | 24,648.88                           | 17,032.81                           |
| Less: Closing stock | (5,693.98)                          | (1,666.78)                          |
| <b>Total</b>        | <b>20,621.69</b>                    | <b>16,729.80</b>                    |

\*Refer note 44

\*\*Consumption includes research & development amounting to INR 194.13 lakhs (31st March 2023: INR 176.24 lakhs)

34 CHANGES IN INVENTORIES OF STOCK-IN-TRADE

| Particulars                               | For the year ended<br>31 March 2024 | For the year ended<br>31 March 2023 |
|---|-------------------------------------|-------------------------------------|
| Inventories at the end of the year:       |                                     |                                     |
| Finished stock                            | 3,813.99                            | 2,365.84                            |
| Semi finished stock                       | 2,317.93                            | 1,807.03                            |
|   | 6,131.92                            | 4,172.87                            |
| Inventories at the beginning of the year: |                                     |                                     |
| Finished stock                            | 2,365.84                            | 1,928.27                            |
| Semi finished stock                       | 1,807.03                            | 1,088.24                            |
|   | 4,172.87                            | 3,016.51                            |
| <b>Net (increase)</b>                     | <b>(1,959.05)</b>                   | <b>(1,156.36)</b>                   |





**35 EMPLOYEE BENEFITS EXPENSE**

| Particulars                               | For the year ended<br>31 March 2024 | For the year ended<br>31 March 2023 |
|---|-------------------------------------|-------------------------------------|
| Salaries and wages*                       | 3,463.31                            | 2,622.25                            |
| Staff welfare expenses                    | 213.13                              | 176.19                              |
| Contribution to provident and other funds | 151.83                              | 111.68                              |
| Gratuity expenses (Refer Note 43)         | 44.15                               | 39.70                               |
| <b>Total</b>                              | <b>3,872.42</b>                     | <b>2,949.82</b>                     |

\*Salary & wages includes research & development amounting to INR 138.30 lakhs (31st March 2023: INR 187.55 lakhs)

**36 FINANCE COSTS**

| Particulars                   | For the year ended<br>31 March 2024 | For the year ended<br>31 March 2023 |
|-------------------------------|-------------------------------------|-------------------------------------|
| Interest expense on           |                                     |                                     |
| Borrowings                    | 302.63                              | 315.64                              |
| Lease liabilities             | 99.65                               | 83.97                               |
| Financial guarantee liability | 0.59                                | 1.28                                |
| Bank charges                  | 186.22                              | 90.97                               |
| Unwinding of transaction cost | 4.15                                | 7.58                                |
| Other finance cost            | 35.36                               | 19.65                               |
| <b>Total</b>                  | <b>628.60</b>                       | <b>519.09</b>                       |

**37 DEPRECIATION AND AMORTIZATION EXPENSE**

| Particulars                                   | For the year ended<br>31 March 2024 | For the year ended<br>31 March 2023 |
|---|-------------------------------------|-------------------------------------|
| Depreciation of property, plant and equipment | 1,174.26                            | 1,037.80                            |
| Depreciation of right to use assets           | 443.00                              | 407.53                              |
| Amortization of intangible assets             | 23.20                               | 24.66                               |
| <b>Total</b>                                  | <b>1,640.46</b>                     | <b>1,469.99</b>                     |

**38 OTHER EXPENSES**

| Particulars  | For the year ended<br>31 March 2024 | For the year ended<br>31 March 2023 |
|--|-------------------------------------|-------------------------------------|
| Power and fuel                                       | 1,765.20                            | 1,760.15                            |
| Job work and labour charges*                         | 2,902.97                            | 1,302.63                            |
| Royalty Expense                                      | 3,250.78                            | -                                   |
| Consumption of stores                                | 1,003.13                            | 666.63                              |
| Travelling and conveyance                            | 511.76                              | 453.66                              |
| Freight and forwarding charges                       | 506.42                              | 350.08                              |
| Professional and legal fees                          | 447.31                              | 340.65                              |
| Effluent treatment charges                           | 358.83                              | 368.49                              |
| Advertisement and marketing                          | 158.48                              | 180.78                              |
| Repairs on   |                                     |                                     |
| Plant and machinery                                  | 272.09                              | 105.96                              |
| Building   | 32.50                               | 19.85                               |
| Others   | 73.77                               | 52.86                               |
| Rates and taxes                                      | 99.42                               | 90.17                               |
| Testing charges (Research & Development)             | 43.22                               | 67.43                               |
| CSR (Refer Note 52)                                  | 69.16                               | 41.02                               |
| Exchange losses on foreign currency forward contract | 18.15                               | -                                   |
| Insurance charges                                    | 37.99                               | 27.47                               |
| Rent expenses*                                       | 121.17                              | 27.26                               |
| Brokerage and commission                             | 92.27                               | 8.49                                |
| Allowance for expected credit loss                   | 98.39                               | -                                   |
| Payment to auditors (Refer Note 38.1)                | 18.00                               | 5.00                                |
| Provision for impairment of investment               | -                                   | 1.02                                |
| Sundry balance's written off                         | 30.50                               | -                                   |
| Donation   | 0.53                                | 0.41                                |
| Misc. and Admin exp                                  | 342.69                              | 293.07                              |
| <b>Total</b>   | <b>12,254.72</b>                    | <b>6,163.08</b>                     |

\*Refer note 44

**38.1 DETAILS OF PAYMENT TO AUDITORS (EXCLUSIVE OF GOODS AND SERVICE TAX)**

| Particulars            | For the year ended<br>31 March 2024 | For the year ended<br>31 March 2023 |
|------------------------|-------------------------------------|-------------------------------------|
| As auditor:            |                                     |                                     |
| To statutory auditors: |                                     |                                     |
| -For Audit             | 18.00                               | 5.00                                |
| <b>Total</b>           | <b>18.00</b>                        | <b>5.00</b>                         |

39 TAX EXPENSE

(a) Income tax expense:

| Particulars   | For the year ended<br>31 March 2024 | For the year ended<br>31 March 2023 |
|---|-------------------------------------|-------------------------------------|
| Current tax   | 2,756.37                            | 1,250.00                            |
| (Excess) provision for tax relating to prior years                    | (21.33)                             | -                                   |
| Deferred tax  | 174.79                              | (69.75)                             |
| <b>Income tax expense reported in the statement of profit or loss</b> | <b>2,909.83</b>                     | <b>1,180.25</b>                     |

(b) Income tax expense charged to Other Comprehensive income (OCI)

| Particulars   | For the year ended<br>31 March 2024 | For the year ended<br>31 March 2023 |
|---|-------------------------------------|-------------------------------------|
| Items that will not be reclassified to profit or loss |                                     |                                     |
| Remeasurement of net defined benefit liability        | 27.83                               | (0.04)                              |
| Gain/(loss) on FVTOCI equity investments              | (19.72)                             | -                                   |
| <b>Income tax charged to OCI</b>                      | <b>8.11</b>                         | <b>(0.04)</b>                       |

(c) Reconciliation of the income tax expenses to the amount computed by applying the statutory income tax rate to the profit / (loss) before income taxes is summarized below:

| Particulars  | For the year ended<br>31 March 2024 | For the year ended<br>31 March 2023 |
|--|-------------------------------------|-------------------------------------|
| Profit before tax  | 11,024.22                           | 4,839.68                            |
| Enacted income tax rate applicable to the Company  | 25.17%                              | 25.17%                              |
| Current tax expenses/(Credit) on profit/(loss) before tax at the enacted income tax rate | 2,774.58                            | 1,218.05                            |
| Effect of non deductible expense   | (9.84)                              | 66.36                               |
| Tax effect due to non taxable income   | (8.37)                              | (22.17)                             |
| Impact of Ind AS 116   | 19.65                               | (15.96)                             |
| Fair valuation of security deposit   | (33.18)                             | 3.21                                |
| Impairment allowance for expected credit losses  | (24.76)                             | 17.05                               |
| Fair valuation of corporate guarantee  | 1.58                                | 1.57                                |
| Impact of transaction cost on long term borrowings                                       | (1.04)                              | (3.34)                              |
| Adjustment of temporary difference   | 212.57                              | (72.24)                             |
| Others   | (21.36)                             | (12.29)                             |
| <b>Income tax expense</b>  | <b>2,909.83</b>                     | <b>1,180.25</b>                     |
| <b>Effective tax rate</b>  | <b>26.39%</b>                       | <b>24.39%</b>                       |

The Company has opted for new tax rate under section 115BAA of Income Tax Act, 1961 from the FY 2021-22. Hence, the enacted tax rate for current and deferred tax for current year is 25.168% (22% + surcharge + cess).





