

KNS SHOETECH PRIVATE LIMITED**DIRECTOR'S REPORT**

To,
The Shareholders,

Your Directors have pleasure in presenting their **Second (2nd)** Annual Report of your Company, together with the Audited Accounts for the Financial Year ended **March 31, 2024**.

1. FINANCIAL RESULTS:

Financial Statement of the Financial Year under review is as under:-

Particulars	For the year ended 31.03.2024	For the year ended 31.03.2023
	Amount (in Rs. Lakhs)	Amount (in Rs. Lakhs)
Revenue from operations	3334.96	198.87
Other Income	3.37	1.04
Total Revenue	3338.33	199.91
Total expenditure	3420.40	306.23
Profit/Loss before Tax	(82.07)	(106.32)
Current Tax	-	-
Deferred Tax	(35.68)	-
MAT Credit	-	-
Profit/ (Loss) for the year	(46.39)	(106.32)

2. FINANCIAL PERFORMANCE OF THE COMPANY

During the Year under review, Your Company recorded a Turnover of Rs. 3334.96 Lakhs as compared to Turnover of Rs. 198.87 Lakhs for the previous Financial Year 2022-23 and reported a Net loss of Rs. 82.07/- Lakhs in the current Financial Year as compared to Net loss of Rs. 106.32/- Lakhs in the previous Financial Year.

Your Directors are pleased to inform you that, your Company has 5 manufacturing plants located at Haryana & Himachal Pradesh and all the plants are working in the order. Your Directors are positive that your Company will achieve robust growth in coming years ahead.

3. DIVIDEND

To conserve resources and in order to strengthen the Company's financial, your Directors do not recommend any Dividend for the year under review.

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4. TRANSFER TO RESERVES IN TERMS OF SECTION 134(3)(J) OF THE COMPANIES ACT, 2013

Your Company did not transfer any amount to the General Reserve during the year.

5. SHARE CAPITAL OF THE COMPANY

During the Year under review, there were no changes in the Share Capital of your Company. As on March 31, 2024, the Authorised Share Capital of Company was Rs. 5,00,00,000/- (Rupees Five Crores Only) divided into 50,00,000 (Fifty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten Only) each and the Issued Subscribed and Paid-up Capital was Rs. 4,00,00,000/- (Rupees Four Crores only) divided into 40,00,000 (Forty Lakhs Only) Equity Shares of Rs. 10/- (Rupees Ten only) each.

6. SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS /COURTS/ TRIBUNALS

There are no significant and material orders passed by Regulators/Court/Tribunals against your Company.

7. SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES AND THEIR PERFORMANCE

Your Company do not have any Subsidiary/ Joint Venture and Associates of your Company.

8. HOLDING COMPANY

During the year under review, your Company's shareholders had executed Share Purchase Agreement with Hindustan Foods Limited and 40,00,000 Equity Share of Rs. 10/- each were transferred to Hindustan Foods Limited on November 3, 2023. Consequent upon, your Company became a Wholly - Owned Subsidiary Company of Hindustan Foods Limited effective November 3, 2023.

9. DEPOSITS

Your Company has not accepted any deposit falling within the purview of Section 73 of the Companies Act, 2013 read with rules made thereunder.

10. STATUTORY AUDITORS

M/s. S S Singh & Co., Chartered Accountants, (Registration No. 157963W) were appointed as Statutory Auditors of your Company from the conclusion of 1st Annual General Meeting held on September 15, 2023 till the conclusion of 6th AGM to be held in the year 2028. As required under the provisions of Section 139 of the Companies Act, 2013, your Company has obtained written confirmation from M/s. S S Singh & Co. that their appointment, if made, would be in conformity with the limits specified in the said Section.

The report given by the Auditors on the Financial Statements of your Company is part of the Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

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In accordance with the Companies Amendment Act, 2017, enforced on May 7, 2018 by the Ministry of Corporate Affairs, ratification of the Statutory Auditors at the Annual General Meeting is not required.

11. REPORTING OF FRAUD BY AUDITORS

During the year under review, the Statutory Auditors have not provided any instances of fraud committed against your Company by its officers or employees under section 143(12) of the Act, the details of which would need to be mentioned in this Report.

12. AUDITORS REPORT

The Auditor's report is self-explanatory. There were no observations/qualifications made by the Auditors in the Audit Report.

13. MATERIAL CHANGES AND COMMITMENTS OCCURRED BETWEEN THE DATE OF BALANCE SHEET AND THE DATE OF AUDIT REPORT

No Material changes occurred subsequent to the close of the Financial Year of the Company to which the Balance Sheet relates and the date of the report like settlement of tax liabilities, depression in market value of investments etc. except, your Company has obtained the necessary approvals from the Members of the Company in their Extra-Ordinary General Meeting held on August 29, 2024:

- a) for giving effect for Increasing the Authorized Share Capital of the Company from Rs. 5,00,00,000/- (Rupees Five Crores Only) divided into 50,00,000 (Fifty lakhs) Equity Shares of Rs. 10/- (Rupees Ten Only) each to Rs. 55,00,00,000/- (Rupees Fifty Five Crores Only) divided into 5,30,00,000 (Five Crores Thirty lakhs) Equity Shares of Rs. 10/- (Rupees Ten Only) each and 20,00,000 (Twenty lakhs) Compulsorily Convertible Preference shares of Rs. 10/- (Rupees Ten Only) each and
- b) approval for issue of 4,30,00,000 (Four Crore Thirty lakhs) new Equity Shares on the rights basis to the existing Shareholders of the Company at par.

Further based on the response and applications received for Rights Issue from the Existing Members your Board of Directors in its Meeting held on September 10, 2024 allotted 4,30,00,000 new equity shares on rights basis, in the ratio of 1075:100, in the manner that for existing every 100 Equity Share, the shareholders was offered 1,075 new equity shares of Rs. 10/- each fully paid up at par. Consequent upon the said rights issue your Company's Issued Subscribed and Paid-up Share Capital as on date of this report stands increased to Rs. 47,00,00,000/- (Rupees Forty Seven Crores only) divided into 4,70,00,000 (Four Crore Seventy Lakhs) Equity Shares of Rs. 10/- (Rupees Ten Only) each.

Further, your Company has also obtained the necessary approvals from the Members of the Company in their Extra-Ordinary General Meeting held on September 13, 2024 for offer, issue and allot not exceeding 10,06,100 (Ten Lakhs Six Thousand One Hundred Only) Compulsorily Convertible Preference Shares ('CCPS') of face value Rs. 10/- at a premium of Rs. 40/- each by way of preferential issue to the certain identified individuals.

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14. CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION, AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information in respect of matters pertaining to conservation of energy, technology absorption, Foreign exchange earnings and outgo, as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are provided in the **Annexure – I** to this Report.

15. SECRETARIAL STANDARDS

Your Company has complied with SS-1 & SS-2 issued by ICSI on Board Meetings and General Meetings respectively.

16. RELATED PARTY TRANSACTIONS

As per the provisions of section 188 of the Companies Act, 2013, the transaction entered with Related Parties for the year under review were on arm's length basis and in the ordinary course of business. Accordingly no transactions are required to be reported in Form AOC-2 in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014.

17. INTERNAL CONTROL SYSTEM

The internal control systems of your Company are effective and adequate for business processes with regards to size of the operation, compliance requirements with the applicable laws and regulations, financial reporting etc. commensurate with the size and complexities of the operations.

18. DIRECTORS DURING THE YEAR

During the Year under review, Mr. Sameer Kothari (DIN: 01361343), Mr. Ganesh Argekar (DIN: 06865379) was appointed as an Additional Directors of your Company w.e.f. December 1, 2023 and continues to be Directors on the Board of Director of your Company.

Change in Directorate

During the Year under review, Mr. Sameer Kothari (DIN: 01361343), Mr. Ganesh Argekar (DIN: 06865379) was appointed as an Additional Director with effect from December 1, 2023 and Mr. Mayank Samdani (DIN: 10417749) was appointed as an Additional Director with effect from April 6, 2024 and seeks appointment as a Director of your Company subject to approval of the Members in the ensuing Annual General meeting.

Further, Ms. Nandita Soni (DIN: 00469749) and Mr. Mohit Narang (DIN: 09045160) were ceased to be a Director of your Company with effect from December 7, 2023.

The Board place on record its deep sense of appreciation for the guidance and invaluable contribution made by Ms. Nandita Soni and Mr. Mohit Narang during their tenure as Director(s) of the Company.

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19. MEETINGS OF BOARD OF DIRECTORS

The Board meets at regular intervals to discuss business plan and strategies. The notice of Board meeting is given well in advance to all the Directors.

During the period under review, the Board of your Company met 8 (Eight) times, the details of which are provided below:

Sr. No.	Date of Board Meeting	Presence of Directors			
		Nandita Soni	Mohit Narang	Sameer Kothari	Ganesh Argekar
1	12/06/2023	PRESENT	PRESENT	---	---
2	15/09/2023	PRESENT	PRESENT	---	---
3	23/10/2023	PRESENT	PRESENT	---	---
4	03/11/2023	PRESENT	PRESENT	---	---
5	01/12/2023	PRESENT	PRESENT	PRESENT	PRESENT
6	07/12/2023	PRESENT	PRESENT	PRESENT	PRESENT
7	24/01/2024	---	---	PRESENT	PRESENT
8	28/03/2024	---	---	PRESENT	PRESENT

The maximum interval between any two meetings was well within the maximum allowed gap of 120 days.

20. LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

During the year under review, there were no loans, guarantees or investments made by your Company under Section 186 of the Companies Act, 2013 and hence the said provision is not applicable. Also, There were no guarantees and investments made by your Company.

21. DISCLOSURE PURSUANT TO MANAGERIAL REMUNERATION

During the year under review, no Managerial Remuneration was required to be paid to the Directors of your Company. Further there were no employees who was drawing salary more than the prescribed limit under the provisions of the Companies Act, 2013. Hence, pursuant to Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company was not required to disclose the names of the top ten employees in terms of remuneration drawn and the name of every employee.

22. RISK MANAGEMENT POLICY

On November 3, 2023, your Company became the Wholly-Owned Subsidiary Company of Hindustan Foods Limited, and as a part of Vanity Case Group of Companies, it follows the group policy for its operations.

23. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Since your Company do not fall under any criteria specified in sub-section (1) of section 135 of the Companies Act, 2013, it is not required to constitute a Corporate Social Responsibility ("CSR") Committee.



24. DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to Section 134(3) (c) of the Companies Act, 2013, your Directors confirm that:

(a) In the preparation of the accounts for the Financial Year ended March 31, 2024, the applicable Accounting Standards have been followed and there were no material departures from the Accounting Standards.

(b) The Directors have selected such accounting policies and applied them consistently and make judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the said Financial Year and of the profit and loss of the Company for the said Financial Year;

(c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) The Directors had prepared the accounts for the year ended March 31, 2024 on a 'going concern' basis;

(e) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

25. DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM

The provisions of Section 177 of the Companies Act, 2013 read with rule 6 and 7 of the Companies (Meetings of the Board and its Powers) Rules, 2013 is not applicable to your Company.

26. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

Your Company is committed to provide a safe and conducive work environment to its employees.

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

27. PARTICULARS OF EMPLOYEES

Your Directors express their deep appreciation for the co-operation and support by employees at all levels of your Company. Your Directors wish to emphasize safe working culture in the organization and urge all employees to not only follow safety standards but also excel in all safety parameters.

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28. ACKNOWLEDGEMENTS

Your Company takes this opportunity to thank all the Shareholders and investors of your Company for their continued support. Your Directors wish to place on record their appreciation for the co-operation and support received from employees, staff and other people associated with your Company and look forward for their continued support.

For and on behalf of the Board of Directors
KNS Shoetech Private Limited

Date: September 13, 2024

Place: Mumbai


Sameer Kothari
Director
(DIN: 01361343)


Ganesh Argekar
Director
(DIN: 06865379)



Annexure-I to the Director's Report

Information as per Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Account) Rules, 2014 and forming part of the Directors Report for the Financial Year ended March 31, 2024.

Particulars with respect to Conservation of Energy etc. as per the Companies (Accounts) Rules, 2014.

