**V. C. SHAH & CO.**
**CHARTERED ACCOUNTANTS**

205-206, Regent Chambers, 2nd Floor, Jamnalal Bajaj Road, 208, Nariman Point, Mumbai 400 021. Tel.: 022 - 43440123 email- vcshahco@vcshah.com

# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF PRATECH BRANDS PRIVATE LIMITED

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of **Pratech Brands Private Limited** (the "Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss and the Statement of Cash Flow for the year ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024 and its loss, and its cash flows for the year ended on that date.

### Basis for Opinion

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

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the standalone financial statements, consolidated financial statements and our auditor's report thereon.

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

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In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard currently since the Board Report is not made available to us for the verification while finalizing the Auditors' Report.

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

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

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

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

**Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.

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

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- Identify and assess the risks of material misstatement of the standalone 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal financial control.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone 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 standalone financial statements, including the disclosures, and whether the standalone 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.

**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 **"Annexure A"**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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2. As required by Section 143(3) of the Act, based on our audit 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 the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the accounting standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

f) We do not report on the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls in terms of section 143(3)(i) of the Act, since in our opinion and according to the information and explanations given to us, the said reporting is not applicable to the Company.

g) The Company is a Private Limited Company as per the Act. The requirement of payment of managerial remuneration as per section 197 read with Schedule V of the Act is not applicable.

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

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

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

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

   iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to

   or in any other person or entity, including foreign entity ("Intermediaries"),

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with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

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

v. The Company has not declared and paid any dividend during the year and hence the compliance with respect to section 123 of the Act is not applicable.

vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

**For V. C. Shah & Co.**
Chartered Accountants
ICAI Firm Registration No.109818W

V. C. SHAH & CO. CHARTERED ACCOUNTANTS

**Viral J. Shah**
Partner
Membership No.: 110120
Place: Mumbai
Date: September 24, 2024
UDIN: 24110120BKFRFF8703

**ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members of Pratech Brands Private Limited on the Standalone financial statements for the year ended March 31, 2024)**

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the Company and to the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

i. (a) (A) The Company is maintaining proper records showing full particulars including quantitative details and situation of Property, plant and equipment.

(B) The Company is maintaining proper records showing full particulars of intangible assets.

(b) All Property, plant and equipment have not been physically verified during the year by the management but there is a regular program of verification in phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, some property, plant and equipment were physically verified during the year. According to the information and explanation given to us, no material discrepancies were noticed during such verification.

(c) According to the information and explanation given by the management, there is no immovable property in the name of the Company and accordingly, the requirements under paragraph 3(i)(c) of the Order is not applicable to the Company.

(d) The Company has not revalued its property, plant and equipment (including right of use of assets and intangible assets during the year. Accordingly, the requirements under paragraph 3(i)(d) of the Order is not applicable to the Company.

(e) As represented by the Management, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii. (a) The management has conducted physical verification of inventory at reasonable intervals and in our opinion, the coverage and procedure of such verification by the management is appropriate. Discrepancies were less than 10% in aggregate for each class of Inventory and have been properly dealt with in the books of accounts.

(b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets. Accordingly, the requirements under paragraph 3(ii)(b) of the Order is not applicable.

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iii. The Company has made investments in, companies, firms, Limited Liability Partnerships, and granted unsecured loans to other parties, during the year, in respect of which:

(a) During the year, the Company has provided loans to its subsidiary as follows:

| Particulars | Loan Amount (Amount in 000's) |
|---|---|
| Aggregate amount granted/ provided to subsidiary during the year | 3,07,540 |
| Balance outstanding as at balance sheet date in respect of above | 4,07,433 |

During the year, the Company has not provided security to companies, firms, Limited Liability Partnerships or any other parties.

(b) In our opinion, the investments made, terms and conditions of the grant of all loans during the year are, prima facie, not prejudicial to the Company's interest.

(c) The Company has granted loans during the year to its Subsidiaries, repayable on demand, there is no stipulated schedule of repayment of principal and payment of interest.

(d) There are no amounts of loans and advances in the nature of loans which are overdue. Accordingly, the requirements under paragraph 3(iii)(d) of the Order is not applicable to the Company.

(e) There were no loans or advance in the nature of loan granted to companies which fell due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties. Accordingly, the requirements under paragraph 3(iii)(e) of the Order is not applicable to the Company.

(f) The Company has granted loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies.

**(Rs in 000's)**

| Particulars | All Parties | Promoters | Related Parties |
|---|---|---|---|
| Aggregate amount of loans/ advances nature of loans - Repayable in on demand (A) - Agreement does not specify any terms or period of repayment (B) | 3,07,540 | Nil | 3,07,540 |
| Total (A+B) | 3,07,540 | Nil | 3,07,540 |
| Percentage of loans/ advances in nature of loans to the total loans sheet date in respect of above | 100.00% | NA | 100.00% |

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iv. In our opinion and according to information and explanation given to us, the Company has not given any loan to directors, hence the provisions of Sections 185 are not applicable and in respect of section 186 of the Companies Act, 2013 in respect of loans and advances given, investments made and guarantees and securities provided, the provisions of the section have been complied with by the Company.

v. The Company has not accepted any deposit or amounts which are deemed to be deposits, as per the directives issued by Reserve Bank of India and the provisions of the section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules made thereunder. Accordingly, the requirements under paragraph 3(v) of the Order is not applicable to the Company.

vi. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Accordingly, the requirements under paragraph of the Order is not applicable to the Company.

vii. In respect of statutory dues:

(a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 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, there are no dues of income tax, sales tax, service tax, goods and services tax, customs or excise duty or value added tax which have not been deposited on account of any dispute.

viii. As represented by the Management, there were no transactions which were previously not recorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

ix. (a) The Company has not defaulted in repayment of loans or in the payment of interest thereon to any lender. Accordingly, the requirements under paragraph 3(ix)(a) of the Order is not applicable to the Company.

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

(c) The Company has not taken term loan during the year hence, the requirements under paragraph 3(ix)(c) of the Order is not applicable to the Company.

(d) On an overall examination of the standalone financial statements, the Company has raised funds on short term basis but not utilised for long term purposes. Accordingly, the requirements under paragraph 3(ix)(d) of the Order is not

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applicable to the Company.

(e) On an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, Accordingly, the requirements under paragraph 3(ix)(e) of the Order is not applicable to the Company.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiary companies, Accordingly, the requirements under paragraph 3(ix)(f) of the Order is not applicable to the Company.

x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the requirements under paragraph 3(x)(a) of the Order is not applicable to the Company.

(b) During the year, the Company has made private placement of shares. the requirements of section 42 of the Companies Act, 2013 have been complied with and the funds raised have been used for the purposes for which the funds were raised. The Company has not made any preferential allotment of shares / fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report under paragraph 3(x)(b) of the Order is not applicable to the Company to that extent.

xi. (a) As represented by the Management, no fraud by the Company and no fraud on the Company has been noticed or reported during the year. Accordingly, the requirements under paragraph 3(xi)(a) of the Order is not applicable to the Company.