Kusumgar Private Limited (Formerly known as Kusumgar Corporates Private Limited)  
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024

(d) Deferred tax balances:

| Particulars   | As at<br>31 March 2024 | As at<br>31 March 2023 | As at<br>01 April 2022 |
|---|------------------------|------------------------|------------------------|
| <b>Deferred tax assets</b>                                |                        |                        |                        |
| Fair valuation of security deposit                        | 42.69                  | 9.52                   | 12.73                  |
| Provision for credit allowances on trade receivables      | 66.32                  | 41.55                  | 58.61                  |
| Lease liabilities   | 1,031.14               | 218.17                 | 302.78                 |
| Corporate Guarantee                                       | -                      | 1.58                   | 3.14                   |
| Leave Encashment  | 16.37                  | 20.78                  | 23.04                  |
| Provision for employee benefits                           | 27.83                  | -                      | -                      |
|   | <b>1,184.35</b>        | <b>291.60</b>          | <b>400.30</b>          |
| <b>Deferred tax liability</b>                             |                        |                        |                        |
| Property, plant and equipment                             | 448.61                 | 240.45                 | 241.94                 |
| Right-of-use assets                                       | 1,052.65               | 220.03                 | 320.60                 |
| Transaction cost impact on term loan                      | 3.43                   | 4.47                   | 7.82                   |
| Fair value gain on Investments in unquoted equity shares. | 19.74                  | -                      | -                      |
| Provision for employee benefits                           | -                      | 0.04                   | -                      |
| Revaluation impact on Land                                | -                      | -                      | 73.05                  |
|   | <b>1,524.43</b>        | <b>464.99</b>          | <b>643.41</b>          |
| <b>Deferred tax liability [Net]</b>                       | <b>340.08</b>          | <b>173.39</b>          | <b>243.10</b>          |

Movement in deferred tax assets and deferred tax liabilities from 01 April 2023 to 31 March 2024:

| Particulars   | As at<br>01 April 2023 | Recognised in<br>profit or loss | Recognised in OCI | As at<br>31 March 2024 |
|---|------------------------|---------------------------------|-------------------|------------------------|
| Property, plant and equipment                             | 240.45                 | -                               | -                 | 448.61                 |
| Right-of-use assets                                       | 220.03                 | -                               | -                 | 1,052.65               |
| Transaction cost impact on term loan                      | 4.47                   | -                               | -                 | 3.43                   |
| Fair value gain on Investments in unquoted equity shares. | -                      | -                               | 19.74             | 19.74                  |
| Provision for employee benefits                           | 0.04                   | -                               | (27.83)           | (27.83)                |
| Fair valuation of security deposit                        | (9.52)                 | -                               | -                 | (42.69)                |
| Provision for credit allowances on trade receivables      | (41.55)                | -                               | -                 | (66.32)                |
| Lease liabilities   | (218.17)               | -                               | -                 | (1,031.14)             |
| Corporate Guarantee                                       | (1.58)                 | -                               | -                 | -                      |
| Leave Encashment  | (20.78)                | -                               | -                 | (16.37)                |
| <b>Deferred tax liability [Net]</b>                       | <b>173.39</b>          | <b>-</b>                        | <b>(8.11)</b>     | <b>340.08</b>          |

Movement in deferred tax assets and deferred tax liabilities from 01 April 2022 to 31 March 2023:

| Particulars  | As at<br>01 April 2022 | Recognised in<br>profit or loss | Recognised in OCI | As at<br>31 March 2023 |
|--|------------------------|---------------------------------|-------------------|------------------------|
| Property, plant and equipment                        | 241.94                 | -                               | -                 | 240.45                 |
| Right-of-use assets                                  | 320.60                 | -                               | -                 | 220.03                 |
| Fair valuation of security deposit                   | (12.73)                | -                               | -                 | (9.52)                 |
| Provision for credit allowances on trade receivables | (58.61)                | -                               | -                 | (41.55)                |
| Lease liabilities                                    | (302.78)               | -                               | -                 | (218.17)               |
| Transaction cost impact on term loan                 | 7.82                   | -                               | -                 | 4.47                   |
| Corporate Guarantee                                  | (3.14)                 | -                               | -                 | (1.58)                 |
| Leave Encashment                                     | (23.04)                | -                               | -                 | (20.78)                |
| Provision for employee benefits                      | -                      | -                               | 0.04              | 0.04                   |
| Revaluation impact on Land                           | 73.05                  | -                               | -                 | -                      |
| <b>Deferred tax liability [Net]</b>                  | <b>243.10</b>          | <b>-</b>                        | <b>0.04</b>       | <b>173.39</b>          |



40 EARNINGS/ LOSS PER SHARE

| Particulars   | For the year ended<br>31 March 2024 | For the year ended<br>31 March 2023 |
|---|-------------------------------------|-------------------------------------|
| Profit attributable to ordinary equity holders  | 8,114.39                            | 3,659.43                            |
| Weighted average number of equity shares<br>(Face Value per share - Equity shares: INR 10 each) | 1.99                                | 1.99                                |
| Basic earnings per share (INR)  | 4,077.58                            | 1,838.91                            |
| Profit attributable to ordinary equity holders  | 8,114.39                            | 3,659.43                            |
| Weighted average number of equity shares outstanding (Nos.)                                     | 1.99                                | 1.99                                |
| Total of Weighted average number of shares outstanding (Nos.)                                   | 1.99                                | 1.99                                |
| Diluted earnings per share (INR)  | 4,077.58                            | 1,838.91                            |

41 CONTINGENT LIABILITIES

| Particulars  | As at<br>31 March 2024 | As at<br>31 March 2023 | As at<br>01 April 2022 |
|--|------------------------|------------------------|------------------------|
| Guarantees given by banks on behalf of the company | 4,533.94               | 372.70                 | 170.95                 |
| Letter of credit accepted                          | 471.22                 | 181.65                 | 43.45                  |
| Corporate guarantee given to related party         | 750.00                 | 750.00                 | 750.00                 |

42 CAPITAL COMMITMENT

| Particulars       | As at 31 March 2024      | As at 31 March 2023 |
|-------------------|--------------------------|---------------------|
|                   | Expected cost of capital |                     |
| Plant & Machinery | 5,701.94                 | 6,428.78            |
| Total             | 5,701.94                 | 6,428.78            |

43 EMPLOYEE BENEFITS

(a) Defined contribution plans

The Company makes contributions, determined as a specified percentage of employees salaries, in respect of qualifying employees towards provident fund, which is a defined contribution plan. The Company has no further obligations towards specified contributions. The contributions are charged to the statement of profit and loss as and when they accrue.