A. CONSERVATION OF ENERGY

(i) The steps taken or impact on conservation of energy

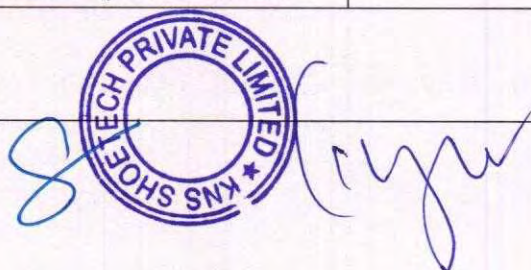
1. Energy consumption
2. Total energy consumption and energy consumption per unit of production are as under:

POWER AND FUEL CONSUMPTION

(Amount in Rs.)			
Particulars		Unit	Current Year
1	Electricity		
	Purchased Units	Kwh	354,662
	Total amount	Rs.	3,250,587
	Rate/ unit	Rs.	9.17
2	High Speed Diesel (For DG)		
	Quantity consumed	Ltr.	2,710
	Total amount	Rs.	258,622
	Average Rate / Liter	Rs.	95.43
3	Briquettes – For Boiler		
	Quantity	Kgs.	0
	Total Amount	Rs.	0
	Average Rate	Rs.	0

B. TECHNOLOGY ABSORPTION

(i) The efforts made towards technology absorption.	Not Applicable
(ii) The benefits derived like product improvement, cost reduction, product development or import substitution.	
(iii) In case of imported technology (imported during the last Five years reckoned from the beginning of the Financial Year) – (a) the details of technology imported; (b) the year of import; (c) whether the technology been fully absorbed; (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and future plans of action.	Not Applicable



	(iv) The expenditure incurred on Research and Development.	Not Applicable
C. FOREIGN EXCHANGE EARNINGS AND OUTGO		
	The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows	The foreign Exchange earned against sale of Rs 42,09,563 and foreign exchange outgo against, raw material, capital goods and component & spare parts of Rs 71,44,865 for the financial year 2023-24.

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INDEPENDENT AUDITOR'S REPORT

To the Members of
KNS SHOETECH PRIVATE LIMITED

Report on the Audit of the Financials Statement

Opinion

We have audited the financial statements of **KNS SHOETECH PRIVATE LIMITED** (the "company") which comprises the balance sheet as at 31 March 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 financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred as "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 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at 31 March 2024, and its loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis of Opinion

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



Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of Financial Statements as a whole, and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matter to be communicated in our report.

Key Audit Matter	How the Key Audit Matter was addressed in our audit
KNS Shoetech Private Limited (Company) has acquired business undertaking of KNS Trading Private Limited (Seller) comprising of manufacturing facility at short shoes components situated at located at Kundli, Sonipat, Haryana on a slump sale basis pursuant to a Business Transfer Agreement ("BTA") dated 26 December 2023, addendum BTA dated 02 February 2024 and letter agreement dated 06 February 2024. The effective date for transfer of business is 01 February 2024 as per the letter agreement. The total purchase consideration for the said transaction is ₹ 3108.0 Lakhs. The Management of the Company has made the assessment of the said transaction and has, accordingly, accounted it as the business combination as per Ind AS 103 "Business Combination". Since, accounting for the business combination involves judgement in order to: Assessment of the transactions as the asset acquisition or business combination as per Ind AS 103.	Our audit procedures included and were not limited to the following: - Obtained an understanding of the process followed by the Company for assessment and determination of the effective date and the accounting treatment, including the identification of assets and liabilities and determination of their fair values. - Evaluated the design and implementation and testing the operating effectiveness of key internal controls related to the Company's valuation process. - Reviewed the Purchase Price Allocation report provided by the management of the company by involvement of registered valuer. - Verified the completeness of the identified assets acquired and liabilities assumed. - Assessed the appropriateness of methods and inputs used in the valuation of assets and liabilities. - Assessed the adequacy and appropriateness of the disclosures made in the Financial Statements in compliance with the requirements of applicable Indian Accounting Standards



- Identify and measure the fair value of the identifiable assets acquired and liabilities assumed. - Allocate the consideration transferred towards identifiable assets, liability and goodwill/other intangible assets. Since, the amount of the acquisition is material to the Company and significant management judgement is required in identification of fair values and the allocation of the consideration into identifiable tangible and intangible assets, we have identified this as a Key Audit Matter.	and applicable financial reporting framework.
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Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and auditor's report(s) thereon. The Company's annual report is expected to be made available to us after the date of this auditor's report. Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Managements and Board of Directors Responsibilities for the financial statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that gives a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates



that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such
- disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Other Matters

The financial information of the company for the year ended 31 March 2023 have been audited by the previous auditor. The report of the previous auditor dated 15 September 2023 expressed an unmodified opinion. The Comparative financial information for the previous year ended 31 March 2023 has been audited by previous auditor, as adjusted for the difference in the accounting principles adopted by the Company on transition to Ind AS. Our report is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. A. As required by Section 113(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rule, 2015.
 - e. On the basis of the written representations received from the directors as on 31 March 2024 taken on the record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. This report does not include Report on the internal financial controls with reference to financial statements under clause (i) of sub-section 3 of Section 143 of the Act, since in our opinion and according to the information and explanation given to us, the said report on internal financial controls with reference to financial statements is not applicable



to the Company basis the exemption available to Company under MCA notification no. G.S.R. 583(E) dated 13 June 2017, read with corrigendum dated 13 July 2017 on reporting on internal financial controls.

- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a. The Company does not have any pending litigations as at 31 March 2024 which would impact its financial position.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - d. (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 45 (ix) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other 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.
 - (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 45 (ix) to the financial statements, 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, that the Company shall:
 - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



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

- e. The Company has not declared and paid any dividend during the year in accordance with Section 123 of the Act.
- f. Based on our examination, the Company has used an accounting software 'Microsoft Dynamics AX 2012' which is operated by a third party service provider, for maintaining its books of accounts which is having audit trail features, however the same was not enabled and operated throughout the year for *all relevant transactions* recorded in the software and we are unable to comment whether there were any instances of the audit trail feature been tampered with.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act: In our opinion and according to the information and explanations given to us, the Company is not a public company. Accordingly, the provisions of Section 197 of the Act are not applicable to the Company



For S S SINGH AND CO
Chartered Accountants
FRN: 157963W

Sudhanshu Singh
Proprietor [M. No. 199938]
UDIN: 24199938BKHCD51819

Place: Mumbai
Date: 17th May 2024

**Annexure A to the Independent Auditor's Report on the Financial Statements of
KNS SHOETECH PRIVATE LIMITED for the year ended 31 March 2024**

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

i)

(a)

A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

B. The Company has maintained proper records showing full particulars of intangible asset.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its property, plants and equipment by which all property, plants and equipment are verified in phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its asset. In accordance with this programme, the Property, Plant and Equipment have been physically verified by the management during the year and No material discrepancies were noticed on such verification.

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

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment including Right of Use assets.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.



ii)

(a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees in aggregate from banks on the basis of security of current assets during the year. As per information and explanations given to us, the monthly returns or statements filed by the Company with banks are, except for some immaterial differences, in agreement with the unaudited books of accounts of the Company.

iii) According to information and explanation given to us and on the basis of our examination of the records, the Company has granted loans or advances in the nature of loans to other parties during the year, in respect of which the requisite information is as below. The Company has not made investment or provided any guarantee or security to Companies, firms, limited liability partnerships or any other parties during the year.

a)

A. Based on the audit procedures carried on by us and as per information and explanations given to us, the Company has not given loans or advances in the nature of loans or stood guarantees or provided security to subsidiaries, joint ventures and associates during the year.

B. Based on the audit procedures carried on by us and as per information and explanations given to us, the Company has granted loans or advances in the nature of loans to party other than subsidiaries, joint ventures and associates during the year. The Company has not stood guarantee or provided security to parties other than subsidiaries, joint ventures and associates during the year.



(₹ in Lakhs)

Particulars	Guarantees	Security	Loans	Advances in the nature of loan
Aggregate amount granted during the year				
Others*	Nil	Nil	31.52	Nil
Balances outstanding as at balance sheet date				
Others*	Nil	Nil	Nil	Nil

* Holding Company (up to 30.09.2023)

- b) According to information and explanations given to us and based on audit procedures conducted by us, in our opinion, the terms and conditions of loan or advances in the nature of loan to other party are, prima facie, not prejudicial to the interest of the Company. The Company has not made investment or provided any guarantee or security.
- c) According to information and explanations given to us and based on the examination of records of the Company, in case of loans, the repayment of principal are on repayable on demand and payment of interest has been stipulated. The re-payment of the principal as per the demand and payment of interest as stipulated have been regular.
- d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there were no amounts overdue for more than ninety days in respect of the loan granted by the Company.
- e) According to the information explanation provided to us, there are no loan or advance in the nature of loan granted falling due during the year, which have been renewed or extended or fresh loans granted to settle the overdue of existing loans given to existing parties. Hence, the requirements under paragraph 3(iii)(e) of the Order are not applicable to the Company.



- f) According to the information explanation provided to us, the loan granted during the year are repayable on demand. The details of the same are as follows:

(₹ in Lakhs)

Particulars	All Parties	Promoter	Related Parties
Aggregate amount of loans			
Repayable on demand (A)	Nil	Nil	31.52
Agreement does not specify any term or period of repayment (B)	Nil	Nil	Nil
Total (A+B)	Nil	Nil	31.52
Percentage of such loans to total loans	Nil	Nil	100%

- iv) According to information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or given guarantees or provided security to directors or to persons in whom the directors are interested and hence, the provisions of section 185 of the Companies Act, 2013 are not applicable and in respect of loans given by the Company, the Company has complied with the provisions of section 186 of the Companies Act, 2013 and the Company has not made investment, provided guarantee or security to any body corporate and hence, the provisions of section 186 of the Companies Act, 2013 are not applicable to this extent.
- v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable to the Company.
- vi) According to information and explanations given to us, the Central Government has not specified maintenance of Cost Records under sub-section (1) of section 148 of the Companies Act, 2013, in respect of Company's products. Accordingly, the provisions of clause 3(vi) of the Order is not applicable.
- vii)
- (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.



According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have generally been regularly deposited with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, There are no statutory dues of Goods and Service Tax, Provident Fund, Employees' State Insurance, Income-Tax, Sales tax, Service tax, Duty of Customs, Value added tax, Cess or other statutory dues which have not been deposited on account of any dispute.
- viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- ix)
 - (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans or borrowings or in repayment of interest thereon to lenders.
 - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.



(c) According to the information and explanations given to us, the Company has not taken any term loans during the year. Accordingly, reporting under clause 3(ix) (c) is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the financial statement of the Company, we report that the Company has used funds raised on short-term basis aggregating to ₹3,432.77 Lakhs during the year for long-term purposes. The Company has taken inter corporate loan from its holding company which as per the terms, is repayable on demand (short-term) and has been used for the purpose of acquisition of business undertaking under Business Transfer agreement and for repayment of long-term borrowings of the Company.

(e) According to the information and explanations given to us and on an overall examination of the financial statement of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) According to the information and explanations given to us and on an overall examination of the financial statement of the Company, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company.

x)

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

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

xi)

(a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.



- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) According to the information and explanations given to us, the Company is not required to establish a vigil mechanism for whistleblower as per Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Power) Rules, 2014 and accordingly, clause 3(xi) (c) of the Order is not applicable.
- xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- xiii) The Company is a private limited company and accordingly the requirements as stipulated by the provisions of Section 177 of the Act are not applicable to the Company. In our opinion and according to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv)
- (a) The Company is not required to conduct internal audit as per provision of the Companies Act, 2013. Accordingly, clause 3(xiv)(a) of the Order is not applicable.
- (b) The Company is not required to conduct internal audit as per provision of the Companies Act, 2013 Accordingly, clause 3(xiv)(b) of the Order is not applicable.
- xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.



xvi)

- (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company has not conducted any Non- Banking Financial or Housing Finance activities.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

xvii) The Company has not incurred cash losses in the current year but has incurred cash losses of ₹ 70.64 Lakhs in the immediately preceding financial year.

xviii) There has been resignation of the statutory auditors during the year. However, the outgoing auditor has not raised any issues, objections or concerns for taking into consideration by us.

xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, 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 the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.



- xx) According to the information and explanations given to us, the provision of Section 135 of the Companies Act, 2013 is not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.
- xxi) Reporting under clause 3(xxi) is not applicable to the Company.



For SS SINGH AND CO
Chartered Accountants
FRN.: 157963W

SS Singh

Sudhanshu Singh
Proprietor [M. No. 199938]
UDIN: 24199938BKHCD51819

Place: Mumbai
Date: 17th May 2024

Particulars	Note No.	As at 31 March 2024 (Rs. / Lakh)	As at 31 March 2023 (Rs. / Lakh)
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	1,376.66	565.21
(b) Right-of-use assets	3	1,102.29	333.30
(c) Goodwill	4	215.44	-
(d) Other intangible assets	5	2.10	2.54
(e) Financial assets			
i. Other financial assets	6	29.32	16.95
(f) Other non-current assets	7	11.65	2.75
(g) Income tax assets (net)	12	4.86	2.76
(h) Deferred tax Assets (net)	18	62.71	-
		2,805.03	923.51
Current assets			
(a) Inventories	8	1,332.19	15.36
(b) Financial assets			
i. Trade receivables	9	3,403.98	98.96
ii. Cash and bank balances	10	42.21	16.28
iii. Loans	11	-	-
iv. Other financial assets	6	4.05	2.75
(c) Other current assets	7	258.34	94.06
		5,040.77	227.41
TOTAL ASSETS		7,845.80	1,150.92
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13	400.00	400.00
(b) Other equity	14	(135.16)	(106.32)
TOTAL EQUITY		264.84	293.68
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
i. Borrowings	15	-	314.39
ii. Lease liabilities	16	1,028.00	312.16
(b) Provisions	17	98.44	6.38
(c) Deferred tax liabilities (net)	18	-	-
		1,126.44	632.93
Current liabilities			
(a) Financial liabilities			
i. Borrowings	19	4,514.03	75.43
ii. Lease liabilities	16	98.17	18.28
iii. Trade payables	20		
-Total outstanding dues of micro and small enterprises		238.55	-
-Total outstanding dues to creditors other than micro and small enterprises		1,355.12	67.96
iv. Other financial liabilities	21	202.87	54.85
(b) Other current liabilities	22	44.09	7.53
(c) Provisions	17	1.69	0.26
TOTAL LIABILITIES		6,454.52	224.31
TOTAL EQUITY AND LIABILITIES		7,845.80	1,150.92

Summary of material accounting policies 2
The accompanying notes 1 to 49 are an integral part of financial statements.