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

(c) Establishment of vigil mechanism is not mandated for the Company as required under section 177 of the Act. As represented by the management, there are no whistle blower complaints received by the Company during the year. Accordingly, the requirements under paragraph 3(xi)(c) of the Order is not applicable to the Company.

xii. The Company is not a Nidhi Company. Accordingly, the requirements under paragraph 3(xii)(a) to (c) of the Order is not applicable to the Company.

xiii. Transactions with the related parties are in compliance with section 188 of the Act, where applicable, and the details have been disclosed in the notes to the standalone financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly the requirements to report under paragraph 3(xiii) of the Order in so far as it relates to section 177 of the Act is not applicable to the Company.

xiv. In our opinion and according to the information and explanations provided to us, Internal Audit is not applicable to the Company as per Section 138 of the Companies Act,2013. Accordingly, the requirements under paragraph 3(xiv) of the Order is not

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applicable to the Company.

xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors as per the provisions of section 192 of the Companies Act, 2013. Accordingly, the requirements under paragraph 3(xv) of the Order is not applicable to the Company

xvi. According to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the requirements under paragraph 3(xvi)(a) to (d)of the Order is not applicable to the Company.

xvii. According to the information and explanation given to us, the Company has incurred cash losses aggregating to Rs. 9,898 (in 000's) during the current financial year and Rs. 32,799 (in 000's) during the immediately preceding financial year.

xviii. During the year there was no Resignation of the previous Auditors. Accordingly, the requirements under paragraph 3 (xviii) of the Order is not applicable to the Company.

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

xx. Based on the verification of the details provided, the criteria specified under section 135 of the Act is not fulfilled and hence the requirement of spending on Corporate Social Responsibility is not applicable to the Company. Accordingly, the requirements under paragraph 3(xx)(a) and (b) of the Order is not applicable to the Company.

**For V. C. Shah & Co.**
Chartered Accountants
ICAI Firm Registration No.109818W

V. C. SHAH & CO. CHARTERED ACCOUNTANTS

**Viral J. Shah**
Partner
Membership No.: 110120
UDIN: 24110120BKFRFF8703
Place: Mumbai
Date: September 24, 2024

**Pratech Brands Private Limited**
**CIN : U52335MH2021PTC362865**
**Standalone Balance Sheet as at March 31, 2024**

**₹ in thousand**

| Particulars | Note No. | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | |
| **Shareholders' Funds** | | | |
| Share Capital | 3 | 88,792 | 65,465 |
| Reserves and surplus | 4 | 5,35,180 | 1,76,490 |
| **Non- current liabilities** | | | |
| Long Term Provisions | 6 | 1,471 | 587 |
| Long term borrowings | 7 | - | 2,940 |
| **Current liabilities** | | | |
| Short term borrowings | 8 | 5,991 | 11,127 |
| Trade Payables | 9 | | |
| (A) total outstanding dues of micro enterprises and small enterprises; and | | 453 | 1,598 |
| (B) total outstanding dues of creditors other than micro enterprises and small enterprises. | | 1,351 | 1,639 |
| Other current liabilities | 10 | 6,456 | 5,927 |
| Short-term provisions | 11 | 796 | 849 |
| **Total** | | **6,40,489** | **2,66,621** |
| **ASSETS** | | | |
| **Non-current assets** | | | |
| **Property,plant and Equipment and Intangible Assets** | 12 | | |
| Property, plant and Equipment | | 436 | 4,494 |
| Intangible assets | | 2,147 | 2,417 |
| Non-current investments | 13 | 26,500 | 26,500 |
| Other non-current assets | 14 | 2,739 | 2,739 |
| Deferred tax assets (Net) | 5 | 125 | 12 |
| **Current assets** | | | |
| Current Investments | 15 | 45,011 | 78,194 |
| Inventories | 16 | 40,938 | 23,821 |
| Trade receivables | 17 | 2,292 | 1,599 |
| Cash and cash equivalents | 18 | 22,539 | 7,069 |
| Short-term loans and advances | 19 | 4,52,563 | 1,05,697 |
| Other current assets | 20 | 45,200 | 14,078 |
| **Total** | | **6,40,489** | **2,66,621** |

*The accompanying notes form an integral part of the financial statements.*

**Significant accounting policies** 2

**As per our report of even date attached**
**For V. C. Shah & Co.**
Chartered Accountants
Firm's Registration No. 109818W

V. C. SHAH & CO. CHARTERED ACCOUNTANTS

**Viral J. Shah**
*Partner*
Membership No. 110120
Place : Mumbai

Date : 24th September 2024

**For and on behalf of the Board of Directors of**
**Pratech Brands Private Limited**

**Sachin Parikh**
Director
DIN - 07926070

**Neehar Modi**
Director
DIN - 09396436

PRATECH BRANDS PVT LTD

**Pratech Brands Private Limited**
**CIN : U52335MH2021PTC362865**
**Standalone Statement of Profit and loss for the year ended March 31, 2024**

**₹ in thousand**

| | Particulars | Note No. | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|---|
| I. | Revenue from operations | 21 | 58,915 | 32,516 |
| II. | Other income | 22 | 36,012 | 8,856 |
| **III.** | **Total Income (I + II)** | | **94,927** | **41,372** |
| IV. | Expenses: | | | |
| | Purchases of Stock-in-Trade | 23 | 48,654 | 38,821 |
| | Change in Inventories of Stock-in-Trade | 24 | (17,117) | (18,406) |
| | Employee benefits expense | 25 | 17,844 | 16,109 |
| | Finance Costs | 26 | 4,383 | 463 |
| | Depreciation and amortization expense | 27 | 511 | 1,453 |
| | Other expenses | 28 | 51,513 | 37,184 |
| | **Total expenses** | | **1,05,787** | **75,624** |
| V. | Profit (Loss) before exceptional and extraordinary items and tax (III-IV) | | **(10,861)** | **(34,252)** |
| VI. | Exceptional items | | - | - |
| VII. | Profit (Loss) before extraordinary items and tax (V - VI) | | **(10,861)** | **(34,252)** |
| VIII. | Extraordinary Items | | | - |
| IX. | Profit before tax (VII- VIII) | | (10,861) | (34,252) |
| X. | Tax expense: | | | |
| | (1) Current tax | | - | - |
| | (2) Deferred tax | | (113) | (41) |
| XI | Profit (Loss) for the period (IX-X) | | (10,748) | (34,211) |
| XII | Earnings per equity share: | 29 | | |
| | Basic (Rs) | | (2.00) | (6.37) |
| | Diluted (Rs) | | (1.21) | (5.23) |

*The accompanying notes form an integral part of the financial statements.*

**Significant accounting policies** 2

**As per our report of even date attached**
**For V. C. Shah & Co.**
*Chartered Accountants*
Firm's Registration No. 109818W