During the year, the Company has recognized the following amounts in the Statement of Profit and Loss:

| Particulars   | For the year ended<br>31 March 2024 | For the year ended<br>31 March 2023 |
|---|-------------------------------------|-------------------------------------|
| Employers' Contribution to Provident Fund                             | 134.88                              | 101.15                              |
| Employers' Contribution to Superannuation Fund and New Pension Scheme | 11.42                               | 10.06                               |
| Total   | 146.30                              | 111.21                              |

(b) Compensated absences

The company has a policy on compensated absences and expected cost of compensated absences (PL) is determined by actuarial valuation performed by an external actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the Balance Sheet date. Below are the actuarial assumptions used -

Principal assumptions used for the purpose of leave encashment

| Particulars            | For the year ended<br>31 March 2024         | For the year ended<br>31 March 2023              |
|------------------------|---|--|
| Mortality              | Indian Assured Lives<br>Mortality (2012-14) | Indian Assured Lives<br>Mortality (2012-14) Ult. |
| Discount Rate          | 6.97%                                       | 7.19%  |
| Salary increase rate   | 6.00%                                       | 7.00%  |
| Employee turnover rate | 6.00%                                       | 6.00%  |
| Retirement age         | 60 Years                                    | 60 Years   |





(c) Defined benefit plans

Gratuity:

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity and currently the company has funded gratuity plan. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

i) Amount recognised in balance sheet

| Particulars  | As at<br>31 March 2024 | As at<br>31 March 2023 | As at<br>01 April 2022 |
|--|------------------------|------------------------|------------------------|
| Present value of obligation as at the end of the year      | 375.36                 | 218.46                 | 179.26                 |
| Fair Value of plan assets at the end of the year           | 240.86                 | 193.93                 | 131.08                 |
| <b>Net asset / (liability) recognized in Balance Sheet</b> | <b>(134.49)</b>        | <b>(24.53)</b>         | <b>(48.18)</b>         |
| Current liability  | 35.77                  | 24.53                  | 24.83                  |
| Non-current liability                                      | 98.72                  | -                      | 23.34                  |
| <b>Total</b>   | <b>134.49</b>          | <b>24.53</b>           | <b>48.18</b>           |

ii) Changes in the present value of benefit obligation

| Particulars   | As at<br>31 March 2024 | As at<br>31 March 2023 |
|---|------------------------|------------------------|
| Present value of obligation at the beginning of the year  | 218.46                 | 179.26                 |
| Included in profit or loss                                | -                      | -                      |
| Interest cost   | 14.74                  | 12.08                  |
| Current service cost                                      | 44.62                  | 36.78                  |
| Past service cost   | -                      | -                      |
|   | <b>59.36</b>           | <b>48.86</b>           |
| Included in OCI   | -                      | -                      |
| Actuarial (gain)/ loss - Financial Assumptions            | 81.01                  | 0.83                   |
| Actuarial (gain)/ loss - Experience                       | 26.04                  | (1.16)                 |
|   | <b>107.05</b>          | <b>(0.32)</b>          |
| Other   | -                      | -                      |
| Benefit Paid  | (9.52)                 | (9.32)                 |
| Benefit paid from plan assets                             | -                      | -                      |
| <b>Present value of obligation at the end of the year</b> | <b>375.36</b>          | <b>218.46</b>          |

iii) Changes in the fair value of plan assets

| Particulars   | As at<br>31 March 2024 | As at<br>31 March 2023 |
|---|------------------------|------------------------|
| Fair value of plan assets as at the beginning of the year   | 193.93                 | 131.08                 |
| Included in profit or loss                                  | -                      | -                      |
| Interest income on plan assets                              | 15.21                  | 9.15                   |
|   | <b>15.21</b>           | <b>9.15</b>            |
| Included in OCI   | -                      | -                      |
| Return on plan assets greater / (lesser) than discount rate | (3.51)                 | (0.15)                 |
|   | <b>(3.51)</b>          | <b>(0.15)</b>          |
| Other   | -                      | -                      |
| Employer contributions                                      | 44.53                  | 63.18                  |
| Benefits paid   | (9.30)                 | (9.32)                 |
| <b>fair value of plan assets as at the end of the year</b>  | <b>240.86</b>          | <b>193.93</b>          |

iv) Reconciliation of balance sheet amount

| Particulars   | As at<br>31 March 2024 | As at<br>31 March 2023 |
|---|------------------------|------------------------|
| Opening net (asset)/liability                             | 24.53                  | 48.18                  |
| Expense/(income) recognised in profit and loss            | 44.15                  | 39.70                  |
| Expense/(income) recognised in other comprehensive income | 110.56                 | (0.17)                 |
| Employers contribution                                    | (44.53)                | (63.18)                |
| Benefits paid by the company                              | (0.22)                 | -                      |
| <b>Balance sheet (Asset)/Liability at the end of year</b> | <b>134.49</b>          | <b>24.53</b>           |



v) Expense recognized in the statement of profit and loss

| Particulars  | For the year ended<br>31 March 2024 | For the year ended<br>31 March 2023 |
|--|-------------------------------------|-------------------------------------|
| Current service cost   | 44.62                               | 36.78                               |
| Net Interest cost  | (0.47)                              | 2.93                                |
| Past service cost  | -                                   | -                                   |
| - Interest expense on DBO  | -                                   | -                                   |
| - Interest (income) on plan assets                                   | -                                   | -                                   |
| <b>Total expenses recognized in the statement of profit and loss</b> | <b>44.15</b>                        | <b>39.70</b>                        |

vi) Expense recognized in other comprehensive income

| Particulars   | For the year ended<br>31 March 2024 | For the year ended<br>31 March 2023 |
|---|-------------------------------------|-------------------------------------|
| Actuarial (gains)/ losses arising from:                 |                                     |                                     |
| - Experience  | 26.04                               | (1.16)                              |
| "-Financial Assumptions"                                | 81.01                               | 0.83                                |
| Return on plan assets excluding interest income         | 3.51                                | 0.15                                |
| <b>Net actuarial (gains) / losses recognised in OCI</b> | <b>110.56</b>                       | <b>(0.17)</b>                       |

vii) Principal assumptions used for the purpose of the actuarial valuation

| Particulars          | For the year ended<br>31 March 2024                  | For the year ended<br>31 March 2023                  |
|----------------------|--|--|
| Mortality Rate       | Indian Assured Lives<br>Mortality (2012-14)<br>Table | Indian Assured Lives<br>Mortality (2012-14)<br>Table |
| Discount Rate        | 6.97%  | 7.19%  |
| Salary increase rate | 6.00%  | 3.00%  |
| Withdrawal rate      | 6.00%  | 6.00%  |
| Average attained age | 33.21  | 32.94  |
| Retirement age       | 60.00  | 60.00  |

viii) Sensitivity analysis

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

| Particulars                              | As at<br>31 March 2024 |
|--|------------------------|
| <b>Change in Discount rate</b>           |                        |
| Delta effect + 1%                        | 343.87                 |
| Delta effect - 1%                        | 412.27                 |
|  | -                      |
| <b>Change in rate of salary increase</b> |                        |
| Delta effect + 1%                        | 407.28                 |
| Delta effect - 1%                        | 347.02                 |

The sensitivity analysis presented above may not be representative of the actual change in the Defined Benefit Obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

ix) Maturity profile of benefit payments

| Year             | As at<br>31 March 2024 |
|------------------|------------------------|
| Year 1           | 35.77                  |
| Year 2           | 22.84                  |
| Year 3           | 33.20                  |
| Year 4           | 31.07                  |
| Year 5           | 32.92                  |
| Year 6 and above | 138.24                 |

The weighted average duration of defined benefit obligation is 9.59 years.





x) Gratuity is a defined benefit plan and entity is exposed to the following risks:

**Actuarial Risk:**

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons :

- Adverse Salary Growth Experience
- Variability in mortality rates
- Variability in withdrawal rates

**Investment / Interest Risk:**

The Company is exposed to Investment / Interest risk if the return on the invested fund falls below the discount rate used to arrive at present value of the benefit.