As per our report of even date

For S S SINGH AND CO
Chartered Accountants
Firm Registration No.: 0157963W

Sudhanshu Singh
Proprietor
Membership No.: 199938

Place: Mumbai
Date: 17 May 2024



For and on behalf of Board of Directors of
KNS Shoetech Private Limited

Sameer Ramanlal Kothari
Director
DIN: 01361343

Place: Mumbai
Date: 17 May 2024

Mayank Ashok Samdani
Director
DIN: 10417749

Place: Mumbai
Date: 17 May 2024



Statement of Profit and Loss for the year ended 31 March 2024

Particulars	Note No.	Year ended 31 March 2024 (Rs. / Lakh)	Year ended 31 March 2023 (Rs. / Lakh)
Income			
Revenue from operations	23	3,334.96	198.87
Other income	24	3.37	1.04
Total income		3,338.33	199.91
Expenses			
Cost of materials consumed	25	2,216.53	60.00
Changes in inventories	26	(263.38)	(0.17)
Employee benefits expense	27	909.23	117.74
Finance costs	28	187.31	32.43
Depreciation and amortisation expense	29	131.87	35.68
Manufacturing and Operating Cost	30	163.47	13.08
Other expenses	31	75.37	47.47
Total expenses		3,420.40	306.23
Profit / (Loss) before tax		(82.07)	(106.32)
Tax expense			
Current tax		-	-
Deferred tax	32	(35.68)	-
Profit / (Loss) for the period		(46.39)	(106.32)
Other comprehensive income			
Items that will not to be reclassified to profit or loss in subsequent periods			
Re-measurement gains / (loss) on defined benefit plans		17.55	-
Income tax credit/(expense)		-	-
Other comprehensive income for the period, net of tax		17.55	-
Total comprehensive income/(loss) for the period		(28.84)	(106.32)
Earnings per equity share (face value of ₹ 10 each)	38		
Basic earnings per share (₹)		(1.16)	(3.00)
Diluted earnings per share (₹)		(1.16)	(3.00)

Summary of material accounting policies 2
The accompanying notes 1 to 49 are an integral part of financial statements.

As per our report of even date

For S S SINGH AND CO
Chartered Accountants
Firm Registration No.: 0157963W

S S Singh
Sudhanshu Singh
Proprietor
Membership No.: 199938

Place: Mumbai
Date: 17 May 2024



For and on behalf of Board of Directors of
KNS Shoetech Private Limited

Sameer Ramanlal Kothari
Sameer Ramanlal Kothari
Director
DIN: 01361343

Place: Mumbai
Date: 17 May 2024

Mayank Ashok Samdani
Mayank Ashok Samdani
Director
DIN: 10417749

Place: Mumbai
Date: 17 May 2024



Statement of changes in equity for the year ended 31 March 2024

a. Equity share capital

Particulars	Rs. / Lakh
Balance as at 01 April 2022	-
Additions during the period	400.00
Balance as at 31 March 2023	400.00
Additions during the period	-
Balance as at 31 March 2024	400.00

b. Other equity

	Reserves and surplus	Other Comprehensive Income	Total
	Retained Earnings	Remeasurement of Defined Benefit Plans	
	Rs. / Lakh	Rs. / Lakh	Rs. / Lakh
Balance as at 01 April 2022	-	-	-
Loss for the period	(106.32)	-	(106.32)
Remeasurement gain/(loss) on defined benefit plans, net of income tax	-	-	-
Balance as at 31 March 2023	(106.32)	-	(106.32)
Loss for the period	(46.39)	-	(46.39)
Remeasurement gain/(loss) on defined benefit plans, net of income tax	-	17.55	17.55
Balance as at 31 March 2024	(152.71)	17.55	(135.16)

Note:

Previous period information have been disclosed from 31 May 2022 (i.e. the date of incorporation).

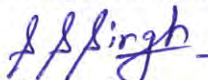
Summary of material accounting policies

2

The accompanying notes 1 to 49 are an integral part of financial statements.

As per our report of even date

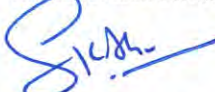
For S S SINGH AND CO
Chartered Accountants
Firm Registration No.: 0157963W


Sudhanshu Singh
Proprietor
Membership No.: 199938

Place: Mumbai
Date: 17 May 2024



For and on behalf of Board of Directors of
KNS Shoetech Private Limited



Sameer Ramanlal Kothari
Director
DIN: 01361343

Place: Mumbai
Date: 17 May 2024



Mayank Ashok Samdani
Director
DIN: 10417749

Place: Mumbai
Date: 17 May 2024



KNS Shoetech Private Limited
CIN: U19119DL2022PTC399320
Statement of Cash Flows for year ended 31 March 2024

Particulars	Year ended 31 March 2024 (Rs. / Lakh)	Year ended 31 March 2023 (Rs. / Lakh)
Cash flow from operating activities		
Loss before tax	(82.07)	(106.32)
Adjustments for:		
Depreciation and amortisation expense	131.87	35.68
Interest on borrowings	135.32	13.53
Interest on lease liability	51.99	18.90
Exchange Fluctuation Gain	(0.48)	-
Loss of Sales of Fixed assets	0.32	-
Re-measurement gains on defined benefit plans reclassified to OCI	17.55	-
Interest income	(1.84)	(1.04)
Operating profit before working capital changes	252.66	(39.25)
Changes in working capital:		
Adjustments for (increase)/decrease in operating assets:		
Inventories	(677.06)	(15.36)
Trade receivables	(393.44)	(98.96)
Other assets	(160.73)	(96.81)
Other financial assets	2.84	(18.70)
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables	160.90	67.96
Other financial liabilities	145.04	53.68
Other current liabilities	36.56	7.53
Provisions	23.94	6.64
Cash generated from operating activities	(609.28)	(133.27)
Income tax paid (net)	(4.86)	(2.76)
Net cash generated from/(used in) operating activities (A)	(614.14)	(136.03)
Cash flow from investing activities		
Investment in property, plant and equipment and intangible assets	(149.24)	(586.76)
Payment of acquisition of business	(3,108.00)	-
Sale proceeds of property, plant and equipment	4.97	6.67
Interest received	0.33	0.04
Net cash generated from/(used in) investing activities (B)	(3,251.94)	(580.05)
Cash flow from financing activities		
Interest paid	(84.26)	(12.36)
Repayment of lease liabilities	(87.98)	(45.09)
Proceeds from issue of share	-	400.00
Proceeds/(repayment) from/of borrowings (net)	4,378.64	389.82
Repayment of borrowings (Net)	(314.39)	-
Net cash generated from/(used in) financing activities (C)	3,892.01	732.37
Net increase/(decrease) in cash and cash equivalents (A+B+C)	25.92	16.29
Cash and cash equivalents at the beginning of the period	16.29	-
Cash and cash equivalents at the end of period (refer note 10)	42.21	16.29

Notes:

- The Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 on 'Statement of Cash Flows'.
- Figures in brackets indicate cash outflow.
- Figures for the previous period have been regrouped wherever considered necessary.
- Current taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.

Summary of material accounting policies

2

The accompanying notes 1 to 49 are an integral part of financial statements.

As per our report of even date

For S S SINGH AND CO
Chartered Accountants
Firm Registration No.: 0157963W

S S Singh
Sudhanshu Singh
Proprietor
Membership No.: 199938

Place: Mumbai
Date: 17 May 2024



For and on behalf of the Board of Directors
KNS Shoetech Private Limited

Sameer Ramanlal Kothari
Sameer Ramanlal Kothari
Director
DIN: 01361343

Place: Mumbai
Date: 17 May 2024

Mayank Ashok Samdani
Mayank Ashok Samdani
Director
DIN: 10417749

Place: Mumbai
Date: 17 May 2024



1 Corporate information

KNS Shoetech Private Limited ('the Company') is a private limited company domiciled in India and incorporated under the provisions of the Companies Act, 2013. The Company was incorporated on 31 May 2022. The Company is engaged in the manufacturing of footwear and footwear components.

2 Material accounting policies

2.1 Statement of compliance

These financial Statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and relevant provisions of the Companies Act, 2013. Accordingly, the Company has prepared these financial Statements which comprise the Balance Sheet as at 31 March 2024, the Statement of Profit and Loss for the period ended 31 March 2024, and the Statement of Changes in Equity for the period ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as 'financial statements').

Previous period have been restated to Ind AS. In accordance with Ind AS 101 "First-time Adoption of Indian Accounting Standards", the Company has presented a reconciliation from the presentation of financial statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS.

These special purpose financial statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013.

2.2 Basis of preparation of financial statements

The financial statements have been prepared and presented on the going concern basis and at historical cost, except for the following assets and liabilities, which have been measured as indicated below:

- Certain financial assets and liabilities at fair value (refer accounting policy regarding financial instruments)
- Employee's Defined Benefit Plan measured as per actuarial valuation.
- Employee Stock Option Plans measured at fair value and
- Assets and Liabilities acquired under Business Combination measured at fair value.

Accounting policies have been consistently applied 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 thereto in use.

2.3 Functional and presentation currency

The financial statements have been presented in the Indian Rupees (INR), which is also the functional currency of the Company. All financial information presented in INR has been rounded off to the nearest lakh, unless stated otherwise.

2.4 Use of estimates and judgements

The preparation of financial statements requires management to exercise judgement and make estimates and assumptions that affects the reported amounts of revenue, expenses, assets and liabilities. These estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. These estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognised in the period in which the results are known/materialise.

The areas involving significant estimates and judgement include:

- Determination of useful life of property, plant and equipment and intangible assets
- Measurement of lease liabilities and right of use assets
- Measurement of defined benefit obligations
- Recognition and measurement of provisions and contingencies
- Recognition of deferred tax assets / liabilities
- Measurement of contingent liabilities

2.5 Current vs. non-current classification

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 assets.

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.

All other liabilities are classified as non-current liabilities.

Operating cycle

The normal operating cycle of the company is of twelve months.

The terms of a liability that could potentially be settled by issuing equity instruments, at the option of the counterparty, do not affect its classification.

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

2.6 Property, plant and equipment

All items of property, plant and equipment (other than Leasehold land) are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

a) All items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any.

b) Tangible assets are stated at cost of acquisition and subsequent improvements thereto including taxes, duties, freight and other incidental expenses related to a acquisition and installation.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised

Depreciation methods, estimated useful lives and residual value:

Depreciation is provided on a pro-rata basis on the straight-line method over the estimated useful lives of the assets as per the rates

Asset	Estimated useful
Plant and equipments	13 and 21
Office equipments	13 and 21
Freehold Building	20 and 29
Computers	3 and 6
Furniture and fixtures	16

The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

Leasehold land are amortised over the period of lease.

Asset's residual values and useful lives are reviewed at each financial year end, considering the physical condition of the assets and benchmarking analysis or whenever there are indicators for review and adjusted prospectively.

The asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or loss arising from derecognition of assets are measured as the differences between the net disposal proceeds and the carrying amount of the assets and would be recognized in the Statement of Profit and Loss when the asset is derecognized.

Capital work in progress is stated at cost.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).



2.7 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets and intangible assets under development are stated at cost of acquisition or construction net of accumulated depreciation and impairment loss (if any).

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Estimated useful lives of intangible assets.

Computer software: 6 years

The amortisation period and method are reviewed at each year end.

2.8 Impairment

At the end of each reporting year, the Company assesses whether there are any indications of impairment for its tangible and intangible assets. If there is any indication, the Company estimates the recoverable amount of the asset to determine the extent of impairment loss, if any. If it's not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to individual cash-generating units if a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, as well as when there is an indication of impairment. The recoverable amount is determined based on the higher of fair value less costs to sell and value in use. Value in use is assessed by discounting the estimated future cash flows to their present value using a pre-tax discount rate that reflects market assessments of the time value of money and asset-specific risks.

If the recoverable amount of an asset or cash-generating unit is lower than its carrying amount, the carrying amount is reduced to the recoverable amount, and an impairment loss is recognized immediately in the Statement of Profit and Loss.