V. C. SHAH & CO. CHARTERED ACCOUNTANTS

**Viral J. Shah**
*Partner*
Membership No. 110120
Place : Mumbai

Date : 24th September 2024

**For and on behalf of the Board of Directors of**
**Pratech Brands Private Limited**

**Sachin Parikh**
Director
DIN - 07926070

**Neehar Modi**
Director
DIN - 09396436

PRATECH BRANDS PVT LTD

Pratech Brands Private Limited
CIN : U52335MH2021PTC362865
Standalone Cash Flow Statement for the year ended 31 March, 2024

₹ in thousand

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| A. Cash flow from operating activities | | |
| Net Profit / (Loss) before Tax | (10,861) | (34,252) |
| Adjustments for: | | |
| Depreciation and amortisation | 511 | 1,453 |
| Employee stock option outstanding account | - | 568 |
| Finance Cost | 4,383 | 463 |
| Operating Profit before Working capital changes | (5,967) | (31,768) |
| Adjusted for: | | |
| Inventory | (17,117) | (18,406) |
| Other current liabilities | 529 | 4,387 |
| Other Non current liabilities | 884 | 587 |
| Long term borrowings | (2,940) | 8,931 |
| Short term Provisions | (53) | 739 |
| Other Non current assets | - | (1,836) |
| Trade receivables | (693) | (1,399) |
| Trade payable | (1,434) | 2,726 |
| Short-term loans and advances | (3,46,866) | (1,05,843) |
| Other current assets | (31,122) | (10,070) |
| | (4,04,779) | (1,51,953) |
| Cash Generated from Operations | | |
| Current Taxes | - | - |
| Net Cash Generated from Operations | (4,04,779) | (1,51,953) |
| B. Cash flow from investing activities | | |
| Purchase of PPE | 3,548 | (4,939) |
| Purchase of Intangible assets | 271 | (68) |
| Current investment | 33,183 | 1,75,869 |
| Long term investment | - | (18,000) |
| Net cash used in investing activities: | 37,002 | 1,52,862 |
| C. Cash flow from financing activities | | |
| Proceeds/(Repayment) of long-term borrowings | - | - |
| Short-term borrowings | (5,136) | 4,813 |
| Proceeds from equity shares capital | 1,562 | - |
| Proceeds from preference shares capital | 3,91,203 | - |
| Payment of Interest | (4,383) | (463) |
| Net cash used in financing activities | 3,83,247 | 4,350 |
| Net increase / (decrease) in Cash and cash equivalents (A+B+C) | 15,470 | 5,260 |
| Cash and cash equivalents at the beginning of the year | 7,069 | 1,809 |
| Cash and cash equivalents at the end of the year | 22,539 | 7,069 |

*The accompanying notes form an integral part of the financial statements.*

**Significant accounting policies** 2

**As per our report of even date attached**
**For V. C. Shah & Co.**
**Chartered Accountants**
Firm's Registration No. 109818W

V. C. SHAH & CO. CHARTERED ACCOUNTANTS

**Viral J. Shah**
*Partner*
Membership No. 110120
Place : Mumbai

Date : 24th September 2024

**For and on behalf of the Board of Directors of**
**Pratech Brands Private Limited**

S. J. Parikh

**Sachin Parikh**
Director
DIN - 07926070

**Neehar Modi**
Director
DIN - 09396436

PRATECH BRANDS PVT LTD

**Pratech Brands Pvt Ltd**
**U52335MH2021PTC362865**
**Notes on Financial Statements for the period ended March 31, 2024**

**CORPORATE INFORMATION**

Pratech Brands Private Limited ('the Company') is a company domiciled in India and incorporated on 28th June, 2021 with its Registered Office situated at B/48, 4th Floor, B-Wing Todi Estate, Sun Mill Compound, Lower Parel West, Mumbai.

The Company source, trade, buy, sell, import, export, retail, deal in and to launch and develop new brands of all kinds of products in multiple categories such as electronics appliances and gadgets, electrical items, beauty and personal care products, health and wellness products through omni channels including digital, e-commerce, on line stores, brick and mortar stores both in India and abroad and also engage in ancillary activities of logistics, supply chain, marketing, advertising, promotions and brand building of the products dealt in, through digital, print, electronic and other media.

**SIGNIFICANT ACCOUNTING POLICIES:**

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

**A Basis of Accounting and Preparation of Financial Statements**

1) **Basis of Accounting** : The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and as per further amendments and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention.

The Company is a Small and Medium Sized Company (SMC) as defined in the General Instructions in respect of Accounting Standards notified under the Companies Act, 2013. Accordingly, the Company has complied with the Accounting Standards as applicable to-an SMC.

**2) Use of estimates**

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires that the management of the Company makes estimates and assumptions that are considered to affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Management believes that the estimates made in the preparation of financial statements are prudent' and reasonable. Actual results could differ from those estimates.

**3) Current / non current Classification**

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of the services and the time between the provision of services and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

**B Property, plant and Equipment**

Property, plant and equipment are stated at cost of acquisition less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use. Items of property plant and equipment that are no ready for its intended use as at balance sheet date are disclosed as "Capital Work In Progress".

Any gain or loss on disposal of an item of property, plant and equipment is recognised in statement of profit and loss, when the item is de-recognised, Gains are not classified as revenue.

V.C. SHAH & CO. VCS&CO. CHARTERED ACCOUNTANTS

S. T. Puri

PRATECH BRANDS PVT LTD

**C Depreciation**

Depreciation is provided using the straight line method based on useful lives of the assets prescribed in Schedule II to the Companies Act, 2013.

**Estimated useful lives of the assets are as follows:**
Furniture and fittings - 10 Years
Computers & Laptops - 3 Years
Office equipments - 5 Years
Intangible Assets - 10 Years

**D Revenue Recognition**

Sales are recorded net of trade discounts & rebates. Revenue from sale of products is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer. All revenues are recognised net of GST as applicable.

Other Income is recognised on accrual basis.
Income from investments is recognised on realisation of gain taking into account the amounts invested and the redemption value (net of transation cost)

**E Foreign Currency transactions**

The reporting currency of the Company is Indian rupee.

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

Foreign currency monetary items are reported using closing rate of exchange at the end of the year. The resulting exchange gain/loss is reflected in the statement of profit and loss. Other non-monetary items like fixed assets, investments in equity shares, are carried in terms of historical cost using the exchange rate at the date of transaction.

**F Lease**

Lease arrangements where risks and rewards incidental to ownership of an asset substantially vests with lessor are classified as operating lease. Rental expenses on assets obtained under operating lease arrangements are recognized in the statement of Profit and Loss on a straight line basis over the lease term. Lease, which transfers to the lessee, substantially all risks and rewards incidental to ownership of the asset, is classified as a finance lease

**G Income Taxes**

Provision for taxation is made on the basis of the taxable profit computed for the current accounting year in accordance with the Income Tax Act 1961.
The deferred tax for timing difference between the book profits and tax profits for the year is accounted for using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets arising from timing difference are recognized to the extent there is virtual certainty that these would be realized in future and are reviewed for the appropriateness' of their respective carrying values at each balance sheet date.