**Longevity Risk:**

The Company is not exposed to risk of the employees living longer as the benefit under the scheme ceases on the employee separating from the employer for any reason.



44 RELATED PARTY DISCLOSURES

(a) Names of related parties and description of relationship as identified by the Company:

| Name of company   | Relationship   |
|---|--|
| Specialty Fabrics Pvt. Ltd.<br>Engineered Coated Fabric Pvt. Ltd.<br>Concord Weaving & Preparatory Pvt. Ltd.<br>Kusumgar Technomic Fabrics Pvt. Ltd.<br>V B Kusumgar & Co Pvt. Ltd.<br>4S Holdings<br>Shubita Fabrics LLP<br>Kusumgar Holdings LLP<br>Paraborn Systems LLP<br>Pertex Solution LLP | Enterprises over which Key Managerial Personnel have significant influence |

(b) Key Managerial Personnel (KMP)/ others

| Key Managerial Personnel (KMP)/ others | Relationship                          |
|--|---------------------------------------|
| Yogesh Kusumgar (Director)             | Key Managerial Personnel              |
| Siddharth Kusumgar (Director)          | Key Managerial Personnel              |
| Kiran Shah (Director)                  | Key Managerial Personnel              |
| Ankur Kothari (CEO)                    | Key Managerial Personnel              |
| Sapna Kusumgar (Director)              | Key Managerial Personnel              |
| Amita Soni                             | Relatives of Key Managerial Personnel |
| Babita Kusumgar                        | Relatives of Key Managerial Personnel |
| Sushmi Doshi                           | Relatives of Key Managerial Personnel |

| Remuneration to Key Managerial Personnel (Director's) during the year | For the year ended<br>31 March 2024 | For the year ended<br>31 March 2023 |
|---|-------------------------------------|-------------------------------------|
| Mr. Yogesh Kusumgar   | 59.00                               | 59.00                               |
| Mr. Siddharth Kusumgar  | 146.40                              | 145.14                              |
| Mr. Ankur Kothari   | 164.29                              | 112.31                              |
| Mrs. Sapna Kusumgar   | 146.40                              | 142.15                              |
| <b>Total</b>  | <b>516.09</b>                       | <b>458.60</b>                       |

| Consultancy fees to Key Managerial Personnel (Director's) during the year | For the year ended<br>31 March 2024 | For the year ended<br>31 March 2023 |
|---|-------------------------------------|-------------------------------------|
| Mr. Kiran Shah  | 36.00                               | 36.00                               |
| <b>Total</b>  | <b>36.00</b>                        | <b>36.00</b>                        |





(e) Transactions with related party during the year are as follows:

| Sr no | Transactions with related parties  | For the year ended<br>31 March 2024 | For the year ended<br>31 March 2023 |
|-------|--|-------------------------------------|-------------------------------------|
| 1     | Transactions with Enterprises over which Key Managerial Personnel have significant influence |                                     |                                     |
|       | <i>Job Work-Sales</i>  |                                     |                                     |
|       | Specialty Fabrics Pvt. Ltd   | 48.93                               | 42.46                               |
|       | <i>Job Work-Expenses</i>   |                                     |                                     |
|       | Engineered Coated Fabric Pvt. Ltd  | 1,107.05                            | 444.45                              |
|       | <i>Chemical &amp; Packing Material Sale</i>  |                                     |                                     |
|       | Engineered Coated Fabric Pvt. Ltd.   | 295.92                              | 871.80                              |
|       | <i>Fabric Sales</i>  |                                     |                                     |
|       | Engineered Coated Fabric Pvt. Ltd.   | 3,604.70                            | 7,846.81                            |
|       | Paraborne Systems LLP  | 8.79                                | 65.61                               |
|       | <i>Stores &amp; Spares sale</i>  |                                     |                                     |
|       | Paraborne Systems LLP  | 27.64                               | -                                   |
|       | <i>Stores &amp; Spares purchase</i>  |                                     |                                     |
|       | Paraborne Systems LLP  | 193.96                              | -                                   |
|       | <i>Fabric Purchase</i>   |                                     |                                     |
|       | Engineered Coated Fabric Pvt. Ltd.   | 1,114.67                            | 1,748.69                            |
|       | <i>Chemical Purchase</i>   |                                     |                                     |
|       | Engineered Coated Fabric Pvt. Ltd.   | 22.75                               | 0.43                                |
|       | <i>Yarn Purchase</i>   |                                     |                                     |
|       | Specialty Fabrics Pvt. Ltd   | 1.73                                | -                                   |
|       | <i>Rent Paid</i>   |                                     |                                     |
|       | 4S Holdings  | 96.62                               | 87.84                               |
|       | Specialty Fabrics Pvt. Ltd   | 60.00                               | -                                   |
|       | <i>Interest Received</i>   |                                     |                                     |
|       | Paraborne Systems LLP  | 0.82                                | 4.37                                |
|       | <b>Total</b>   | <b>6,583.58</b>                     | <b>11,112.46</b>                    |
| 2     | Transactions with relatives of Key Managerial Personnel                                      |                                     |                                     |
|       | Amita Soni   | 13.91                               | 13.51                               |
|       | Babita Kusumgar  | 13.91                               | 13.51                               |
|       | Sushmi Doshi   | 13.91                               | 13.51                               |
|       | <b>Total</b>   | <b>41.73</b>                        | <b>40.53</b>                        |

| (f) Sr no | Balances outstanding with related parties | As at<br>31 March 2024 | As at<br>31 March 2023 | As at<br>01 April 2022 |
|-----------|---|------------------------|------------------------|------------------------|
| 1         | <i>Deposit given</i>                      |                        |                        |                        |
|           | 4S Holdings                               | 235.00                 | 235.00                 | 235.00                 |
|           | <b>Total</b>                              | <b>235.00</b>          | <b>235.00</b>          | <b>235.00</b>          |
| 2         | <i>Receivable as at balance sheet</i>     |                        |                        |                        |
|           | Specialty Fabrics Pvt. Ltd                | -                      | 11.14                  | 65.43                  |
|           | Engineered Coated Fabric Pvt. Ltd.        | 477.56                 | 2,141.31               | 678.32                 |
|           | Paraborne Systems LLP                     | -                      | -                      | 77.85                  |
|           | Pertex Solution LLP                       | -                      | -                      | 71.36                  |
|           | <b>Total</b>                              | <b>477.56</b>          | <b>2,152.45</b>        | <b>892.96</b>          |
| 3         | <i>Payable as at balance sheet date</i>   |                        |                        |                        |
|           | Engineered Coated Fabric Pvt. Ltd.        | 11.24                  | 63.78                  | 72.82                  |
|           | Paraborne Systems LLP                     | 191.88                 | 0.44                   | 903.85                 |
|           | <b>Total</b>                              | <b>203.11</b>          | <b>64.22</b>           | <b>976.67</b>          |



Kusumgar Private Limited (Formerly known as Kusumgar Corporates Private Limited)  
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024  
(Amount in INR Lakhs, unless otherwise stated)

**Note-**

The following term loans are backed by the personal guarantees of the directors-

1. Term Loan from HDFC Bank Ltd is secured by way hypothecation charge on Plant & Machinery purchase out of Term Loan, Property Located at Plot 10 & 11 at Kosamba
2. There is an another Term Loan from HDFC Bank Ltd, which is secured by way hypothecation charge on Plant & Machinery purchase out of Term Loan, Property Located at Plot 1271 & 1273 at Tadkeshwar.