Goodwill and intangible assets without a definite useful life are not amortized and are tested for impairment at least annually. If there are events or changes in circumstances indicating possible impairment, they are tested for impairment again.

2.9 Inventories

Inventories are valued at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Raw materials, stores and spare parts, and packing materials are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost. The cost is computed on using 'Weighted Average Method. Cost includes expenditure incurred for acquiring inventories like purchase price, import duties, taxes (net of tax credit) and other costs incurred in bringing the inventories to their present location and condition.

Cost of finished goods and work-in-progress includes the cost of conversion based on normal capacity and other costs incurred in bringing the inventories to their present location and condition.

Waste/scrap is valued at estimated net realisable value.

2.10 Revenue recognition

Sale of goods

Revenue is recognized on the basis of approved contracts regarding the transfer of goods or services to a customer for an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

The Company evaluates the value of the consideration received or receivable, taking into account the estimates of any potential returns or allowances. Any changes in these estimates are recognized when they become evident.



Sale of services

Revenue from rendering services is recognised over time in the accounting period in which the services are rendered and the Company has an enforceable right to payment for services rendered.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.11 Leases

The Company's lease asset classes primarily consist of leases for Land and Buildings and Plant & Machinery. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) The contract involves the use of an identified asset
- (ii) The Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) The Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low value assets. For these short-term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

2.12 Foreign currency transactions

The functional currency of the Company is Indian Rupees which represents the currency of the primary economic environment in which it operates.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are generally recognised in profit or loss. Monetary balances arising from the transactions denominated in foreign currency are translated to functional currency using the exchange rate as on the reporting date. Any gains or loss on such translation, are generally recognised in profit or loss.

Exchange differences on monetary items are recognised in Statement of Profit and Loss in the year in which they arise except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- Exchange differences on transactions entered into in order to hedge certain foreign currency risks

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other gains/ (losses).

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



2.13 Income taxes

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

Current tax

Current tax is based on taxable profit for the year. The Company's current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

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 reassessed 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 assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Minimum Alternate Tax ('MAT')

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. In the year in which the MAT credit becomes eligible to be recognised, it is credited to the Statement of Profit and Loss and is considered as MAT Credit Entitlement.

2.14 Borrowing costs

Borrowing cost includes interest expense, amortisation of discounts, hedge related cost incurred in connection with foreign currency borrowings, ancillary costs incurred in connection with borrowing of funds and exchange difference, arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, that are attributable to the acquisition or construction or production of a qualifying asset, are capitalised as part of the cost of such asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.



2.15 Provisions and contingent liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also 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.

Claims against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets

Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may not be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

2.16 Employee benefits

Employee benefits include salaries, wages, contribution to provident fund, gratuity, leave encashment towards un-availed leave, compensated absences and other terminal benefits.

Short-term employee benefits

Employee benefits such as wages, salaries, bonus, ex-gratia, short-term compensated absences, performance linked rewards, including non-monetary benefits that are expected to be settled within 12 months are classified as short-term employee benefits and are recognised in the period in which the employee renders services and are measured at the amounts expected to be paid when the liabilities are settled.

Defined contribution plan

Contribution payable to the recognised provident fund, employee state insurance, employee pension scheme and other employee social security scheme etc., which are substantially defined contribution plans, is recognised as expense based on the undiscounted amount of obligations of the Company to contribute to the plan.

Defined benefit plan

Defined benefit plans comprising of gratuity and other terminal benefits, are recognized based on the present value of defined benefit obligations which is computed using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. These are accounted either as current employee cost or included in cost of assets as permitted.

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

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Other long-term employee benefits

Other long-term employee benefit comprises of leave encashment towards unavailed leave and compensated absences, which is computed using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. These are accounted either as current employee cost or included in cost of assets as permitted.



Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary retirement scheme in exchange for these benefits. Expenditure on Voluntary Retirement Scheme (VRS) is charged to the Statement of Profit and Loss when incurred.

2.17 Segment

Operating segments are those components of the business whose operating results are regularly reviewed by the management in the Company to make decisions for performance assessment and resource allocation. The Company has determined that it operates in a single segment due to nature of its operations. Therefore, segment information is not separately presented in these financial statements.

2.18 Earnings per share

Basic earnings per share

Basic earnings per share is computed by dividing the net profit after tax by weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the year is adjusted for treasury shares, bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted earnings per share

Diluted earnings per share is computed by dividing the profit after tax after considering the effect of interest and other financing costs or income (net of attributable taxes) associated with dilutive potential equity shares by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

2.19 Cash and cash equivalents

Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less and deposits which are subject to insignificant risk of changes in value.

2.20 Significant judgements and key sources of estimation in applying accounting policies

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates.

The areas involving critical estimates or judgments are

Useful lives of property, plant and equipment : Management reviews its estimate of the useful lives at each reporting date, based on the expected utility of the assets.

Recognition of deferred tax assets : Recognized is based on an assessment of the probability of the Company's future taxable income

Fair value measurement of financial instruments : Based on discounted cash flow model when quoted price are not available.

Provisions and contingencies: Evaluation of the likelihood of the contingent events is applied best judgement by management regarding the probability of exposure to potential loss.

Defined benefit obligation : Measured based on actuarial assumptions which include mortality and withdrawal rates. Company considers that the assumptions used to measure its obligations are appropriate.

Classification of leases: The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

Allowances for doubtful debts: The Company makes allowances for doubtful debts through appropriate estimations of irrecoverable amount.



2.21 Fair value measurement

The Company measures financial instruments, such as investments (other than equity investments in Subsidiaries, Joint Ventures and Associates) and derivatives at fair values 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

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use, or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities (for which fair value is measured or disclosed in the financial statements) are categorised 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 other than quoted prices included in Level 1.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for disposal in discontinued operations.

2.22 First-time adoption-mandatory exceptions, optional exemptions

The Company has prepared the opening balance sheet as per Ind AS as of 1 April 2023 by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to certain exceptions and certain optional exemptions availed by the Company as detailed below.

Derecognition of financial assets and liabilities

The Company has applied the derecognition requirements of financial assets and financial liabilities.

Deemed cost for property, plant and equipment and intangible assets

The Company has elected to continue with the carrying value of all of its plant and equipment as at the transition date, viz., 1 April 2023 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.



2.23 Financial Instruments
A: Other financial assets

(i) *Classification*

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

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

- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in the statement of profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

(ii) *Measurement*

At initial recognition, the Company measures a financial asset at its fair value and in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit or loss.

Investment in equity instruments

Investments in equity instruments are classified as at fair value through P&L, unless the Company subsequently elects to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in the statement of profit or loss as other income when the Company's right to receive payments is established.

Investments in equity instruments are classified as at fair value through P&L, unless the Company subsequently elects to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in the statement of profit or loss as other income when the Company's right to receive payments is established.

(iii) *Impairment of financial assets*

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 22 details how the Company determines whether there has been a significant increase in credit risk.

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

Expected credit loss are measured through a loss allowance at an amount equal to the following:

(a) the 12-months expected credit losses (expected credit losses that result from default events on financial instrument that are possible within 12 months after reporting date); or

(b) Full lifetime expected credit losses (expected credit losses that result from those default events on the financial instrument).

Individual receivables which are known to be uncollectible are written off by reducing the carrying amount of trade receivable and the amount of the loss is recognised in the Statement of Profit and Loss within other expenses. Subsequent recoveries of amounts previously written off are credited to other income.

(iv) *Derecognition of financial assets*

A financial asset is derecognized only when:

· the Company has transferred the rights to receive cash flows from the financial asset or

· retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

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



B: Financial liabilities

i. Classification

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

- 1) Financial liabilities measured at fair value through profit or loss
- 2) Financial liabilities measured at amortized cost

ii. Measurement

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

Financial liabilities measured at fair value through profit or loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. At initial recognition, such financial liabilities are recognised at fair value.

Financial liabilities at fair value through profit or loss are, at each reporting date, measured at fair value with all the changes recognized in the Statement of Profit and Loss.

Financial liabilities measured at Amortized Cost:

At initial recognition, all financial liabilities other than fair valued through profit and loss are recognised initially at fair value less transaction costs that are attributable to the issue of financial liability. Transaction costs of financial liability carried at fair value through profit or loss is expensed in the statement of profit or loss.

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of profit or loss over the period of the financial liabilities using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

iii. De-recognition of financial liability

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the statement of profit or loss as other income or finance costs.



3 Property, plant and equipment

(Amount in Rs. Lakh, unless otherwise Stated)

Particulars	Gross carrying amount				Depreciation & Impairment				Net Carrying amount
	As at 01 April 2023	Additions /Adjustment during the year	Acquisition through Business purchase	Disposals	As at 31 March 2024	As at 01 April 2023	Acquisition through Business purchase	Depreciation for the year	As at 31 March 2024
I.) Owned Assets									
Computers	12.89	1.74	29.83	0.20	44.26	1.77	15.85	5.07	22.69
Electrical Installation	-	-	20.59	-	20.59	-	3.81	0.25	4.06
Furniture And Fixtures	11.14	1.74	54.05	-	66.93	0.42	17.72	1.67	19.81
Last	-	-	28.13	-	28.13	-	8.35	0.23	8.58
Lease Improvement	27.59	9.07	10.33	-	46.99	1.10	1.74	3.48	6.32
Office Equipment	10.21	3.32	109.41	0.84	122.10	0.88	45.86	3.20	49.93
Plant And Machinery	513.85	113.39	660.79	4.50	1,283.53	7.87	171.23	43.07	221.93
Tools & Die	-	19.98	93.31	-	113.29	-	18.91	1.96	20.87
Vehicles	1.65	-	5.34	-	6.99	0.08	1.60	0.27	1.95
Total (A)	577.33	149.24	1,011.78	5.54	1,732.81	12.12	285.07	59.20	356.14
II.) Right to use assets									
Leasehold Building	356.63	841.22	-	-	1,197.85	23.33	-	72.23	95.56
Total (B)	356.63	841.22	-	-	1,197.85	23.33	-	72.23	1,102.29

Notes:

- The Company has not revalued its property plant and equipment during the current period and previous period.
 - The Company modified its depreciation method during the period, as decided by the Company's management. Additionally, the Company prepared its first financial statements in accordance with Indian Accounting Standards.
- The change in the depreciation method involved transitioning from the Written Down Value (WDV) method to the Straight-Line Method (SLM) for all classes of property, plant, and equipment. Consequently, the change resulted in a reduction in the depreciation charged in the previous period by Rs. 20.36 lakhs.

c) The information regarding gross block of assets and accumulated depreciation under previous GAAP is as follows

	Rs. / Lakh				
	Leasehold improvements	Plant and machinery	Furniture and fixtures	Office equipment	Total
As at 31 March 2023					
Gross block	27.59	513.84	11.14	10.21	577.32
Accumulated depreciation	2.96	22.51	1.14	2.10	32.47
Net block	24.63	491.33	10.00	8.11	544.85

Property, plant and equipment

(Amount in Rs. Lakh, unless otherwise Stated)

Particulars	Gross carrying amount				Depreciation & Impairment				Net Carrying amount
	As at 01 April 2022	Additions /Adjustment during the year	Acquisition through Business purchase	Disposals	As at 31 March 2023	As at 01 April 2022	Acquisition through Business purchase	Depreciation for the year	As at 31 March 2023
I.) Owned Assets									
Computers	-	12.89	-	-	12.89	-	-	1.77	11.12
Furniture And Fixtures	-	11.14	-	-	11.14	-	-	0.42	10.72
Lease Improvement	-	27.59	-	-	27.59	-	-	1.10	26.49
Office Equipment	-	10.21	-	-	10.21	-	-	0.88	9.33
Plant And Machinery	-	520.52	-	6.67	513.85	-	-	7.87	505.98
Vehicles	-	1.65	-	-	1.65	-	-	0.08	1.57
Total (A)	-	583.99	-	6.67	577.33	-	-	12.12	565.21
II.) Right to use assets									
Leasehold Building	-	356.63	-	-	356.63	-	-	23.33	333.30
Total (B)	-	356.63	-	-	356.63	-	-	23.33	333.30



4 Goodwill

	Rs. / Lakh
Cost	
Balance as at 01 April 2022	
Additions	
Disposals / Adjustments	
Balance as at 31 March 2023	-
Additions	215.44
Disposals / Adjustments	-
Balance as at 31 March 2024	215.44
Impairment	
Balance as at 01 April 2022	-
Impairment loss recognised	-
Net exchange difference	-
Balance as at 31 March 2023	-
Impairment loss recognised	-
Net exchange difference	-
Balance as at 31 March 2024	-
Net book Value	
As at 31 March 2024	215.44
As at 31 March 2023	-

5 Intangible assets
(At cost)

	Computer software Rs. / Lakh
As at cost	
Balance as at 01 April 2022	-
Additions	2.77
Disposals	-
Balance as at 31 March 2023	2.77
Additions	-
Disposals	-
Balance as at 31 March 2024	2.77
Accumulated amortisation	
Balance as at 01 April 2022	-
Charge for the period	0.23
Disposals	-
Balance as at 31 March 2023	0.23
Charge for the period	0.36
Disposals	-
Balance as at 31 March 2024	0.59
Net carrying amount	
As at 31 March 2024	2.18
As at 31 March 2023	2.54