In case of unabsorbed losses and unabsorbed depreciation, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profit.

**H Earnings per share (EPS)**

Basic EPS is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

V. C. SHAH & CO. CHARTERED ACCOUNTANTS

PRATECH BRANDS PVT LTD

**Pratech Brands Pvt Ltd**
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**I Provisions and Contingent Liabilities**

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, requires an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

**J Cash and cash equivalents**

Cash and cash equivalents comprise of cash on hand and demand deposits with banks. Cash Equivalents are short term, highly liquid investments, having a maturity of three months or less from the date of its acquisition, that are readily convertible into known amounts of cash and which are subject to insignificant risks of changes in value.

**K Employee Benefits**

**Short term employee benefits**

Short term employee benefits are recognised as an expense in the statement of profit and loss, on accrual basis.
Gratuity: The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Standalone Statement of Profit and Loss in the year in which they arise.

Current liability has been determined as the actuarially calculated expected benefits due to employees who are expected to resign/retire within next 12 months from the valuation date using the assumptions of attrition, mortality and retirement age.

**Compensated absences**

Current liability has been determined as the actuarially calculated or expected benefits due to employees who are expected to resign/retire within next 12 months from the valuation date using the assumptions of attrition, mortality and retirement age.

**L Impairment of Assets**

The carrying amount of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An asset is impaired when the carrying amount of the asset exceeds the recoverable amount. Impairment loss is charged to the statement of profit and loss, in the year in which the asset is impaired. An impairment loss recognised in previous year is reversed, in case there is a change in the estimate of the recoverable amount.

**M Inventories**

Inventories are valued at lower of cost and net realizable value. Cost of inventories comprise all costs of purchase incurred in bringing the inventories to their present condition and location. Cost is determined by the FIFO basis method.

**N Investments**

Non-current Investments carried Individually at cost less provision for diminution, other than temporary, in the value of such investments. Current Investments are carried at lower of cost and fair value. Cost of Investment include acquisition charges such as brokerage, fees and duties.

V.C. SHAH & CO. CHARTERED ACCOUNTANTS VCS&Co.

PRATECH BRANDS PVT LTD

Pratech Brands Private Limited
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Notes on Financial Statements for the year ended March 31, 2024

₹ in thousand

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **3 SHARE CAPITAL:** | | |
| **AUTHORISED:** | | |
| 73,00,000 (31 March 2023: 73,00,000) Equity shares of Rs 10/- each | 73,000 | 73,000 |
| 39,00,000 (31 March 2023: 14,00,000) Preference shares of Rs 10/- each | 39,000 | 14,000 |
| **Total** | **1,12,000** | **87,000** |
| **ISSUED:** | | |
| 53,74,904 (31 March 2023: 53,68,994) Equity shares of Rs 10 each fully paid up | 53,749 | 53,690 |
| 35,03,998 0.001% (31 March 2023: 11,77,514) CCC Preference shares of Rs 10 each fully paid up | 35,040 | 11,775 |
| 29,735 (31 March 2023: Nil) 0.001% CCC Preference shares of Rs 10 each ; Rs 0.1 Partly paid up | 297 | - |
| **Total** | **89,086** | **65,465** |
| **SUBSCRIBED:** | | |
| 53,74,904 (31 March 2023: 53,68,994) Equity shares of Rs 10 each fully paid up | 53,749 | 53,690 |
| 35,03,998 0.001% (31 March 2023: 11,77,514) CCC Preference shares of Rs 10 each fully paid up | 35,040 | 11,775 |
| 29,735 (31 March 2023: Nil) 0.001% CCC Preference shares of Rs 10 each ; Rs 0.1 Partly paid up | 297 | - |
| **Total** | **89,086** | **65,465** |
| **PAID UP:** | | |
| 53,74,904 (31 March 2023: 53,68,994) Equity shares of Rs 10 each fully paid up | 53,749 | 53,690 |
| 35,03,998 (31 March 2023: 11,77,514) 0.001% CCC Preference shares of Rs 10 each fully paid up | 35,040 | 11,775 |
| 29,735 (31 March 2023: Nil) 0.001% CCC Preference shares of Rs 10 each ; Rs 0.1 Partly paid up | 3 | - |
| **Total** | **88,792** | **65,465** |

**i) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:**

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | Nos. | Amount | Nos. | Amount |
| **Equity shares** | | | | |
| Outstanding as at the beginning of the year | 53,68,994 | 53,690 | 53,68,994 | 53,690 |
| Issued during the year | 5,910 | 59 | - | - |
| **Outstanding as at the end of the year** | **53,74,904** | **53,749** | **53,68,994** | **53,690** |
| **Preference shares** | | | | |
| Outstanding as at the beginning of the year | 11,77,514 | 11,775 | 11,77,514 | 11,775 |
| Issued during the year | 23,26,771 | 23,268 | - | - |
| **Outstanding as at the end of the year** | **35,04,285** | **35,043** | **11,77,514** | **11,775** |

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**ii) Shares in the company held by each shareholder holding more than 5 percent shares:**

**Equity shares**

| Sr. | Shareholder name | As at March 31, 2024 Number of Shares | As at March 31, 2024 Percentage of Shares held | As at March 31, 2023 Number of Shares | As at March 31, 2023 Percentage of Shares held |
|---|---|---|---|---|---|
| 1 | Neehar Rejesh Modi | 14,75,087 | 27.44% | 14,75,087 | 27.47% |
| 2 | Shruti Sachin Parikh | 9,82,680 | 18.28% | 9,82,680 | 18.30% |
| 3 | Sachin Jatin Parikh | 9,82,844 | 18.29% | 9,82,844 | 18.31% |
| 4 | Sandhaya Shah | 14,73,160 | 27.41% | 14,73,160 | 27.44% |
| | **Total** | **49,13,771** | **91.42%** | **49,13,771** | **91.52%** |

**Preference shares**

| Sr. | Shareholder name | Number of Shares | Percentage of Shares held | Number of Shares | Percentage of Shares held |
|---|---|---|---|---|---|
| 1 | Surge Ventures | 17,72,222 | 50.57% | 11,77,524 | 100.00% |
| 2 | Early Spring Fund | 7,43,384 | 21.21% | - | 0.00% |
| | **Total** | **25,15,606** | | **11,77,524** | |

**iii) Shareholding of Promoters as below:**

| Sr. | Promoter name | As at March 31, 2024 Number of Shares | As at March 31, 2024 Percentage of Shares held | As at March 31, 2024 % Change during the Year | As at March 31, 2023 Number of Shares | As at March 31, 2023 Percentage of Shares held | As at March 31, 2023 % Change during the Year |
|---|---|---|---|---|---|---|---|
| 1 | Neehar Rejesh Modi | 14,75,087 | 27.44% | -0.03% | 14,75,087 | 27.47% | 0.00% |
| 2 | Anvi Nishith Shah | 40 | 0.001% | 0.00% | 40 | 0.001% | -22.50% |
| 3 | Sachin Jatin Parikh | 9,82,844 | 18.29% | 0.00% | 9,82,844 | 18.29% | 0.00% |

**iv) Terms / right attached to equity shares**

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share.