**Kusumgar Private Limited (Formerly known as Kusumgar Corporates Private Limited)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024**  
(Amount in INR Lakhs, unless otherwise stated)

**45 REVENUE AS PER IND AS 115**

**(a) Disaggregated revenue information**

Set out below is the disaggregation of the Company's revenue from contracts with customers:

| Particulars   | For the year ended 31 March 2024 |                      |                               |                       |                                 |                                  |           |
|---|----------------------------------|----------------------|-------------------------------|-----------------------|---------------------------------|----------------------------------|-----------|
|   | Revenue from Processed fabric    | Revenue From Coating | Revenue From Grey and Fabrics | Revenue From Printing | Revenue from Dyes and Chemicals | Revenue from other misc products | Total     |
| Revenue from operation                              |                                  |                      |                               |                       |                                 |                                  |           |
| Sale of goods                                       | 21,126.63                        | 20,707.38            | 2,968.70                      | 372.73                | 315.48                          | 720.54                           | 46,211.46 |
| Gross revenue from contracts with customers         | 21,126.63                        | 20,707.38            | 2,968.70                      | 372.73                | 315.48                          | 720.54                           | 46,211.46 |
| Less: Consideration payable to customers            | -                                | -                    | -                             | -                     | -                               | -                                | -         |
| Net revenue from contracts with customers           | 21,126.63                        | 20,707.38            | 2,968.70                      | 372.73                | 315.48                          | 720.54                           | 46,211.46 |
| Geographical markets                                |                                  |                      |                               |                       |                                 |                                  |           |
| India   | 10,738.93                        | 20,223.99            | 2,295.10                      | 352.96                | 315.48                          | 497.95                           | 34,424.41 |
| Outside India                                       | 10,387.70                        | 483.39               | 673.60                        | 19.77                 | -                               | 222.59                           | 11,787.05 |
| Net revenue from contracts with customers           | 21,126.63                        | 20,707.38            | 2,968.70                      | 372.73                | 315.48                          | 720.54                           | 46,211.46 |
| Timing of revenue recognition                       |                                  |                      |                               |                       |                                 |                                  |           |
| Goods or services transferred at a point in time    | 21,126.63                        | 20,707.38            | 2,968.70                      | 372.73                | 315.48                          | 720.54                           | 46,211.46 |
| Goods or Services transferred over a period of time | -                                | -                    | -                             | -                     | -                               | -                                | -         |
| Net revenue from contracts with customers           | 21,126.63                        | 20,707.38            | 2,968.70                      | 372.73                | 315.48                          | 720.54                           | 46,211.46 |



**Kusumgar Private Limited (Formerly known as Kusumgar Corporates Private Limited)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024**  
(Amount in INR Lakhs, unless otherwise stated)

Set out below is the disaggregation of the Company's revenue from contracts with customers:

| Particulars   | For the year ended 31 March 2023 |                      |                               |                       |                                 |                                  | Total     |
|---|----------------------------------|----------------------|-------------------------------|-----------------------|---------------------------------|----------------------------------|-----------|
|   | Revenue from Processed fabric    | Revenue From Coating | Revenue From Grey and Fabrics | Revenue From Printing | Revenue from Dyes and Chemicals | Revenue from other misc products |           |
| Revenue from operation                              |                                  |                      |                               |                       |                                 |                                  |           |
| Sale of goods                                       | 22,538.00                        | 3,839.11             | 1,793.15                      | 1,006.87              | 894.21                          | 628.49                           | 30,699.83 |
| Gross revenue from contracts with customers         | 22,538.00                        | 3,839.11             | 1,793.15                      | 1,006.87              | 894.21                          | 628.49                           | 30,699.83 |
| Less: Consideration payable to customers            | -                                | -                    | -                             | -                     | -                               | -                                | -         |
| Net revenue from contracts with customers           | 22,538.00                        | 3,839.11             | 1,793.15                      | 1,006.87              | 894.21                          | 628.49                           | 30,699.83 |
|   |                                  |                      |                               |                       |                                 |                                  |           |
| Geographical markets                                |                                  |                      |                               |                       |                                 |                                  |           |
| India   | 13,199.72                        | 3,139.66             | 852.53                        | 1,006.87              | 894.21                          | 144.15                           | 19,237.14 |
| Outside India                                       | 9,338.28                         | 699.45               | 940.62                        | -                     | -                               | 484.34                           | 11,462.69 |
| Net revenue from contracts with customers           | 22,538.00                        | 3,839.11             | 1,793.15                      | 1,006.87              | 894.21                          | 628.49                           | 30,699.83 |
|   |                                  |                      |                               |                       |                                 |                                  |           |
| Timing of revenue recognition                       |                                  |                      |                               |                       |                                 |                                  |           |
| Goods or services transferred at a point in time    | 22,538.00                        | 3,839.11             | 1,793.15                      | 1,006.87              | 894.21                          | 628.49                           | 30,699.83 |
| Goods or Services transferred over a period of time | -                                | -                    | -                             | -                     | -                               | -                                | -         |
| Net revenue from contracts with customers           | 22,538.00                        | 3,839.11             | 1,793.15                      | 1,006.87              | 894.21                          | 628.49                           | 30,699.83 |

**(b) Contract Balances**

The timing of revenue recognition, billings and cash collections results in receivables, unbilled revenue (Contract Asset), and deferred revenue(Contract liability) in Company's

The following table provides information about receivables, unbilled revenue and deferred revenue from contracts with customers:

| Particulars                         | As at         |               |               | As at |
|-------------------------------------|---------------|---------------|---------------|-------|
|                                     | 31 March 2024 | 31 March 2023 | 01 April 2022 |       |
| Trade receivables                   | 4,485.61      | 5,897.00      | 4,955.00      | -     |
| Unbilled revenue-Contract assets    | -             | -             | -             | -     |
| Deferred revenue-Contract liability | -             | -             | -             | -     |

**46 SEGMENT REPORTING**

The Company is engaged in manufacturing of technical textiles fabrics. The Chief operating decision maker (CODM -which is board of director) identified entire business as a single reportable segment, hence segment reporting is not applicable.





47 FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(a) Classification of financial assets and financial liabilities

The following table shows the carrying amounts of financial Assets and financial Liabilities which are classified as below -