	As at 31 March 2024 Rs. / Lakh	As at 31 March 2023 Rs. / Lakh
6 Other financial assets (Unsecured, considered good, valued at amortised cost)		
Non-current		
Security deposits	29.32	15.91
Deposits with banks having maturity of more than twelve months	-	1.04
	29.32	16.95
Current		
Loans to employees	4.05	2.75
	4.05	2.75
7 Other assets (Unsecured, considered good)		
Non-current		
Capital advances	11.65	2.75
	11.65	2.75
Current		
Advance to vendors	155.24	9.68
Prepaid expenses	33.45	0.66
Balance with government authorities	69.65	83.72
	258.34	94.06
8 Inventories (Valued at lower of cost and net realisable value)		
Raw materials	929.56	12.23
Work-in-progress	90.10	-
Consumable, spares and tools	26.31	2.96
Finished goods	286.22	0.17
	1,332.19	15.36
9 Trade receivables (Unsecured, considered good unless otherwise stated)		
- From related parties (see note 41)	13.34	96.19
- From others	3,390.64	2.77
	3,403.98	98.96
Less: Allowances for doubtful debts	-	-
	3,403.98	98.96
Trade receivables		
Secured, considered good	-	-
Unsecured, considered good	3,403.98	98.96
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
	3,403.98	98.96
Impairment allowance (allowance for bad and doubtful debts)		
Secured, considered good	-	-
Unsecured, considered good	-	-
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
	-	-
Trade receivables (Net)	3,403.98	98.96

Ageing for trade receivables as at 31 March 2024 is as follows:

	Not due	Less than 6 months	6 -12 months	1-2 years	2-3 years	More than 3 years	Total
	Rs./Lakh	Rs./Lakh	Rs./Lakh	Rs./Lakh	Rs./Lakh	Rs./Lakh	Rs./Lakh
Undisputed trade receivables- considered good	991.07	2,412.91	-	-	-	-	3,403.98
Undisputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables- credit impaired	-	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
	991.07	2,412.91	-	-	-	-	3,403.98



Ageing for trade receivables as at 31 March, 2023 is as follows:

	Not due	Less than 6 months	6 -12 months	1-2 years	2-3 years	More than 3 years	Total
	Rs./Lakh	Rs./Lakh	Rs./Lakh	Rs./Lakh	Rs./Lakh	Rs./Lakh	Rs./Lakh
Undisputed trade receivables– considered good	-	98.96	-	-	-	-	98.96
Undisputed trade receivables– which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables– credit impaired	-	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
	-	98.96	-	-	-	-	98.96

Notes:

- i Trade receivables ageing have been disclosed from due date.

10 Cash and bank balances

Balances with banks
- in current accounts
Cash in Hand

	As at 31 Marc 2024 Rs. / Lakh	As at 31 March 2023 Rs. / Lakh
	41.87	16.28
	0.34	-
	42.21	16.28

Note:

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

11 Loans

(At amortised cost)

Current

- Loan receivables considered good - Unsecured

	-	-
	-	-

12 Income Tax Assets

Advance income tax

	4.86	2.76
	4.86	2.76



	As at 31 March 2024		As at 31 March 2023	
	No. of shares	Rs. / Lakh	No. of shares	Rs. / Lakh
13 Equity share capital				
Authorised				
Equity shares of Rs. 10 each	5,000,000	500.00	5,000,000	500.00
Issued, subscribed and fully paid-up				
Equity shares of Rs. 10 each	4,000,000	400.00	4,000,000	400.00
	4,000,000	400.00	4,000,000	400.00

a) Reconciliation of equity shares

Balance as at the beginning of the period	4,000,000	400.0	-	-
Share issued during the period	-	-	4,000,000	400.00
Balance as at the end of the period	4,000,000	400.00	4,000,000	400.00

b) Terms and rights of equity shareholders

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each shareholder is entitled to one vote per share. In the event of the liquidation of the company, the holder of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion of the number of the equity shares held by the equity shareholders.

c) Details of shareholders holding more than 5% shares in the Company

	As at 31 March 2024		As at 31 March 2023	
	No. of shares	% holding	No. of shares	% holding
Hindustan Foods Limited #	3,999,999	100.00%		
Ganesh Tukaram Argekar #	1	0.00%		
KNS Trading Pvt Ltd			3,999,999	100.00%
Nandita Soni			1	0.00%
	4,000,000	100.00%	4,000,000	100.00%

d) Details of shareholding of promoters as given below

	As at 31 March 2024		As at 31 March 2023		% change during the period
	No. of shares	Rs. / Lakh	No. of shares	Rs. / Lakh	
Hindustan Foods Limited #	3,999,999	399.9999			100%
KNS Trading Pvt Ltd			3,999,999	399.9999	100%

Also refer note 48

(e) Information regarding issue of Equity Shares since the date of incorporation

- (i) No share is allotted pursuant to contracts without payment being received in cash.
- (ii) No bonus share has been issued
- (iii) No share has been bought back

14 Other equity

	As at 31 March 2024 Rs. / Lakh	As at 31 March 2023 Rs. / Lakh
a) Retained earnings	(152.71)	(106.32)
b) Other comprehensive income	17.55	-
	(135.16)	(106.32)
a) Retained earnings		
Opening balance	(106.32)	-
Add: Loss for the period	(46.39)	(106.32)
Closing balance	(152.71)	(106.32)
b) Other comprehensive income		
Opening	-	-
Movement during the period	17.55	-
Closing balance	17.55	-

Notes:

a) Retained earnings

The above balance represents profits/(losses) earned by the Company that can be distributed by the Company as dividends to its equity shareholders, same is determined based on the financial statements of the Company and also considering the requirements of the Companies Act, 2013.

b) Other comprehensive income

Other comprehensive income comprises the balance of remeasurement of retirement benefit plans.



	As at 31 March 2024 Rs. / Lakh	As at 31 March 2023 Rs. / Lakh
15 Borrowings (at amortised cost)		
Non current		
i) Secured		
From banks		
Term loan		
- Punjab National Bank (see note (i) below)	-	311.26
	-	311.26
i) Unsecured		
From related parties (see note (ii) below)		78.56
	-	78.56
	-	389.82
Less: Current maturities of long term borrowings (refer note 19)		75.43
	-	314.39

Notes:

i. Term loan from Punjab National Bank

a) Security

Loan is secured by hypothecation of the Company's plant and machinery purchased out of bank finance alongwith block assets of the Company and current assets of the Company (present and future) excluding assets financed by other banks/FIs. Further, the loan is secured by residential property owned by KNS Trading Private Limited situated at Wakefield Estate, Balahissar, Near Barlowganj, Mussoorie, District Dehradun, Uttarakhand

Guarantee given by: Nandita Soni (Director of the Company), Rishab Soni (Relative of Director) and KNS Trading Private Limited (Holding Company).

During the year the company has repaid the loan.

b) Term of repayment

Term loan taken from Punjab National Bank is repayable in 68 monthly instalments.

c) Rate of interest

The loan carries an interest rate of 9.65% per annum.

	As at 31 March 2024 Rs. / Lakh	As at 31 March 2023 Rs. / Lakh
16 Lease liabilities (see note below)		
Non-current		
Lease liabilities	1,028.00	312.16
	1,028.00	312.16
Current		
Lease liabilities	98.17	18.28
	98.17	18.28
Movement in lease liabilities during the period:		
a) Lease liabilities		
Non current	1,028.00	312.16
Current	98.17	18.28
	1,126.17	330.44
b) Balance at the beginning of the period	330.44	-
Additions during the period	831.72	356.63
	1,162.16	356.63
Finance costs accrued during the period	51.99	18.90
Payment of lease liabilities	(87.99)	(45.09)
Derecognised during the period	-	-
Balance as at end of the period	1,126.17	330.44

c) Maturity analysis of lease liabilities

The table below provides details regarding the maturities of lease liabilities

	As at 31 March 2024 Rs. / Lakh	As at 31 March 2023 Rs. / Lakh
Due within one year	149.87	49.40
Due later than one year and not later than five years	624.43	223.57
Due later than five years	516.70	222.40
	1,291.00	495.37



d) Expenses recognised in the Statement of Profit and Loss

	Note No.		
Interest on lease obligations	28	51.99	18.90
Amortization of right to use assets	29	72.23	23.33
		<u>124.22</u>	<u>42.23</u>

e) Cash outflow of the leases

Payment of lease liabilities	87.99	45.09
	<u>87.99</u>	<u>45.09</u>

f) The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

g) Lease contracts entered by the Company pertains to building taken on lease to conduct its business in the ordinary course. The Company does not have any lease restrictions and commitment towards variable rent as per the contract.

	As at 31 March 2024 Rs. / Lakh	As at 31 March 2023 Rs. / Lakh
17 Provisions		
Non-current		
Provision for gratuity	59.96	3.46
Provision for compensated absence	38.48	2.92
	<u>98.44</u>	<u>6.38</u>
Current		
Provision for gratuity	0.44	0.01
Provision for compensated absence	1.25	0.25
	<u>1.69</u>	<u>0.26</u>

18 Deferred tax assets / liabilities (net)

Deferred tax liability		
Arising on account of timing differences in depreciation or	32.44	5.97
Deferred tax assets		
Arising on account of timing differences in accrued expenses	95.16	5.97
	<u>62.71</u>	<u>-</u>

Note:

For deferred tax movement and tax reconciliation refer note 32.

19 Current borrowings
(at amortised cost)

i) Secured

a) From banks (Secured)
Cash credit facility

-	-
-	75.43
-	<u>75.43</u>

b) Current maturities of long term debt (Refer note 15 above)

-	75.43
-	<u>75.43</u>

ii) Unsecured

Repayable on Demand

From related parties (see note (f) below)

4,514.03	
<u>4,514.03</u>	-
<u>4,514.03</u>	<u>75.43</u>

Note:

(a) Cash credit facility is taken from Punjab National Bank amounting Rs. 625 lakhs.

(b) The loan is secured by 1st exclusive hypothecation charge on stocks of raw material, stock-in-process, finished goods, stores and spares and receivables, other current assets (present and future) along with charge on block assets of the Company excluding assets financed by other banks/FIs. Further, the loan is secured by residential property owned by KNS Trading Private Limited situated at Wakefield Estate, Balahissar, Near Barlowganj, Mussoorie, District Dehradun, Uttarakhand.

(c) Guarantee given by: Nandita Soni (Director of the Company), Rishab Soni (Relative of Director) and KNS Trading Private Limited (Holding Company).

(d) The loan carries an interest rate of 9.65% per annum.

(e) During the year the company has repaid the loan.

(f) During the year company has taken an unsecured loan from Hindustan Food Limited which is payable on demand. The loan carries an interest rate of 9.5% per annum.



	As at 31 March 2024 Rs. / Lakh	As at 31 March 2023 Rs. / Lakh
20 Trade payables		
- Total outstanding dues of micro enterprises and small enterprises*	238.55	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	1,355.12	67.96
	1,593.67	67.96

* For detailed disclosure of micro and small enterprises see note 35.

Notes:

- Trade payable to related parties (see note 41).
- The ageing analysis has been considered from the transaction date.
- Trade payables are non interest bearing and are normally settled on 30 days to 90 days credit terms.

Ageing for trade payables outstanding as at 31st March 2024 is as follows:

	Not due	Outstanding for the following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
	Rs./Lakh	Rs./Lakh	Rs./Lakh	Rs./Lakh	Rs./Lakh	Rs./Lakh
Total outstanding dues of micro enterprises and small enterprises	91.13	147.41	-	-	-	238.54
Total outstanding dues of creditors other than micro enterprises and small enterprises	834.47	520.65	-	-	-	1,355.13
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
	925.60	668.06	-	-	-	1,593.67

Note: The above balances includes unbilled dues of Rs. 44.13 lakhs.

Ageing for trade payables outstanding as at 31 March 2023 is as follows:

	Not due	Outstanding for the following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
	Rs./Lakh	Rs./Lakh	Rs./Lakh	Rs./Lakh	Rs./Lakh	Rs./Lakh
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	67.96	-	-	-	67.96
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
	-	67.96	-	-	-	67.96

Note: The above balances includes unbilled dues of Rs. 4.11 lakhs.