**v) Terms / right attached to preference shares**

The Pre-Seed CCCPS shall be governed by the following terms and conditions pursuant to Share Subscription Agreement (SSA) dated March 08, 2022 read with any amendment thereto

**1. Dividend:** Minimum preferential dividend rate is 0.001% (Zero point Zero Zero One Percent) per annum (the "Pre-Seed Preferential Dividend"). The Pre-Seed Preferential Dividend is cumulative, provided that it is due only when declared, prior and in preference to any dividend or distribution payable upon the Equity Securities of any class or series in the same fiscal year.

**2. Liquidation Preference:** In the event of a Liquidity Event, each holder of Pre-Seed CCCPS (or the holder of Equity Shares issued upon conversion of Pre-Seed CCCPS into Equity Shares) shall be entitled to be paid an amount, in preference to any other Shareholder ("Pre-Seed Preference Amount"), which is higher of (i) an amount calculated pro-rata to its shareholding in the Company (on an as-if-converted basis); or (ii) the Subscription Amount along with all due and unpaid dividends pertaining to such Pre-Seed CCCPS. In the event that the assets of the Company available for distribution do not exceed the amounts necessary to pay the Pre- Seed Preference Amount, the entire amount so available shall be paid to the holders of the Pre-Seed CCCPS pro rata to the amount invested by them towards subscription to their respective Pre-Seed CCCPS.

V.C. SHAH & CO. CHARTERED ACCOUNTANTS

PRATECH BRANDS PVT LTD

**3. Conversion of the Pre-Seed CCCPS**

**3.1 Conversion**

(a) Each Pre-Seed CCCPS may be converted into Equity Shares at a ratio of 1:1 subject to adjustments from time to time as provided herein ("Pre-Seed Conversion Ratio"). Subject to compliance with applicable Laws, each Pre-Seed CCCPS shall automatically be converted into Equity Shares, at the Pre-Seed Conversion Ratio upon the earlier of (i) one day prior to the expiry of 20 (twenty) years from the Closing Date; (ii) a Future Issuance; or (iii) at such later date as may be permitted under Law.

(b) In the event that the Company undertakes any form of restructuring of its share capital ("Capital Restructuring") including but not limited to: (1) consolidation or sub-division or splitting up of its shares; (ii) issue of bonus shares; (iii) issue of shares in a scheme of arrangement (including amalgamation or demerger); and (iv) reclassification of shares or variation of rights into other kinds of securities, the number of Equity Shares that each Pre-Seed CCCPS converts into for each such Equity Share shall be adjusted accordingly in a manner that the holders of Pre-Seed CCCPS receive such number of Equity Shares that the holders of Pre-Seed CCCPS would have been entitled to receive immediately after occurrence of any such Capital Restructuring had the conversion of the Pre-Seed CCCPS occurred immediately prior to the occurrence of such Capital Restructuring.

**3.2. Voting Rights:** Each Pre-Seed CCCPS shall entitle the holder to the number of votes equal to the number of whole or fractional Equity Shares into which such Pre-Seed CCCPS could then be converted (based on the Pre-Seed Conversion Ratio). Sections 43 and 47 of the Companies Act, 2013 shall not be applicable to the Company.

**vi) Employee Stock Option Plan (ESOP)**

**Accounting policy**

The Company recognizes compensation expense relating to share-based payments in net profit based on estimated intrinsic value of the awards on the grant date. The estimated intrinsic value of awards is recognized as an expense in the statement of profit and loss on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share options outstanding account.

**"Employee Stock Option Plan 2022" (hereinafter referred to as "ESOS 2022")**

On January 21, 2022, pursuant to approval by the shareholders in the Extraordinary General Meeting, the Board has been authorized to introduce, offer, issue and provide share-based incentives to eligible employees of the Company and its subsidiaries under "Employee Stock Option Plan 2022". The **maximum** number of shares under ESOS 2022 shall not exceed **5,90,000 equity shares**.

**1 The summary of grants during the years ended March 31, 2024 are as follows :**

| **Particulars** | **ESOS 2022** | |
|---|---|---|
| | **Figures as at March 31, 2024** | **Figures as at March 31, 2023** |
| **Equity-settled stock units** | | |
| Key Managerial Personnel (KMP) | 2,91,664 | 2,91,664 |
| Employees other than KMP | 11,894 | 11,894 |
| **Total grants** | **3,03,558** | **3,03,558** |

**2 options granted under ESOS 2022, as set out below**

| **Year ended March 31, 2024** | | | **Year ended March 31, 2023** | | |
|---|---|---|---|---|---|
| **Date of Grant** | **No of options** | **Range of exercise price (₹)** | **Date of Grant** | **No of options** | **Range of exercise price (₹)** |
| 25-01-2022 | 58,876 | 84 | 25-01-2022 | 58,876 | 84 |
| 25-01-2022 | 29,438 | 10 | 25-01-2022 | 29,438 | 10 |
| 11-07-2022 | 78,502 | 168 | 11-07-2022 | 78,502 | 168 |
| 03-10-2022 | 1,24,848 | 168 | 03-10-2022 | 1,24,848 | 168 |
| 14-02-2023 | 7,134 | 168 | 14-02-2023 | 7,134 | 168 |
| 03-10-2022 | 4,760 | 168 | 03-10-2022 | 4,760 | 168 |

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Notes on Financial Statements for the year ended March 31, 2024

**3 Stock option activity under ESOS 2020 is set out below**

| | 2023-24 | | 2022-23 | |
|---|---|---|---|---|
| | No. of options | Weighted average exercise price (₹) | No. of options | Weighted average exercise price (₹) |
| Outstanding at the beginning of the year | 3,03,558 | 136.39 | 3,03,558 | 136.39 |
| Granted during the year | - | - | - | - |
| Forfeited / surrendered during the year | - | - | - | - |
| Exercised during the year | - | - | - | - |
| Expired during the year | - | - | - | - |
| Outstanding at the end of the year | 3,03,558 | 136.39 | 3,03,558 | 136.39 |
| Options exercisable at the end of the year | 3,03,558 | 136.39 | 3,03,558 | 136.39 |