| Particulars                  | Amortised Cost   | FVTOCI          | FVTPL        | Total            |
|------------------------------|------------------|-----------------|--------------|------------------|
| <b>As at 31 March 2024</b>   |                  |                 |              |                  |
| <b>Financial Assets</b>      |                  |                 |              |                  |
| <b>Current</b>               |                  |                 |              |                  |
| Trade receivables            | 4,485.61         | -               | -            | 4,485.61         |
| Cash and cash equivalents    | 3,170.85         | -               | -            | 3,170.85         |
| Other bank balances          | 11,052.68        | -               | -            | 11,052.68        |
| Other financial assets       | 278.63           | -               | -            | 278.63           |
|                              | <b>18,987.77</b> | <b>-</b>        | <b>-</b>     | <b>18,987.77</b> |
| <b>Non-current</b>           |                  |                 |              |                  |
| Investment                   | -                | 1,080.00        | -            | 1,080.00         |
| Other financial assets       | 708.72           | -               | -            | 708.72           |
|                              | <b>708.72</b>    | <b>1,080.00</b> | <b>-</b>     | <b>1,788.72</b>  |
| <b>Financial Liabilities</b> |                  |                 |              |                  |
| <b>Current</b>               |                  |                 |              |                  |
| Borrowings                   | 4,172.81         | -               | -            | 4,172.81         |
| Lease liability              | 497.98           | -               | -            | 497.98           |
| Trade payables               | 5,185.38         | -               | -            | 5,185.38         |
| Other financial liabilities  | 2,149.12         | -               | 18.15        | 2,167.27         |
|                              | <b>12,005.29</b> | <b>-</b>        | <b>18.15</b> | <b>12,023.44</b> |
| <b>Non-current</b>           |                  |                 |              |                  |
| Borrowings                   | 3,480.53         | -               | -            | 3,480.53         |
| Lease liability              | 3,599.04         | -               | -            | 3,599.04         |
|                              | <b>7,079.57</b>  | <b>-</b>        | <b>-</b>     | <b>7,079.57</b>  |
| <b>As at 31 March 2022</b>   |                  |                 |              |                  |
| <b>Financial Assets</b>      |                  |                 |              |                  |
| <b>Current</b>               |                  |                 |              |                  |
| Trade receivables            | 5,897.00         | -               | -            | 5,897.00         |
| Cash and cash equivalents    | 997.52           | -               | -            | 997.52           |
| Other bank balances          | 106.03           | -               | -            | 106.03           |
| Other financial assets       | 378.64           | -               | -            | 378.64           |
|                              | <b>7,379.19</b>  | <b>-</b>        | <b>-</b>     | <b>7,379.19</b>  |
| <b>Non-current</b>           |                  |                 |              |                  |
| Investment                   | -                | 0.13            | -            | 0.13             |
| Other financial assets       | 180.92           | -               | -            | 180.92           |
|                              | <b>180.92</b>    | <b>0.13</b>     | <b>-</b>     | <b>181.05</b>    |
| <b>Financial Liabilities</b> |                  |                 |              |                  |
| <b>Current</b>               |                  |                 |              |                  |
| Borrowings                   | 2,707.07         | -               | -            | 2,707.07         |
| Lease liability              | 252.18           | -               | -            | 252.18           |
| Trade payables               | 1,747.80         | -               | -            | 1,747.80         |
| Other financial liabilities  | 293.75           | -               | -            | 293.75           |
|                              | <b>5,000.80</b>  | <b>-</b>        | <b>-</b>     | <b>5,000.80</b>  |
| <b>Non-current</b>           |                  |                 |              |                  |
| Borrowings                   | 1,965.38         | -               | -            | 1,965.38         |
| Lease liability              | 614.69           | -               | -            | 614.69           |
|                              | <b>2,580.08</b>  | <b>-</b>        | <b>-</b>     | <b>2,580.08</b>  |
| <b>As at 1 April 2022</b>    |                  |                 |              |                  |
| <b>Financial Assets</b>      |                  |                 |              |                  |
| <b>Current</b>               |                  |                 |              |                  |
| Trade receivables            | 4,955.00         | -               | -            | 4,955.00         |
| Cash and cash equivalents    | 790.50           | -               | -            | 790.50           |
| Other bank balances          | 65.83            | -               | -            | 65.83            |
| Other financial assets       | 209.07           | -               | -            | 209.07           |
|                              | <b>6,020.40</b>  | <b>-</b>        | <b>-</b>     | <b>6,020.40</b>  |
| <b>Non-current</b>           |                  |                 |              |                  |
| Investment                   | -                | 0.13            | -            | 0.13             |
| Other financial assets       | 196.67           | -               | -            | 196.67           |
|                              | <b>196.67</b>    | <b>0.13</b>     | <b>-</b>     | <b>196.80</b>    |
| <b>Financial Liabilities</b> |                  |                 |              |                  |
| <b>Current</b>               |                  |                 |              |                  |
| Borrowings                   | 1,628.95         | -               | -            | 1,628.95         |
| Lease liability              | 341.13           | -               | -            | 341.13           |
| Trade payables               | 2,609.31         | -               | -            | 2,609.31         |
| Other financial liabilities  | 335.78           | -               | -            | 335.78           |
|                              | <b>4,915.16</b>  | <b>-</b>        | <b>-</b>     | <b>4,915.16</b>  |
| <b>Non-current</b>           |                  |                 |              |                  |
| Borrowings                   | 1,983.69         | -               | -            | 1,983.69         |
| Lease liability              | 861.92           | -               | -            | 861.92           |
|                              | <b>2,845.62</b>  | <b>-</b>        | <b>-</b>     | <b>2,845.62</b>  |



(b) Fair value hierarchy

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The company has classified its financial instruments into the three levels prescribed under the Ind AS as below-

| Particulars   | Level 1 | Level 2 | Level 3 | Total   |
|---|---------|---------|---------|---------|
| <b>As at 31 March 2024</b>  |         |         |         |         |
| FVTOCI-Investments in unquoted equity instruments   | -       | -       | 1217.90 | 1217.90 |
| Derivative financial instruments - loss on outstanding foreign exchange forward contracts | -       | 18.15   | -       | 18.15   |
| <b>As at 31 March 2023</b>  |         |         |         |         |
| FVTOCI-Investments in unquoted equity instruments   | -       | -       | -       | -       |
| Derivative financial instruments - loss on outstanding foreign exchange forward contracts | -       | -       | -       | -       |
| <b>As at 01 April 2022</b>  |         |         |         |         |
| FVTOCI-Investments in unquoted equity instruments   | -       | -       | -       | -       |
| Derivative financial instruments - loss on outstanding foreign exchange forward contracts | -       | -       | -       | -       |

Fair value of Financial Assets and Liabilities measured at amortized cost:

The fair value of trade receivables, loans, cash and cash equivalents, other bank balances, other financial assets (current), borrowings (current), trade payables and other financial liabilities (current) are approximate to the carrying amounts because of the short-term nature of these financial instruments.

Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the periods ended 31 March 2024 and 31 March 2023:

| Particulars  | Unlisted equity securities | Others   | Total           |
|--|----------------------------|----------|-----------------|
| <b>As at 31 March 2023</b>                             | -                          | -        | -               |
| Acquisitions   | 1,080.00                   | -        | 1,080.00        |
| Disposal   | -                          | -        | -               |
| Gains(losses) recognised in other comprehensive income | 137.90                     | -        | 137.90          |
| Transfer from level 2                                  | -                          | -        | -               |
| <b>As at 31 March 2024</b>                             | <b>1,217.90</b>            | <b>-</b> | <b>1,217.90</b> |

The significant unobservable inputs used in the fair value measurement categorized within Level 3 of the fair value hierarchy as at 31 March 2024 as shown below:

Description of significant unobservable inputs to valuation:

| Financial instrument                    | Valuation technique         | Significant unobservable inputs                           | Range in (%) |
|---|-----------------------------|---|--------------|
| FVTOCI assets in unquoted equity shares | Discounted cash flow method | Long-term growth rate for cash flows for subsequent years | 0.50         |
|   |                             | Cost of Equity  | 13.30%       |
|   |                             | Beta factor   | 1.2 times    |
|   |                             | Market premium  | 6.50%        |





#### 48 CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium, all other equity reserves attributable to the shareholders of the Company. The primary objective of the Company's capital management is to maintain a strong capital base to ensure sustained growth in business and to maximize the shareholders value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans including interest accrued, and by reducing cash and cash equivalents, bank balances other than cash and cash equivalents.

| Particulars  | As at<br>31 March 2024 | As at<br>31 March 2023 | As at<br>01 April 2022 |
|--|------------------------|------------------------|------------------------|
| Net Debt   | 7,653.34               | 4,672.46               | 3,612.64               |
| Less: Cash and cash equivalents                          | (3,170.85)             | (997.52)               | (790.50)               |
| Less: Bank balances other than cash and cash equivalents | (11,052.68)            | (106.03)               | (65.83)                |
| Net adjusted debt (A)                                    | (6,570.19)             | 3,568.91               | 2,756.31               |
| Equity   | 24,440.73              | 16,290.88              | 12,631.32              |
| Total equity (B)   | 24,440.73              | 16,290.88              | 12,631.32              |
| Total debt and equity (C) = (A)+(B)                      | 17,870.55              | 19,859.79              | 15,387.63              |
| Gearing ratio (A) / (C)                                  | -                      | 0.18                   | 0.18                   |

#### 49 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the managing board. These risks are categorised into market risk, credit risk and liquidity risk.