	As at 31 March 2024 Rs. / Lakh	As at 31 March 2023 Rs. / Lakh
21 Other financial liabilities		
(At amortised cost)		
Employee related payable	191.65	36.78
Interest accrued but not due	-	1.17
Capital Creditors	11.22	16.90
	202.87	54.85
22 Other current liabilities		
Advance from customers	0.36	0.01
Statutory dues	43.73	7.52
	44.09	7.53



	Year ended 31 March 2024	Year ended 31 March 2023
	Rs./Lakh	Rs./Lakh
23 Revenue from operations		
Sale of products	3,294.97	60.60
Sale of services	39.99	138.27
	3,334.96	198.87
Notes:		
A. Revenue from contracts with customers disaggregated based on nature of product or service		
a. Revenue from sale of products		
Manufactured goods (refer note below)	3,294.97	60.60
	3,294.97	60.60
b. Revenue from sale of services		
Job work charges	39.99	138.27
	39.99	138.27
Total revenue from operations	3,334.96	198.87
B. Revenue from contracts with customers disaggregated based on geography		
a. Domestic	3,252.87	198.87
b. Exports	42.10	-
	3,294.97	198.87
C. Reconciliation of gross revenue from contracts with customers		
Gross revenue from contract with customers	3,294.97	60.60
Add/ less: Cash discount and credit note etc	-	-
	3,294.97	60.60
D. Contract balances		
Advance from customers	0.36	0.01
24 Other income		
Interest received on:		
- Bank deposits	0.05	0.04
- Interest on unsecured loan given	0.28	-
- Interest on Security deposit	1.51	1.00
Exchange Fluctuation Gain	0.48	-
Export benefits received	1.05	-
	3.37	1.04
25 Cost of materials consumed		
Material at the beginning of the period		
- Raw materials	12.23	-
- Consumables, spares and tools	2.96	-
Inventory Acquired on business combination (refer note no 44)		
- Raw materials	524.85	-
- Consumables, spares and tools	2.14	-
	542.19	-
- Purchase of raw materials	2,630.21	75.19
	3,172.40	75.19
Material at the end of the period		
- Raw materials	929.56	12.23
- Consumables, spares and tools	26.31	2.96
	955.87	15.19
	2,216.53	60.00
26 Changes in inventories of finished goods, stock in trade and work in progress		
Inventories at the beginning of the period		
Finished goods	0.17	-
Work-in-progress	-	-
Inventory Acquired on business combination (refer note no 44)		
Finished goods	66.69	-



	Year ended 31 March 2024	Year ended 31 March 2023
	Rs./Lakh	Rs./Lakh
Work-in-progress	46.08	-
	112.94	-
Inventories at the end of the period		
Finished goods	286.22	0.17
Work-in-progress	90.10	-
	376.32	0.17
	(263.38)	(0.17)
27 Employee benefits expense		
Salaries, wages and bonus	775.01	100.67
Provision for gratuity (refer note 40)	31.57	3.47
Contribution to provident and other funds	92.16	11.21
Staff welfare expenses	10.49	2.39
	909.23	117.74
28 Finance costs		
Interest on borrowings	135.32	13.53
Interest on lease liabilities	51.99	18.90
	187.31	32.43
29 Depreciation and amortization expense		
Depreciation on property, plant and equipment	59.20	12.12
Amortization of other intangible assets	0.44	0.23
Amortization of right to use assets	72.23	23.33
	131.87	35.68
30 Manufacturing and Operating Cost		
Job Work Expenses	79.23	-
Power and fuel	59.02	9.67
Repairs and maintenance - plant and machinery	25.22	3.41
	163.47	13.08
31 Other expenses		
Rates and taxes	2.68	4.13
Commission and brokerage	-	8.16
Communication expenses	3.87	2.02
Insurance	3.18	0.10
Legal and professional fee	39.62	14.88
Foreign exchange fluctuation (net)	-	0.13
Auditors remuneration	1.75	0.75
Travelling and conveyance	19.47	6.72
Printing and stationery	1.12	0.48
Donation	-	3.50
Bank charges	2.81	0.63
Loss on sale of Fixed Assets	0.32	-
Freight Outwards Expenses	0.51	-
Miscellaneous expenses	0.04	5.97
	75.37	47.47
Auditors remuneration		
Statutory audit fees	1.75	0.75
	1.75	0.75



A. Reconciliation of tax expenses and accounting profit multiplied by India's domestic tax rate for 31 March 2024 and 31 March 2023

B. Movement in the deferred tax liabilities (net)

Deferred tax liabilitiesDeferred tax assets

As at 1 April 2023	Recognised in profit and loss	Deferred tax on Acquisition	As at 31 March 2024
Rs./Lakh	Rs./Lakh	Rs./Lakh	Rs./Lakh
5.97	26.47	-	32.44
5.97	26.47	-	32.44
			-
1.45	7.26	9.53	18.24
1.14	6.56	17.50	25.20
-	6.01	-	6.01
-	1.61	-	1.61
3.38	40.72	-	44.10
5.97	62.16	27.03	95.16
-	35.68	27.03	62.71

Deferred tax liabilities

Deferred tax assets

As at 1 April 2022	Recognised in profit and loss	Def tax on Acquisition	As at 31 March 2023
Rs./Lakh	Rs./Lakh	Rs./Lakh	
-	5.97	-	5.97
-	5.97	-	5.97
-	1.45	-	1.45
-	1.14	-	1.14
-	3.38	-	3.38
-	5.97	-	5.97
-	-	-	-

Note:

The recognition of deferred tax assets related to carried forward business losses and unabsorbed depreciation is recognised up to the deferred tax liabilities, in accordance with the principle of prudence in the last year.



33 Contingent liabilities and commitments (to the extent not provided for)

- As confirmed by the management, the Company does not have any pending litigations.
- There are no amounts which were required to be transferred to Investor Education and Protection Fund by the Company.
- The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

34 The Company does not have contingent liability or capital commitments as on 31 March 2024 and 31 March 2023.

35 Statement under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED)

	As at 31 March 2024 Rs. / Lakh	As at 31 March 2023 Rs. / Lakh
a. The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount due to micro and small enterprises	238.55	-
- Interest due on above	-	-
b. The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
c. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
d. The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
e. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act 2006	-	-

The information have been disclosed based on the information available with the Company, the same have been relied upon by the auditor.

36 Segment reporting

The Company is engaged in a manufacturing industry (manufacturing of shoes and other products related to shoes), which is as per Ind AS 108, 'Operating Segments', is recognized to be the only reportable business segment. The Company is operating in India, which is considered a single geographical segment.

37 Corporate Social Responsibility

The Company did not have average net profit of more than Rs. 500 lakhs in the past three years and therefore was not required to spend any amount towards Corporate Social Responsibility (CSR). Accordingly, there is no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VI of the Companies Act or special account in compliance with the provision of sub-section (6) of Section 135 of the said Act.

38 Earnings per share

	Units	As at 31 March 2024 Rs. / Lakh	As at 31 March 2023 Rs. / Lakh
a. Basic earnings per share			
(Loss) for the period	Rs. / Lakh	(46.39)	(106.32)
Weighted average number of equity shares outstanding	No's	4,000,000	3,546,492
Face value of per share	Rs.	10.00	10.00
Basic earnings per share	Rs.	(1.16)	(3.00)
b. Diluted earnings per share			
(Loss) for the period	Rs. / Lakh	(46.39)	(106.32)
Weighted average number of equity shares for calculation of diluted EPS	No's	4,000,000	3,546,492
Face value of per share	Rs.	10.00	10.00
Diluted earnings per share	Rs.	(1.16)	(3.00)



39 Financial Instruments

a. Categories of financial instruments

The carrying amount of the Company's financial instruments is as below

	As at 31 March 2024 Rs. / Lakh	As at 31 March 2023 Rs. / Lakh
A. Financial assets		
I Measured at amortised cost		
i. Other financial assets		
-Non-current	29.32	16.95
-Current	4.05	2.75
ii. Trade receivables	3,403.98	98.96
iii. Cash and cash equivalents	42.21	16.28
iv. Loans		
- Current		
B. Financial liabilities		
I Measured at amortised cost		
i. Borrowings		
- Non current	-	314.39
- Current (including current maturities of long term borrowings)	4,514.03	75.43
ii. Lease liabilities		
- Non current	1,028.00	312.16
- Current	98.17	18.28
iii. Trade payables	1,355.12	67.96
iv. Other current financial liabilities	202.87	54.85

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

Level I: includes financial instruments measured using quoted prices (for example, listed equity instruments, traded bonds, ETFs and mutual funds that have quoted price).

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

Level III: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset are included in level 3.

The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.
- The fair values of the quoted notes and bonds are based on price quotations at the reporting date. The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. In addition to being sensitive to a reasonably possible change in the forecast cash flows or the discount rate, the fair value of the equity instruments is also sensitive to a reasonably possible change in the growth rates. The valuation requires management to use unobservable inputs in the model, of which the significant unobservable inputs are disclosed in the tables below. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value
- The fair values of the remaining fair value through other comprehensive income "FVTOCI" financial assets are derived from quoted market prices in active markets.

b. Fair value hierarchy

There is no financial instruments, which need to be recognised at fair value according this.

c. Financials risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks.

The Company's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Company are accountable to the Board of Directors and Audit Committee. This process provides assurance to Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Company policies and Company risk objective.



d. Financial risk management

The Company's senior management oversees the risk management framework and developing and monitoring the Company's risk management policies. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk thresholds, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Company's activities to provide reliable information to the Management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the Company.

The risk management policies aims to mitigate the following risks arising from the financial instruments:

- Market risk
- Credit risk
- Liquidity risk

A Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market prices.

I. Foreign currency risk

- a. The Company does not have any foreign currency hedged/ unhedged exposures to disclose.

II. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in rupees and US dollars with a mix of fixed and floating rates of interest. The Company hedges its US dollar interest rate risk through interest rate swaps to reduce the floating interest rate risk. The Company has exposure to interest rate risk, arising principally on changes in base lending rate and LIBOR rates. The Company uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day-to-day operations like non-convertible bonds and short term loans. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings, and by the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

The following table provides a break-up of the Company's fixed and floating rate borrowings:

a. Interest rate risk exposure

	As at 31 March 2024 Rs. / Lakh	As at 31 March 2023 Rs. / Lakh
Variable rate borrowings	-	-
Fixed rate borrowings	4,514.03	389.82
Total borrowings	4,514.03	389.82

b. Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for floating rate liabilities, after the impact of hedge accounting, assuming the amount of the liability outstanding at the period-end was outstanding for the whole year.

	As at 31 March 2024 Rs. / Lakh	As at 31 March 2023 Rs. / Lakh
The details of the Company's sensitivity to a 1% increase and decrease in interest rate are as follows		
Impact on loss for the period	-	-
Impact on total equity as at the end of reporting period	-	-
Impact on loss for the period are gross of tax and impact on total equity is net of tax		

B Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk encompasses both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

For other financial assets, the Company assesses and manages credit risk based on internal credit rating system. The finance function consists of a separate team who assesses and maintains an internal credit rating system. Internal credit rating is performed on a group basis for each class of financial instruments with different characteristics.

The Company does not expect any credit loss.

C Liquidity risk management

- a. Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Company requires funds both for short term operational needs as well as for long term capital expenditure growth projects. The Company generates sufficient cash flow for operations, which together with the available cash and cash equivalents and short term investments provide liquidity in the short-term and long-term. The Company has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

- b. The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

The tables include principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.



Maturities of financial liabilities

	<12 months	>12 months	Total	Carrying value
As on 31 March 2024	Rs. / Lakh	Rs. / Lakh	Rs. / Lakh	Rs. / Lakh
Non derivative				
Long term borrowings	-	-	-	-
Short term borrowings including current maturities of long term	4,514.03	-	4,514.03	4,514.03
Trade payables	1,593.67	-	1,593.67	1,593.67
Lease liabilities	98.17	1,028.00	1,126.17	1,126.17
Other financial liabilities	202.87	-	202.87	202.87
As on 31 March 2023				
Non derivative				
Long term borrowings	-	314.39	314.39	314.39
Short term borrowings including current maturities of long term	75.43	-	75.43	75.43
Trade payables	67.96	-	67.96	67.96
Lease liabilities	18.28	312.16	330.44	330.44
Other financial liabilities	54.85	-	54.85	54.85

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Maturities of financial assets

	<12 months	>12 months	Total	Carrying value
As on 31 March 2024	Rs. / Lakh	Rs. / Lakh	Rs. / Lakh	Rs. / Lakh
Non derivative				
Other financial assets	-	29.32	29.32	29.32
Investments	-	-	-	-
Trade receivables	3,403.98	-	3,403.98	3,403.98
Cash and bank balance	42.21	-	42.21	42.21
Bank balances other than cash and bank balance above	-	-	-	-
Loans	4.05	-	4.05	4.05
As on 31 March 2023				
Non derivative				
Other financial assets	-	16.95	16.95	16.95
Investments	-	-	-	-
Trade receivables	98.96	-	98.96	98.96
Cash and bank balance	15.24	-	15.24	15.24
Bank balances other than cash and bank balance above	-	1.04	1.04	1.04
Loans	2.75	-	2.75	2.75

e. Capital management

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

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. 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's policy is to keep the gearing ratio between 20% and 40%. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

The Company monitors its capital using gearing ratio, which is net debt divided to total equity. Net debt includes, interest bearing loans and borrowings less cash and cash equivalents and current investments.