**4 Following table summarizes the information about stock options outstanding as at March 31, 2024**

| | 2023-24 | | | 2022-23 | | |
|---|---|---|---|---|---|---|
| Date of grant | Exercise Price | Number of shares arising out of options | Weighted average life of options (in years) | Exercise Price | Number of shares arising out of options | Weighted average life of options (in years) |
| 25-01-2022 | 84 | 58,876 | 2 | 84 | 58,876 | 2 |
| 25-01-2022 | 10 | 29,438 | 2 | 10 | 29,438 | 2 |
| 11-07-2022 | 168 | 78,502 | 2 | 168 | 78,502 | 2 |
| 03-10-2022 | 168 | 1,24,848 | 2 | 168 | 1,24,848 | 2 |
| 14-02-2023 | 168 | 7,134 | 1 | 168 | 7,134 | 1 |
| 03-10-2022 | 168 | 4,760 | 1 | 168 | 4,760 | 1 |

**5 During the period ended 31 March, 2024, the Company had a share-based payment arrangements, which are described**

| | Senior management stock option plan |
|---|---|
| **Date of grant** | |
| **Number granted** | 3,03,558 |
| **Vesting conditions** | The ESOPs shall vest equally on the third (3), fourth (4), and fifth (5) anniversary from the Closing Date. |

**4 Reserves and surplus**

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **(A) Securities premium account** | | |
| Opening balance | 2,19,536 | 2,19,536 |
| Additions during the year (Equity) | 933 | - |
| Additions during the year (Preference) | 3,67,935 | - |
| **Closing balance** | **5,88,404** | **2,19,536** |

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| | | | |
|---|---|---|---|
| | **(B) Employee stock option outstanding account** | **1,240** | **670** |
| | | | |
| | **(C) Surplus/ (Deficit) in statement of profit and loss account** | | |
| | Opening balance | (43,716) | (9,504) |
| | Net Profit / (Loss) for the year | (10,748) | (34,211) |
| | **Closing balance** | **(54,463)** | **(43,716)** |
| | **Total** | **5,35,180** | **1,76,490** |
| **5** | **Deferred tax liabilities / (Assets):** | | |
| | Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting | (90) | (171) |
| | Provision for Gratuity | (43) | 124 |
| | Provision for Leave Encashment | 13 | 36 |
| | Other disllowances | (4) | - |
| | | **(125)** | **(12)** |
| **6** | **Long Term Provisions** | | |
| | Provision for employee benefits: | | |
| | Provision for Gratuity | 642 | 475 |
| | Provision for Leave Encashment | 58 | 112 |
| | Lease Equilisation Reserve | 771 | - |
| | | **1,471** | **587** |
| **7** | **Long term borrowings** | | |
| | **Term Loans:** | | |
| | Loans from Others | 5,199 | 8,931 |
| | Less: Amount disclosed under " short term borrowings" (note 8) | (5,199) | (5,991) |
| | Total non current maturities of long term borrowings | - | **2,940** |
| **8** | **Short term borrowings** | | |
| | **Unsecured Loan** | | |
| | Loans from related parties* (refer note 30) | 792 | 5,136 |
| | Current maturities of long term borrowings | | |
| i) | Loans from Others** | 5,199 | 5,991 |
| | | **5,991** | **11,127** |

* Interest Free Loan from Neesan Ventures Pvt Ltd payable on demand by Lender.

** Term Loan (Loan no: LNMUM35022-235769080) from InCred Financial Services Ltd is repayable in EMI's of Rs 2,99,545 due on 5th of every month started in December 2022 and schedule to be repaid till December 2024. Interest is fixed at 18% per annum.

** Term Loan(Loan No:LNMUM40322-235767762) from InCred Financial Services Ltd is repayable in EMI's of Rs 1,99,696 due on 5th of every month started in December 2022 and schedule to be repaid till December 2024. Interest is fixed at 18% per annum.

** Term Loan(Loan No:GGCFTL784341) from GetGrowth Capital Pvt Ltd is repayable in EMI's of Rs 1,37,520 due on 5th of every month started in December 2023 and schedule to be repaid till November 2024. Interest is fixed at 18% per annum.

| | | | |
|---|---|---|---|
| **9** | **Trade Payables:** | | |
| | Dues to micro and small enterprises (refer note 31) | 453 | 1,598 |
| | Dues to others* | 1,351 | 1,639 |
| | | **1,803** | **3,237** |

* includes Rs 359 thousand ( 31 March 2023: Rs 294 thousand) payable to related Parties (refer note 30)

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**Trade Payable ageing as at 31 March 2024**

| Particulars | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|---|---|---|---|---|
| Total outstanding dues of micro enterprises and small enterprises | 453 | - | - | - | 453 |
| Disputed dues of micro enterprises | - | - | - | - | - |
| Total outstanding dues of creditors other than micro enterprises and | 1,198 | 153 | - | - | 1,351 |
| Disputed dues of creditors other than micro enterprises and small | - | - | - | - | - |
| **Total** | **1,650** | **153** | - | - | **1,803** |

**Trade Payable ageing as at 31 March 2023**

| Particulars | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|---|---|---|---|---|
| Total outstanding dues of micro | 1,598 | - | - | - | 1,598 |
| Disputed dues of micro enterprises | - | - | - | - | - |
| Total outstanding dues of creditors other than micro enterprises and | 1,639 | - | - | - | 1,639 |
| Disputed dues of creditors other than micro enterprises and small | - | - | - | - | - |
| **Total** | **3,237** | - | - | - | **3,237** |

| | | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **10** | **Other current liabilities:** | | |
| | Statutory dues | 232 | 214 |
| | Payable to employees | 1,078 | 1,167 |
| | Directors remuneration payable | - | 126 |
| | Credit card | 1,696 | 4,165 |
| | Advance from directors | - | 255 |
| | Outstanding Payables-In Transit | 3,268 | - |
| | Advance from Customer | 108 | - |
| | Interest Payable-Others (refer note 31) | 17 | - |
| | Interest Payable on Loan * | 57 | - |
| | | **6,456** | **5,927** |

* Interest is payable to related parties (refer note 30)

| | | | |
|---|---|---|---|
| **11** | **Short-term provisions** | | |
| | Provisions for Expenses | 782 | 823 |
| | Provision for leave encashment. | 13 | 26 |
| | | **796** | **849** |