##### (a) Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, and other market changes that affect market risk sensitive instruments. Financial instruments affected by market risk include borrowings and derivative financial instruments. The Company exposed to below two market risks-

##### (i) Interest rate risk

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

##### Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on variable borrowings, with all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

| Particulars                            | Effect on profit<br>before tax |                        |
|--|--------------------------------|------------------------|
|  | 1% increase/ 1% decrease       |                        |
|  | As at<br>31 March 2024         | As at<br>31 March 2023 |
| Borrowings (Impact on profit and loss) | (3.03)/3.03                    | (3.16)/3.16            |



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(ii) **Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's trade receivable and trade payable.

The foreign currency trade receivables/trade payables balances (unhedged) are as follows:

| Particulars              | Amount in foreign currency<br>(in Lakhs) |                        |                        |
|--------------------------|--|------------------------|------------------------|
|                          | As at<br>31 March 2024                   | As at<br>31 March 2023 | As at<br>01 April 2022 |
| <b>Trade receivables</b> |  |                        |                        |
| USD                      | 20.38                                    | 27.32                  | 16.91                  |
| EURO                     | 3.81                                     | 1.42                   | 2.63                   |
| CHF                      | 0.30                                     | -                      | 0.03                   |
| JPY                      | 342.01                                   | 34.35                  | -                      |
| GBP                      | -  | -                      | 0.00                   |
| <b>Trade payables</b>    |  |                        |                        |
| USD                      | 23.36                                    | 3.66                   | 4.24                   |
| EURO                     | -  | 0.14                   | 1.36                   |
| CHF                      | -  | 0.02                   | 0.02                   |
| JPY                      | -  | 0.04                   | 0.04                   |
| SGD                      | -  | -                      | 0.14                   |

| Particulars        | Equivalent amount in INR<br>(in Lakhs) |                        |                        |
|--------------------|--|------------------------|------------------------|
|                    | As at<br>31 March 2024                 | As at<br>31 March 2023 | As at<br>01 April 2022 |
| <b>Receivables</b> |  |                        |                        |
| USD                | 1,699.02                               | 2,246.49               | 1,277.09               |
| EURO               | 343.78                                 | 126.87                 | 221.42                 |
| CHF                | 27.24                                  | -                      | 2.47                   |
| JPY                | 188.41                                 | 19.24                  | -                      |
| GBP                | -                                      | -                      | 0.30                   |
| <b>Payables</b>    |  |                        |                        |
| USD                | 1,947.58                               | 300.87                 | 320.17                 |
| EURO               | -                                      | 12.24                  | 114.31                 |
| CHF                | -                                      | 1.98                   | 1.79                   |
| JPY                | -                                      | 0.02                   | 0.02                   |
| SGD                | -                                      | -                      | 7.87                   |

Note- Company has capital advances in foreign currency (EURO & USD) and taken forward contracts for the same.

**Foreign currency sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in the exchange rates, with all other variables held constant. The below impact on the Company's profit before tax is based on changes in the fair value of unhedged foreign currency monetary assets and liabilities as at balance sheet date:

| Particulars             | Financial Impact (+/-) |               |
|-------------------------|------------------------|---------------|
|                         | 31 March 2024          | 31 March 2023 |
| USD (+/- 10% movement)  | 24.86                  | 194.56        |
| EURO (+/- 10% movement) | 34.38                  | 11.46         |
| CHF (+/- 10% movement)  | 2.72                   | 0.20          |
| JPY (+/- 10% movement)  | 18.84                  | 1.92          |

(b) **Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Company's trade receivables, loans, security deposits, bank balances and other financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.





The gross carrying amounts of following financial assets represent the maximum credit risk exposure:

| Particulars               | As at<br>31 March 2024 | As at<br>31 March 2023 | As at<br>01 April 2022 |
|---------------------------|------------------------|------------------------|------------------------|
| Trade receivables         | 4,485.61               | 5,897.00               | 4,955.00               |
| Cash and cash equivalents | 3,170.85               | 997.52                 | 790.50                 |
| Other bank balances       | 11,052.68              | 106.03                 | 65.83                  |
| Investments               | 1,218.03               | 0.13                   | 0.13                   |
| Other financial assets    | 987.35                 | 559.56                 | 405.74                 |
| <b>Total</b>              | <b>20,914.52</b>       | <b>7,560.24</b>        | <b>6,217.20</b>        |

Balances with banks and fixed deposits are considered to have negligible risk or nil risk, as they are maintained with high rated banks / financial institutions as approved by the Board of directors.

#### Investments

The Company limits its exposure to credit risk by generally investing with counterparties that have a good credit rating. The Company does not expect any losses from non-performance by these counter-parties.

The Company applies the Ind AS 109 simplified approach for measuring expected credit losses which uses a lifetime expected loss allowance (ECL) for trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Company uses a provision matrix to measure the ECLs of trade receivables. The provision matrix is initially based on the Company's historical observed default rates. Based on evaluation carried out and to the best estimate of management, historical loss sufficiently covers expected loss as well as future contingencies, hence no adjustment for forward looking factors is carried.

#### Reconciliation of loss allowance for trade receivables

| Particulars              | As at<br>31 March 2024 | As at<br>31 March 2023 |
|--------------------------|------------------------|------------------------|
| Opening provision        | 165.10                 | 232.86                 |
| Addition                 | 98.39                  | -                      |
| Reversal                 | -                      | (67.76)                |
| Amounts written off      | -                      | -                      |
| <b>Closing provision</b> | <b>263.49</b>          | <b>165.10</b>          |

#### Other financial assets: (except fixed deposit with bank)

Based on assessment carried out by the Company,

Credit risk on aged security deposits is increased significantly(credit impaired), hence management have created allowance for expected credit loss for an amount equal to lifetime expected credit losses.

#### Reconciliation of loss allowance for security deposits

| Particulars              | As at<br>31 March 2024 | As at<br>31 March 2023 |
|--------------------------|------------------------|------------------------|
| Opening provision        | 8.01                   | 8.01                   |
| Addition                 | -                      | -                      |
| Reversal                 | -                      | -                      |
| Amounts written off      | (8.01)                 | -                      |
| <b>Closing provision</b> | <b>-</b>               | <b>8.01</b>            |

Note-Credit risk for security deposit other than above is not increased significantly.

#### (c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities.

The table below summarizes the undiscounted maturity profile of the Company's financial liabilities on an undiscounted basis:

| Particulars                 | Less than 1<br>year | 1-5 years       | More than 5 years | Total            |
|-----------------------------|---------------------|-----------------|-------------------|------------------|
| <b>As at 31 March 2024</b>  |                     |                 |                   |                  |
| Borrowings                  | 4,172.81            | 3,494.16        | -                 | 7,666.97         |
| Lease liabilities           | 834.20              | 3,205.21        | 1,686.94          | 5,726.35         |
| Trade payables              | 5,090.16            | 95.23           | -                 | 5,185.39         |
| Other financial liabilities | 2,167.27            | -               | -                 | 2,167.27         |
| <b>Total</b>                | <b>12,264.44</b>    | <b>6,794.60</b> | <b>1,686.94</b>   | <b>20,745.98</b> |
| <b>As at 31 March 2023</b>  |                     |                 |                   |                  |
| Borrowings                  | 2,707.07            | 1,983.16        | -                 | 4,690.23         |
| Lease liabilities           | 316.78              | 706.05          | -                 | 1,022.83         |
| Trade payables              | 1,716.95            | 30.85           | -                 | 1,747.80         |
| Other financial liabilities | 293.75              | -               | -                 | 293.75           |
| <b>Total</b>                | <b>3,023.85</b>     | <b>2,689.21</b> | <b>-</b>          | <b>5,713.06</b>  |
| <b>As at 01 April 2022</b>  |                     |                 |                   |                  |
| Borrowings                  | 1,628.95            | 2,009.04        | -                 | 3,637.99         |
| Lease liabilities           | 424.94              | 1,017.51        | -                 | 1,442.45         |
| Trade payables              | 2,584.91            | 24.40           | -                 | 2,609.31         |
| Other financial liabilities | 335.78              | 6.27            | -                 | 342.05           |
| <b>Total</b>                | <b>4,974.57</b>     | <b>3,057.22</b> | <b>-</b>          | <b>8,031.80</b>  |