	As at 31 March 2024 Rs. / Lakh	As at 31 March 2023 Rs. / Lakh
Net debt		
a. Borrowings		
- Non current	-	314.39
- Current (including current maturities of long term debt)	4,514.03	75.43
	4,514.03	389.82
b. Cash and bank balance	42.21	16.28
	42.21	16.28
Net debt/(surplus)	4,471.82	373.54
Total equity	264.84	293.68
Net debt to equity ratio	1688.48%	127.19%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.



40 Employee benefit obligations
a. Defined Contribution Plan

Provident Fund and Other Funds : A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions for provident fund and pension as per the provisions of the Provident Fund Act, 1952 and other acts to the government. The Company's contribution is recognised as an expense in the Profit and Loss Statement during the period in which the employee renders the related service. The company's obligation is limited to the amounts contributed by it.

	As at 31 March 2024 Rs. / Lakh	As at 31 March 2023 Rs. / Lakh
Contribution to provident fund and other funds		
a. Contribution to provident fund	72.03	8.80
b. Contribution to employee state insurance	17.81	2.14
c. Contribution to labour eelfare fund	2.33	0.27
	92.16	11.21

b. Defined benefits plan

Gratuity: The Company provides gratuity benefits to its employees in accordance with the provisions of the Payment of Gratuity Act, 1972. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method.

(i) Principal actuarial assumptions

	As at 31 March 2024 Rs. / Lakh	As at 31 March 2023 Rs. / Lakh
Future salary increase	5.00%	5.00%
Discount rate	7.22%	7.36%
Mortality rates	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)
Attributes of ages: withdrawal rate (%)		
Upto 30 years	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%
Retirement age (years)	58	58

(ii) Amount recognised in the Statement of Profit and Loss

	As at 31 March 2024 Rs. / Lakh	As at 31 March 2023 Rs. / Lakh
Current service cost	31.31	3.47
Net interest cost	0.26	-
Expense recognised in the Statement of Profit and Loss	31.57	3.47

(iii) Amount recognised in Other Comprehensive Income (OCI)

	Year ended 31 March 2024 Rs. / Lakh	Year ended 31 March 2023 Rs. / Lakh
Remeasurement on the net defined benefit liability:		
Actuarial (gains) / losses arising from changes in demographic assumptions	-	-
Actuarial (gains) / losses arising from changes in financial	-	-
Actuarial (gains) / losses arising from experience adjustments	17.55	-
Amount recognised in other comprehensive income	17.55	-

Notes:

- The current service cost and the net interest expense for the period are included in the 'Employee benefits expense' in the Statement of Profit and Loss.
- The remeasurement of the net defined benefit liability is Included-in other comprehensive income.
- The Company gratuity scheme is unfunded.

(iv) Movements in the present value of the defined benefit obligation

	As at 31 March 2024 Rs. / Lakh	As at 31 March 2023 Rs. / Lakh
Liability at the beginning of the period	3.47	-
Interest costs	0.26	-
Acquisition adjustment	43.57	-
Current service costs	31.31	3.47
Benefits paid	(0.64)	-
Actuarial (gain)/ loss on obligations due to change in obligation	(17.55)	-
Liability at the end of the period	60.40	3.47

The amount included in the financial statements arising from the entity's obligation in respect of its defined benefit plans is as follows:

	As at 31 March 2024 Rs. / Lakh	As at 31 March 2023 Rs. / Lakh
Provision for gratuity		
Non-current	59.96	3.46
Current	0.44	0.01
	60.40	3.47



(v) Experience adjustments

	Year ended 31 March 2024 Rs. / Lakh	Year ended 31 March 2023 Rs. / Lakh
Present value of Defined Benefit Obligation	60.40	3.47
Fair value of plan assets	-	-
Funded status	-	-
(Gain)/loss on obligation	(17.55)	-
(Gain)/loss on plan assets	-	-

(vi) Sensitivity analysis

	As at 31 March 2024 Rs. / Lakh	As at 31 March 2023 Rs. / Lakh
A. Impact of the change in discount rate		
Present value of obligation at the end of the period	60.40	3.47
Impact due to increase of 0.50 %	(4.51)	(0.27)
Impact due to decrease of 0.50 %	5.02	0.30
B. Impact of the change in salary increase		
Present value of obligation at the end of the period	60.40	3.47
Impact due to increase of 0.50 %	5.11	0.31
Impact due to decrease of 0.50 %	(4.60)	(0.28)

Notes:

- Sensitivities due to mortality and withdrawals are not material, hence impact of change not calculated.
- Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.
- The above sensitivity analysis are without giving the impact of tax.

(vii) Maturity profile of Defined Benefit Obligation

Financial year	Amount Rs. / Lakh
Within 1 year	0.44
Between 1 to 5 years	9.09
Above 5 years	50.87
	60.40

Description of actuarial risk exposure

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follow:

- Salary Increases: Change in rate of future salary increase in subsequent years will result in higher liability.
- Discount rate: Reduction in discount rate in subsequent valuations can increase the plan's liability.
- Mortality and disability: Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- Withdrawals: Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates in subsequent valuations can impact Plan's liability.

C. Actuarial assumptions for compensated absences are as below

	As at 31 March 2024	As at 31 March 2023
i. Discounting rate	7.22%	7.36%
ii. Future increase salary	5.00%	5.00%

Liability for compensated absences is recognised on the basis of actuarial valuation as per Projected Unit Credit Method.



41 Related party disclosures

(A) Related parties and transactions with them as identified by the management are given below

- a) **Major shareholder**
KNS Trading Private Limited
Hindustan Foods Limited
Relation
Holding company (Till 30 September 2023)
Holding company (with effect from 01 October 2023)
- b) **Directors and Key Management Personnel (KMP)**
Nandita Soni
Mohit Narang
Ganesh Tukaram Argekar
Sameer Ramanlal Kothari
Relation
Director (till 07 December 2023)
Director (till 07 December 2023)
Director (with effect from 01 December 2023)
Director (with effect from 01 December 2023)
- c) **Enterprises over which major shareholders, Director, KMP and their relatives have significant influence**
SSIPL Retail Limited (Till 30 September 2023)
KNS Trading Private Limited (Till 30 September 2023)
Hindustan Foods Limited (with effect from 01 October 2023)
HFL Healthcare and Wellness Private Limited (with effect from 01 October 2023)
HFL Multiproducts Private Limited (with effect from 01 October 2023)
HFL Consumer Products Private Limited (with effect from 01 October 2023)
Aero Care Personal Products LLP (with effect from 01 October 2023)

(B) Transactions with related parties in the ordinary course of business

(Rs./Lakh)

Transactions made (excluding reimbursements)	Period ended 31 March 2024				Period ended 31 March 2023			
	Holding	Directors, KMP & their relatives	Enterprises significantly influenced	Total	Holding	Directors, KMP & their relatives	Enterprises significantly influenced	Total
Sales (net of returns)*								
SSIPL Retail Limited			113.01	113.01	-	-	70.68	70.68
KNS Trading Private Limited			25.74	25.74	-	-	-	-
Hindustan Foods Limited	10.66			10.66	-	-	-	-
	10.66	-	138.75	149.41	-	-	70.68	70.68
Income from								
Job work								
SSIPL Retail Limited	-	-	43.47	43.47	-	-	142.38	142.38
Interest								
KNS Trading Private Limited	0.09	-	-	0.09	-	-	-	-
	0.09	-	43.47	43.56	-	-	142.38	142.38
Purchase (net of returns)/ Expenses								
SSIPL Retail Limited	-	-	213.89	213.89	-	-	24.76	24.76
Hindustan Foods Limited	32.39	-		32.39	-	-	-	-
	32.39	-	213.89	246.28	-	-	24.76	24.76
Loan Given								
KNS Trading Private Limited	31.52	-	-	31.52	-	-	-	-
	31.52	-	-	31.52	-	-	-	-
Purchase of fixed assets*								
SSIPL Retail Limited	-	-	24.64	24.64	-	-	17.73	17.73
	-	-	24.64	24.64	-	-	17.73	17.73
Sale of fixed assets*								
SSIPL Retail Limited	-	-	-	-	-	-	5.52	5.52
Hindustan Foods Limited	0.66	-	-	0.66	-	-	-	-
	0.66	-	-	0.66	-	-	5.52	5.52
Issue of share capital								
KNS Trading Private Limited	-	-	-	-	399.9999	-	-	400.00
Nandita Soni	-	-	-	-	0.0001	-	-	0.00
	-	-	-	-	400.00	-	-	400.00
Loan received								
KNS Trading Private Limited	26.29	-	-	26.29	78.56	-	-	78.56
Hindustan Foods Limited	4,679.07	-	-	4,679.07	-	-	-	-
	4,705.36	-	-	4,705.36	78.56	-	-	78.56
Repayment of Loan received								
Hindustan Foods Limited	225.00	-	-	225.00	-	-	-	-
KNS Trading Private Limited (Loan)	104.85	-	-	104.85	-	-	-	-
	329.85	-	-	329.85	-	-	-	-
Interest expense								
KNS Trading Private Limited	3.47	-	-	3.47	1.30	-	-	1.30
Hindustan Foods Limited	66.78	-	-	66.78	-	-	-	-
	70.25	-	-	70.25	1.30	-	-	1.30

(C) Outstanding balances at the end of the period

Transactions made (excluding reimbursements)	As at 31 March 2024				As at 31 March 2023			
	Holding	Directors, KMP & their relatives	Enterprises significantly influenced	Total	Holding	Directors, KMP & their relatives	Enterprises significantly influenced	Total
Trade receivables								
SSIPL Retail Limited	-	-	-	-	-	-	96.19	96.19
Hindustan Foods Limited	13.34	-	-	13.34	-	-	-	-
KNS Trading Private Limited	-	-	-	-	-	-	-	-
	13.34	-	-	13.34	-	-	96.19	96.19
Loan received outstanding								
KNS Trading Private Limited	-	-	-	-	78.56	-	-	78.56
Hindustan Foods Limited	4,454.07	-	-	4,454.07	-	-	-	-
	4,454.07	-	-	4,454.07	78.56	-	-	78.56
Trade payable - Others								
Hindustan Foods Limited	32.39	-	-	32.39	-	-	-	-
	32.39	-	-	32.39	-	-	-	-
Interest accrued and due								
KNS Trading Private Limited	-	-	-	-	1.17	-	-	1.17
Hindustan Foods Limited	59.96	-	-	59.96	-	-	-	-
	59.96	-	-	59.96	1.17	-	-	1.17
Share capital #								
KNS Trading Private Limited	-	-	-	-	400.00	-	-	400.00
Nandita Soni	-	-	-	-	0.00	-	-	0.00
	-	-	-	-	400.00	-	-	400.00

Also refer note 48.



42 Disclosure of financial ratios

Particulars	Numerator	Denominator	As at 31 March 2024	As at 31 March 2023	Variance %	Reason for variance
Current Ratio	Current assets	Current liabilities	0.78	1.01	-23%	Not material
Debt-Equity Ratio	Total debt	Total equity	21.30	2.45	768%	The change in the debt-to-equity ratio was influenced by increasing in debt for acquisition of business undertaking for BTA.
Debt Service Coverage ratio	Net operating Income	Total debt service	0.45	(0.64)	-171%	During the current period, the total debt service exceeded that of the previous period, indicating an increase in the overall amount of debt being serviced.
Inventory Turnover ratio	Cost of goods sold	Average Inventory	2.90	7.79	-63%	The changes in the ratio due to below two reasons:- 1.) In the previous year company worked only for three month and current year for twelve months. 2.) During the year company has acquired the business under BTA.
Trade Receivable Turnover Ratio	Net sales	Average trade receivables	1.90	4.02	-53%	The changes in the ratio due to below two reasons:- 1.) In the previous year company worked only for three month and current year for twelve months. 2.) During the year company has acquired the business under BTA.
Trade Payable Turnover Ratio	Net purchases	Average trade payables	3.70	2.21	67%	The changes in the ratio due to below two reasons:- 1.) In the previous year company worked only for three month and current year for twelve months. 2.) During the year company has acquired the business under BTA.
Net Capital Turnover Ratio	Net sales	Working capital	(4.73)	128.26	-104%	The changes in the ratio due to below two reasons:- 1.) In the previous year company worked only for three month and current year for twelve months. 2.) During the year company has acquired the business under BTA.
Net Profit Ratio	Profit/ (loss) after tax	Net sales	(0.01)	(0.53)	-97%	During the current period, the total net profit ratio increased compare to the previous period, indicating an improvement to recover the fixed cost.
Return on Equity ratio	Profit/ (loss) after tax	Total equity	(0.18)	(0.72)	-76%	During the current period, the Return on Equity ratio increased compare to the previous period, due to an improvement in net profit.
Return on Capital Employed	Earning before interest and tax	Capital employed	0.02	(0.07)	-124%	During the current period, the Return on Capital employed ratio increased compare to the previous period, due to an improvement in net profit.