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| | | | |
|---|---|---|---|
| **13** | **Non-Current Investments** | | |
| | **Investments in subsidiaries (Unquoted, fully paid up)** | | |
| | **Investments in Equity Instruments of Subsidiaries (at cost)** | | |
| | Hyuga Health & Wellness Private Limited<br>4,50,000 (31 March 2023: 4,50,000) fully paid equity shares of ₹ 10 each | 4,500 | 4,500 |
| | Inaari Life Private Limited<br>10,00,000 (31 March 2023: 10,00,000) fully paid equity shares of ₹ 10 each | 20,000 | 20,000 |
| | Hyuga Ecommerce Ventures Private Limited<br>1,00,000 (31 March 2023: 1,00,000) fully paid equity shares of ₹ 10 each | 1,000 | 1,000 |
| | Neesan Ventures Private Limited<br>1,00,000 (31 March 2023: 1,00,000) fully paid equity shares of ₹ 10 each | 1,000 | 1,000 |
| | | **26,500** | **26,500** |
| | **Aggregate market value as at the end of the year:** | | |
| | Market Value of unquoted investments | 26,500 | 26,500 |
| | Aggregate provision made for | - | - |
| **14** | **Other non-current assets** | | |
| | **Unsecured considered good** | | |
| | Security deposits | 2,739 | 2,739 |
| | | **2,739** | **2,739** |
| **15** | **Current investments** | | |
| | **Quoted investment (at cost value)** | | |
| | **Investments in Mutual Funds Units** | | - |
| | Aditya Birla Sun Life Money Manager Fund Growth | 6,164 | 21,000 |
| | HDFC Liquid Fund Regular Plan Growth | - | 7,847 |
| | HDFC Money Market Fund Regular Plan Growth | 13,250 | 21,000 |
| | Kotak Overnight Fund Regular Plan Growth | 25,597 | 13,003 |
| | SBI Liquid Fund Growth | - | 15,343 |
| | | **45,011** | **78,194** |
| | **Aggregate market value as at the end of the year:** | | |
| | Market Value of quoted investments | 46,346 | 81,895 |
| | Aggregate provision made for diminution in value of investments | - | - |
| **16** | **Inventories** | | |
| | Stock in Trade (Valued at lower of cost or net realisable value) | 31,351 | 23,821 |
| | Goods in Transit | 9,587 | - |
| | | **40,938** | **23,821** |
| **17** | **Trade Receivables** | | |
| | Unsecured, considered good | 2,292 | 1,599 |
| | | **2,292** | **1,599** |

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Trade receivables ageing schedule
As on 31st March, 2024

| Particulars | Outstanding for following periods from due date of payment | | | | |
|---|---|---|---|---|---|
| | Less than 6 months | 6 months - 1year | 1-2 years | More than 3 years | Total |
| (i) Undisputed Trade receivables – considered good | 2,083 | 209 | - | - | 2,292 |
| (ii) Undisputed Trade receivables – considered doubtful | - | - | - | - | - |
| (iii) Disputed Trade Receivables – considered good | - | - | - | - | - |
| (iv) Disputed Trade Receivables–considered doubtful | - | - | - | - | - |

Trade receivables ageing schedule
As on 31st March, 2023

| Particulars | Outstanding for following periods from due date of payment | | | | |
|---|---|---|---|---|---|
| Particulars | Less than 6 months | 6 months -1 year | 1-2 years | More than 3 years | Total |
| (i) Undisputed Trade receivables – considered good | 1,599 | - | - | - | 1,599 |
| (ii) Undisputed Trade receivables – considered doubtful | - | - | - | - | - |
| (iii) Disputed Trade Receivables – considered good | - | - | - | - | - |
| (iv) Disputed Trade Receivables–considered doubtful | - | - | - | - | - |

| | | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| 18 | **Cash & cash equivalents** | | |
| | Cash on hand | 1 | 22 |
| | Balances with banks | | |
| i) | On current accounts | 2,537 | 7,047 |
| ii) | Deposit with original maturity of less than three months | 20,000 | - |
| | | 22,539 | 7,069 |
| 19 | **Short-term loans and advances:** | | |
| | **Unsecured, Considered Good** | | |
| | Loans to related parties* | 4,07,433 | 1,02,189 |
| | Advance To Vendors | 3,353 | 3,508 |
| | Advances to related parties (refer note 30) | 41,777 | - |
| | | 4,52,563 | 1,05,697 |

* Loan provided to Subsidiary companies receivable on demand. Interest charged is 8% p.a. (refer note 30)

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**20 Other current assets**

| | | |
|---|---|---|
| Balance with revenue authorities | | |
| i) Goods and Service Tax | 17,918 | 11,171 |
| ii) Tax Deducted at Source | 2,795 | 595 |
| Prepaid Expenses | 637 | 252 |
| Interest Receivable * | 17,052 | 2,048 |
| Other current assets | 1,713 | 12 |
| Receivable for Capital Goods** | 5,086 | - |
| | **45,200** | **14,078** |

* Interest Receivable is for Loan provided to subsidiaries (refer note 30)
** Receivable for Capital Goods from related Parties (refer note 30)

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Note 27: Property,plant and Equipment and Intangible Assets

₹ in thousand

| DESCRIPTION | Gross carrying value | | | | Accumulated depreciation | | | | Net carrying value | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at April 1, 2023 | Additions | Deductions / Transfer | As at March 31, 2024 | As at April 1, 2023 | Depreciation for the year | Deductions | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 |
| **12 Property,plant and Equipment and Intangible Assets** | | | | | | | | | | |
| **Property, Plant and Equipment** | | | | | | | | | | |
| Furniture and fixtures | 99 | - | - | 99 | 10 | 10 | - | 20 | 89 | 79 |
| Computers | 5,288 | 56 | 4,841 | 504 | 1,157 | 165 | 966 | 356 | 4,131 | 148 |
| Office equipments | 330 | - | - | 330 | 55 | 66 | - | 121 | 275 | 209 |
| | **5,716** | **56** | **4,841** | **932** | **1,222** | **241** | **966** | **497** | **4,494** | **436** |
| **Intangible assets** | | | | | | | | | | |
| Trademark | 147 | - | - | 147 | 29 | 15 | - | 44 | 118 | 104 |
| Tally Software | 59 | - | - | 59 | 4 | 6 | - | 10 | 54 | 49 |
| Brand Development | 2,494 | - | - | 2,494 | 249 | 250 | - | 499 | 2,244 | 1,994 |
| | **2,700** | - | - | **2,700** | **282** | **271** | - | **553** | **2,417** | **2,147** |
| **Total** | **8,416** | **56** | **4,841** | **3,632** | **1,504** | **511** | **966** | **1,050** | **6,912** | **2,582** |
| **Previous Year** | 3,409 | 7,500 | 2,494 | 8,416 | 51 | 1,453 | - | 1,504 | 3,358 | 6,912 |