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**50 RATIOS**

| S No. | Ratio                            | Particulars   |  | Ratio as on   |               | Variation % | Reason (If variation is more than 25%)   |
|-------|----------------------------------|---|--|---------------|---------------|-------------|--|
|       |                                  | Numerator   | Denominator  | 31 March 2024 | 31 March 2023 |             |  |
| (a)   | Current Ratio                    | Current Assets  | Current Liabilities  | 1.41          | 2.67          | -47%        | The major decrease in current ratio is due to increase in trade payable, short term borrowings and advance from customer's |
| (b)   | Debt-Equity Ratio                | Debt= long term borrowing + Short-term borrowings   | Equity= Share capital + Reserve and Surplus                              | 0.31          | 0.29          | 9%          |  |
| (c)   | Debt Service Coverage Ratio      | Net Operating Income= Net profit after taxes + Non-cash operating expenses + financial cost | Debt Service = Interest & Lease Payments + Principal Repayments          | 4.89          | 5.97          | -18%        |  |
| (d)   | Return on Equity Ratio           | Net Income= Net Profits after taxes   | Average shareholder's equity   | 0.40          | 0.25          | 57%         | The ratio improved in current year due to overall increase in profitability of company                                     |
| (e)   | Inventory Turnover Ratio         | Sales   | (Opening Inventory + Closing Inventory) / 2                              | 4.68          | 5.76          | -19%        |  |
| (f)   | Trade Receivables Turnover Ratio | Net credit sales  | (Opening trade receivables + Closing trade receivable)/2                 | 8.90          | 5.66          | 57%         | Due to decrease in overall trade receivables & improved in sales ratio the overall ratio improved                          |
| (g)   | Trade Payables Turnover Ratio    | Net Credit Purchase   | (Opening Trade Payables + Closing Trade Payables) / 2                    | 7.11          | 7.82          | -9%         |  |
| (h)   | Net Capital Turnover Ratio       | Revenue from operations   | Average working capital= Average of current assets - current liabilities | 4.76          | 4.03          | 18%         |  |
| (i)   | Net Profit Ratio                 | Net profit after tax  | Net sales  | 0.17          | 0.12          | 45%         | During the year the sales from customer increase due to this overall net profit ratio improved.                            |
| (j)   | Return on Capital Employed       | EBIT= Earnings before interest and taxes  | Capital Employed= Total Asset-Current Liability                          | 0.36          | 0.27          | 30%         | The overall improvement in this ratio due to increase in profitability of company  |
| (k)   | Return on Investment             | Net Profit  | Net Investment= Net Equity   | 0.33          | 0.22          | 48%         | The ratio improved due to overall increase in profitability of company   |





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**51 IMPAIRMENT OF SUBSIDIARY COMPANY**

During the financial year ended 31st March 2023 the Company had subscribed in the share capital of subsidiary company but due to some uncontrolled events the management and promoters of the subsidiary company has been decided to closed the Company and the subsidiary company has initiated strike off process as on 22nd August 2023.

The Subsidiary Company has not done any business activity during the financial year. Accordingly, the Management of the Company has decided to impairment the Investment and not to consolidate financial statement of the subsidiary Company.

**52 DETAILS OF CORPORATE SOCIAL RESPONSIBILITY EXPENSES:**

As per Section 135 of the Companies Act, 2013, a Company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities contribution towards contribution towards educational, for the mentally retarded children.

The details of funds primarily utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013 are as follows:

| Particulars  | For the year ended<br>31 March 2024                                  | For the year ended<br>31 March 2023                     |
|--|--|---|
| Amount required to be spent by the company during the year.  | 69.16  | 41.02   |
| Amount of expenditure incurred   | 21.72  | 41.54   |
| Shortfall at the end of the year (including previous year shortfall)   | 82.34  | 34.90   |
| Reason for above shortfall*  | Pertains to ongoing projects   | Pertains to ongoing projects                            |
| Nature of CSR activities   | Contribution towards educational, for the mentally retarded children | Contribution towards educational, health & medical etc. |
| Details of related party transactions, e.g., contribution to a trust-controlled NA by the company in relation to CSR expenditure as per Ind AS 24, Related Party Disclosures | -  | -   |
| Where a provision is made with respect to a liability incurred by entering in-to contractual obligation, the movements in the provision during the year                      | -  | -   |

\*The unspent amount transferred to unspent CSR account within 30 days from the end of the financial year, in accordance with the Companies Act, 2013 read with the CSR Amendment Rules.

**53 ADDITIONAL REGULATORY INFORMATION:**

**(i) Title deeds of Immovable Properties not held in name of the Company**

The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

**(ii) Fair valuation of investment property**

The Company does not have any investment property.

**(iii) Revaluation of property, plant and equipment (including right-of-use assets) and intangible assets**

The Company has not revalued its property, plant and equipment or intangible assets or both during the current or previous year.

**(iv) Details of benami property held**

The Company does not have any benami property, where any proceeding has been initiated or pending against the company for holding any benami property.

**(v) Wilful Defaulter**

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

**(vi) Relationship with struck off companies**

The Company does not have any transactions or balance outstanding with companies struck off under section 248 of the Companies Act, 2013.

**(vii) Registration of charges or satisfaction with Registrar of Companies (ROC)**

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

**(viii) Compliance with number of layers of companies**

The Company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act read with the Companies (Restriction on number of Layers) Rules, 2017.



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**(ix) Compliance with approved Scheme(s) of Arrangements**

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

**(x) Utilisation of Borrowed funds and share premium:**

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

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

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

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

**(xi) Undisclosed income**

The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year (previous year) in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

**(xii) Utilisation of Borrowings availed from banks and financial institutions**

The borrowings obtained by the Company from banks and financial institutions have been applied for the purposes for which such loans were taken.

**(xiii) Details of Crypto Currency or Virtual Currency**

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

54 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. Certain sections of the code came into effect on May 03, 2023. However, the final rules/interpretation have not yet been issued. The Company will complete their evaluation once the subject rules are notified and will give appropriate impact in the financial statements in the period in which, the Code becomes effective.

55 The Company has elected to exercise the option permitted under section 115BAA of the Income Tax Act 1961 as introduced by the Taxation Law (amendment) Ordinance, 2019. Accordingly, the Company has recognised the tax provision and measured the deferred tax assets / liabilities at the basic tax rate of 22% plus applicable surcharge and cess.

56 Previous year figures have been regrouped/ reclassified to confirm presentation as per Ind AS and as required by schedule III of the Act.

57 These financials statements have been approved for issue by the board of directors at its meeting held on 24 September 2024.

As per our report of even date  
For M S K A & Associates  
Chartered Accountants  
ICAI Firm Registration No: 105047W

  
Amrish Vaidya  
Partner  
Membership No. 101739

Place: Mumbai  
Date: 24-09-2024



For and on behalf of the Board of Directors  
Kusumgar Private Limited  
CIN: U65990MH1990PTC056871

  
Yogesh Kusumgar  
Director  
DIN: 01080769

Place: Mumbai  
Date: 24-09-2024

  
Siddharth Kusumgar  
Director  
DIN: 01676799

Place: Mumbai  
Date: 24-09-2024