(i) Working of the ratios

Basis of ratios	Year ended 31 March 2024 Rs. Lakh	Ratio	Year ended 31 March 2023 Rs. Lakh	Ratio
a. Current ratio				
Current assets	5,040.77	0.78	227.41	1.01
Current liability	6,454.52		224.31	
b. Debt Equity ratio				
Total debt (see note ii)	5,640.20	21.30	720.26	2.45
Total equity (Equity share capital+ other equity)	264.84		293.68	
c. Debt service coverage ratio				
Net operating income (Profit after tax+Finance cost+Depreciation and amortisation expenses)	220.80	0.45	(57.11)	(0.64)
Total debt service (Finance Cost + Lease Payment+Principal Repayments)	486.63		88.96	
d. Inventory turnover ratio				
Cost of goods sold	1,953.15	2.90	59.83	7.79
Average Inventory = (Opening stock + Closing stock) / 2	673.78		7.68	
e. Trade receivables turnover ratio				
Net sales (Total sales - Sales return)	3,334.96	1.90	198.87	4.02
Average trade receivables = (Opening debtors + Closing debtors) / 2	1,751.47		49.48	
f. Trade payables turnover ratio				
Total purchases (Net of purchase return)	2,630.21	3.70	75.19	2.21
Average trade payables = (Opening creditors + Closing creditors) / 2	711.54		33.98	
g. Net capital turnover ratio				
Net sales (Total sales - Sales return)	3,334.96	(4.73)	198.87	128.26
Average working capital = Current assets - Current liabilities	(705.33)		1.55	
h. Net profit ratio				
Profit/ (loss) after tax	(46.39)	(0.01)	(106.32)	(0.53)
Net sales (Total sales - Sales return)	3,334.96		198.87	
i. Return on equity ratio				
Profit/ (loss) after tax	(46.39)	(0.18)	(106.32)	(0.72)
Average equity (Equity share capital+ other equity)	264.84		146.84	
j. Return on Capital Employed				
Earnings before interest and tax	105.24	0.02	(73.89)	(0.07)
Capital employed = Tangible net worth + Total debt + Deferred Tax Liab	5,905.04		1,013.94	



43 First time Ind AS adoption reconciliations

A. Effect of Ind AS adoption on the Balance Sheet as at 31 March 2023

Particulars	Notes	As at 31 March, 2023		
		IGAAP	Effects of transition to Ind AS	Ind AS
		Rs. / Lakh	Rs. / Lakh	Rs. / Lakh
Assets				
1 a. Property, plant and equipment				
i. Tangible assets		544.89	20.32	565.21
ii. Intangible assets		1.84	0.70	2.54
iii. Right to use assets	i	-	333.30	333.30
b. Financial assets				
ii. Other financial assets	ii	33.02	(16.07)	16.95
c. Income tax assets		2.76	-	2.76
d. Other non current assets	ii	2.75	-	2.75
		585.26	338.25	923.51
2 Current assets				
a. Inventories		15.36	-	15.36
b. Financial assets				
i. Trade receivables		98.96	-	98.96
ii. Cash and cash equivalents		16.28	-	16.28
iii. Loans		-	-	-
iv. Other financial assets		2.75	-	2.75
c. Other current assets		94.06	-	94.06
		227.41	-	227.41
Total assets		812.67	338.25	1,150.92
Equity and liabilities				
1 Equity				
a. Equity share capital		400.00	-	400.00
b. Other equity	iii	(131.65)	25.33	(106.32)
Total equity		268.35	25.33	293.68
2 Liabilities				
Non-current liabilities				
a. Financial liabilities				
i. Borrowings		314.39	-	314.39
ii. Lease liabilities	iv	-	312.16	312.16
b. Provisions	vii	17.29	(10.91)	6.38
c. Deferred tax liabilities (net)	xi	6.61	(6.61)	-
		338.29	294.64	632.93
Current liabilities				
a. Financial liabilities				
i. Borrowings		75.43	-	75.43
ii. Lease liabilities	iv	-	18.28	18.28
iii. Trade payables		-	-	-
- Total outstanding dues of micro enterprises and small enterprises		-	-	-
- Total outstanding dues of other than micro enterprises and small enterprises		67.96	-	67.96
iv. Other financial liabilities		54.85	-	54.85
b. Provisions	vii	0.26	-	7.53
c. Other current liabilities		7.53	-	0.26
		206.03	18.28	224.31
Total liabilities		544.32	312.92	857.24
Total equity and liabilities		812.67	338.25	1,150.92



B. Effect of Ind AS adoption on the Statement of Profit and Loss for the period ended 31 March 2023

Particulars	Notes	Period ended 31 March 2023		
		IGAAP	Effects of transition to Ind AS	Ind AS
		Rs. / Lakh	Rs. / Lakh	Rs. / Lakh
Revenue from operations		198.87	-	198.87
Other income	vi	0.04	1.00	1.04
Total income		198.91	1.00	199.91
Expenses				
Cost of materials consumed		60.00	-	60.00
Changes in inventories		(0.17)	-	(0.17)
Employee benefits expense		117.74	-	117.74
Finance costs	viii	13.53	18.90	32.43
Depreciation and amortisation expense	ix	33.39	2.29	35.68
Manufacturing and Operating cost		13.08		13.08
Other expenses	x	86.38	(38.91)	47.47
Total expenses		323.95	(17.72)	306.23
Loss before tax		(125.04)	18.72	(106.32)
Tax expense				
Current tax		-	-	-
Deferred tax	XI.	6.61	(6.61)	-
		6.61	(6.61)	-
Loss for the period		(131.65)	25.33	(106.32)
Other comprehensive income				
Items that will not be reclassified to profit or loss				
i. Re-measurement of defined benefit plans		-	-	-
ii. Income tax relating to items that will not be reclassified to profit or loss		-	-	-
Other comprehensive income for the period		-	-	-
Total comprehensive income for the period		(131.65)	25.33	(106.32)
Earnings per equity share				
Equity shares of face value Rs. 10 each				
Basic (Rs. per share)				(3.00)
Diluted (Rs. per share)				(3.00)

Notes to the reconciliations

- Right to use recognised as adoption of new Ind AS 116 become effective from 1 April 2020, in previous GAAP, rent directly charged to the Statement of Profit and Loss.
- The Company have taken the fair value impact on security deposit.
- The effect in other equity is the impact of implementation of Ind AS 116, fair valuation of financial instruments and deferred tax thereon.
- The Company have recognised the lease obligation as adoption of Ind AS 116 become effective from 1 April 2020.
- The difference in Other current liabilities is on account of removal of rent equalization reserve
- The Company has recognised finance income.
- Remeasurement of post-employment benefit obligations and deferred tax**
Under Ind AS, measurements actuarial gains and losses are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the period. Correspondingly deferred tax adjusted in Other comprehensive income and Statement of Profit and Loss. There is no impact on the total equity as at 31 March 2023.
- The impact of interest on lease obligation as per Ind AS 116 taken in the finance costs.
- The impact of amortisation of right-to-use assets and site restoration have been taken in the depreciation and amortisation expenses.
- Due to adoption of Ind AS 116, rent has been reduced from other expenses and taken to depreciation and finance cost in profit and loss.
- The recognition of deferred tax assets related to carried forward business losses and unabsorbed depreciation is recognised up to the deferred tax liabilities, in accordance with the principle of prudence.



C. Reconciliation of total equity as at 31 March 2023

	As at 31 March 2023 Rs. / Lakh
Total equity (shareholders' fund) under previous GAAP	268.35
Adjustment:	
i. Ind AS adjustment on lease accounting	0.02
ii. Impact of change in accounting policies	21.02
iii. Ind AS adjustment on deferred tax	6.61
Total equity under Ind AS	296.00

D. Reconciliation of total comprehensive income for the year ended 31 March 2023

	As at 31 March 2023 Rs. / Lakh
Loss as per previous GAAP	(131.65)
Other adjustment due to Ind AS	25.33
Loss for the year as per Ind AS	(106.32)
Remeasurement of defined benefit obligation recognised in other comprehensive income under Ind AS (net of tax)	-
Total comprehensive income under Ind AS	(106.32)



44 Business combinations during the current year

Business Transfer Agreement - Kundli Manufacturing Unit of KNS Trading Private Limited

- (i) The company has entered into a business transfer agreement with KNS Trading Pvt Ltd (KTPL) on 26th December 2023, to acquire the manufacturing unit of kit of sports shoes business of Kundli unit.
All the assets and liabilities of the Kundli Manufacturing Unit of KTPL have been transferred to and vested in the Company at its carrying value w.e.f. 1st February, 2024 and the amount of Rs. 215.44 lakhs is recorded as goodwill on account of acquisition.

- (ii) Details of purchase consideration, assets and liabilities acquired are as follows:

(All amounts in Rs. lakhs, unless otherwise stated)

Particulars	Amount
A) Assets acquired on February 1, 2024	
Property, plant and equipment	726.71
Financial assets	
Non-current assets	21.14
Inventories	639.77
Trade receivables	2,911.58
Other current assets	4.14
Total Assets acquired (A)	4,303.33
B) Liabilities assumed on February 1, 2024	
Trade Payable	1,327.42
Creditors for Capital Goods	2.98
Employee related provision	107.42
Total Liabilities Assumed (B)	1,437.81
Net Assets acquired (A-B)	2,865.52
Less: Consideration Paid	3,108.0
Goodwill / (Capital Reserve)	242.48
Less: Deferred Tax Asset	27.03
Goodwill on Acquisition	215.44

45 Additional Disclosure

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

The Company does not hold any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the Company, at anytime during the year ended 31 March 2024 and 31 March 2023.

- ii) Details of benami property held

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

- iii) Wilful defaulter

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

- iv) Relationship with Struck off Companies under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956

The Company does not have any transactions or balance outstanding with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

- v) Registration of charges or satisfaction with Registrar of Companies

The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

- vi) Compliance with number of layers of companies

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

- vii) 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)

- viii) Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual Currency during the year ended 31 March 2024.

- ix) Utilisation of Borrowed funds and share premium

(i) 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:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

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

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



- x) **Compliance with approved scheme(s) of arrangements**
The Company has not entered into any scheme of arrangement which has an accounting impact on current year or previous period.

- xi) **Valuation of Property plant and equipment**
The Company has not revalued its property, plant and equipment during the current year. Further, There were no revaluation on property, plant and equipment during the previous period.

- xii) **Loans and advances to promoters and directors**
The Company has not given loans and advances to promoters and directors however given to its related parties

Particulars	All Parties	Promoter	Related Parties
Aggregate amount of loans given			
Repayable on demand (A)	Nil	Nil	31.52
Agreement does not specify any term or period of repayment (B)	Nil	Nil	Nil
Total (A+B)	Nil	Nil	31.52
Percentage of such loans to total loans	Nil	Nil	100%
Outstanding as on 31.03.2024	Nil	Nil	Nil

- xiii) **Company having borrowings from Banks or FIs on the basis of security of Current Assets**
The company have borrowings from Bank on the basis of security of current assets. The company has filed the statement with the banks which are in agreement with the books of accounts of the Company, except for some immaterial differences.

- xiv) **Details of intangible assets under development**
There are no any intangible assets under development.

- xv) **Details of capital work in progress**
The company does not have any capital work in progress.

- xvi) **Disclosure of Corporate Social Responsibility compliances (CSR)**
The company is not covered under section 135 of Companies Act for Corporate Social Responsibility compliances.

46 During the period the Company has not declared or approved any dividend.

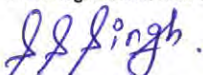
47 During the year Company has taken loans from Hindustan Foods limited (" Holding Company") amounting to Rs. 3432.77 Lakhs. The loan amount utilized by the Company is as per the object clause of the Holding Company towards proceeds from convertible share warrant.

48 Subsequent to the period end, the Company has entered into a Share Purchase Agreement on 21 October 2023, whereby all the equity shares of the Company held by KNS Trading Private Limited (3,999,999 shares) and Nandita Soni (1 share) have been transferred to Hindustan Foods Limited (3,999,999 shares) and Ganesh Tukaram Argekar (1 share) with effect from 1 October 2023.

49 The Company had entered into an agreement dated 31 March 2024 with SSIPL Retail Ltd for acquisition of it's business unit situated at Kundli, Bhagani & Bhagran with effect from 1st April 2024. As a result of the acquisition, SSIPL Retail Ltd has been become a third, fourth and fifth unit of KNS Shoetech Pvt Ltd.

As per our report of even date

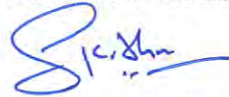
For S S SINGH AND CO
Chartered Accountants
Firm Registration No.: 0157963W



Sudhanshu Singh
Proprietor
Membership No.: 199938

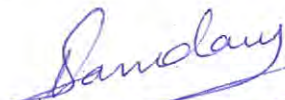
Place: Mumbai
Date: 17 May 2024

For and on behalf of Board of Directors of
KNS Shoetech Private Limited



Sameer Ramanlal Kothari
Director
DIN: 01361343

Place: Mumbai
Date: 17 May 2024



Mayank Ashok Samdani
Director
DIN: 10417749

Place: Mumbai
Date: 17 May 2024