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₹ in thousand

| | Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|
| **21** | **Revenue from operations** | | |
| | Sales of home and kitchen appliances | 58,915 | 32,516 |
| | | **58,915** | **32,516** |
| **22** | **Other income** | | |
| | Interest on Loan to Subsidaries | 18,946 | 2,275 |
| | Net Gain on sale of Investments | 15,854 | 6,518 |
| | Gain on Sale of Laptops | 435 | - |
| | Interest on Income Tax Refund | 23 | - |
| | Interest Income - Margin Money Stride | 147 | - |
| | Interest on Fixed Deposit | 488 | - |
| | Foreign Exchange Gain/Loss | 118 | 63 |
| | | **36,012** | **8,856** |
| **23** | **Purchases of Stock in Trade** | | |
| | Purchase of home and kitchen appliances | 48,654 | 38,821 |
| | | **48,654** | **38,821** |
| **24** | **Change in Inventories of Stock-in-Trade** | | |
| | Opening Balance | 23,821 | 5,415 |
| | Less : Closing Balance | 31,351 | 23,821 |
| | Less: Goods in Transit | 9,587 | - |
| | | **(17,117)** | **(18,406)** |
| **25** | **Employee benefits expense** | | |
| | Salaries, wages and bonus | 15,504 | 12,346 |
| | Directors Remuneration | 1,232 | 2,482 |
| | Staff welfare expenses | 65 | 14 |
| | Contribution to provident and other funds | 356 | 86 |
| | Gratuity expenses | 167 | 475 |
| | Expense on employee stock option scheme (ESOP) | 570 | 568 |
| | Leave Encashment Expense | (49) | 137 |
| | | **17,844** | **16,109** |
| **26** | **Finance costs** | | |
| | Interest on Loan | 4,366 | 463 |
| | Interest on Others | 17 | - |
| | | **4,383** | **463** |
| **27** | **Depreciation and amortization expense** | | |
| | Depreciation on Property, plant and equipment | 241 | 1,179 |
| | Amortisation on intangible assets | 271 | 274 |
| | | **511** | **1,453** |

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₹ in thousand

| | Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|
| 28 | **Other expenses** | | |
| | Customer relationship management Charges | 1,358 | 819 |
| | Electricity Charges | 70 | 47 |
| | General Admin expenses | 328 | 301 |
| | Insurance | 15 | 345 |
| | Marketing Expenses | 27,495 | 23,161 |
| | Professional Fees | 2,695 | 2,867 |
| | Rent, rates & taxes | 2,162 | 925 |
| | Sales commission | 10,615 | 5,136 |
| | Auditors Remuneration (Refer Note 28.1) | 254 | 165 |
| | Tech & Software Cost | 2,499 | 544 |
| | Warehousing and product delivery charges | 3,413 | 2,275 |
| | Sundry Balance Written Off | 407 | - |
| | Miscellaneous Expenses | 201 | 599 |
| | | **51,513** | **37,184** |
| 28.1 | Payment to Auditors: | | |
| | For Statutory Audit | 254 | 165 |
| | For Other Services | - | - |
| | For Reimbursment of Expenses | - | - |

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₹ in thousand

**29 Earnings Per Equity Share :**

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Number of Equity Shares as at the beginning of the year | 53,68,994 | - |
| Number of Equity Shares as at the end of the year | 53,74,904 | 53,68,994 |
| Weighted average number of equity shares outstanding | 53,74,332 | 53,68,994 |
| Weighted average number of shares outstanding for dilutive EPS* | 88,78,628 | 65,46,498 |
| Net Profit/(Loss) for the year | (10,748) | (34,211) |
| **Basic EPS (Rs)** | **(2.00)** | **(6.37)** |
| **Diluted EPS (Rs)** | **(1.21)** | **(5.23)** |

* Partly paid up preference shares converted to fully

**30 Related Party disclosures**

**i. List of related parties**

| **Name of the Party** | **Relationship** |
|---|---|
| Anvi Nishith Shah | Director/Promoter/KMP |
| Neehar Rejesh Modi | Director/Promoter/KMP |
| Sachin Jatin Parikh | Director/Promoter/KMP |
| Shruti Shah | Relatives of |
| Sandhaya Shah | Relatives of |
| Hyuga Ecommerce Ventures Private Limited | Subsidiary Company |
| Neesan Ventures Private Limited | Subsidiary Company |
| Hyuga Health & Wellness Private Limited | Subsidiary Company |
| Inaari Life Private Limited | Subsidiary Company |

**ii. Transactions with Related Parties**

| **Name of Party** | **Nature of Transaction** | **For the year ended March 31, 2024** | **For year ended March 31, 2023** |
|---|---|---|---|
| Anvi Nishith Shah | Remuneration & Expenses incurred on behalf of company | - | 845 |
| Neehar Rejesh Modi | Remuneration & Expenses incurred on behalf of company | 1,232 | 1,608 |
| Sachin Jatin Parikh | Remuneration & Expenses incurred on behalf of company | - | 535 |
| Sachin Jatin Parikh | Loan given/(received) | 5 | 3,600 |
| Hyuga Ecommerce Ventures Private Limited | Loan given/(received) | 2,67,391 | 99,107 |
| Hyuga Health & Wellness Private Limited | Loan given/(received) | 20,553 | 5,463 |
| Inaari Life Private Limited | Loan given/(received) | 19,596 | (15,900) |
| Neesan Ventures Private Limited | Loan given/(received) | - | (2,400) |
| Hyuga Ecommerce Ventures Private Limited | Advance for Expenses | 36,210 | - |
| Hyuga Health & Wellness Private Limited | Advance for Expenses | 3,613 | - |
| Inaari Life Private Limited | Advance for Expenses | 1,903 | - |
| Neesan Ventures Private Limited | Advance for Expenses | 52 | - |
| Hyuga Ecommerce Ventures Private Limited | Sale of Fixed Assets | 4,166 | - |
| Hyuga Health & Wellness Private Limited | Sale of Fixed Assets | 86 | - |
| Inaari Life Private Limited | Sale of Fixed Assets | 57 | - |
| Hyuga Ecommerce Ventures Private Limited | Interest Income | 17,542 | 1,809 |
| Hyuga Health & Wellness Private Limited | Interest Income | 1,039 | 107 |
| Inaari Life Private Limited | Interest Income | 365 | 359 |
| Neesan Ventures Private Limited | Interest on Loan | 63 | - |

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S.J.P

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Notes on Financial Statements for the year ended March 31, 2024

iii. Balances at year End

| Name of Party | Nature of Transaction | For the year ended March 31, 2024 | For year ended March 31, 2023 |
|---|---|---|---|
| Anvi Nishith Shah | Expense incurred on behalf of the Company | (37) | 25 |
| Neehar Rejesh Modi | Expense incurred on behalf of the Company | (169) | (159) |
| Sachin Jatin Parikh | Expense incurred on behalf of the Company | (153) | (160) |
| Hyuga Ecommerce Ventures Private Limited | Loan Receivable/(Payable) | 3,66,749 | 97,729 |
| Hyuga Health & Wellness Private Limited | Loan Receivable/(Payable) | 25,109 | 4,460 |
| Inaari Life Private Limited | Loan Receivable/(Payable) | 15,575 | (4,344) |
| Neesan Ventures Private Limited | Loan Receivable/(Payable) | (792) | (792) |
| Hyuga Ecommerce Ventures Private Limited | Advance for Expenses | 36,210 | - |
| Hyuga Health & Wellness Private Limited | Advance for Expenses | 3,613 | - |
| Inaari Life Private Limited | Advance for Expenses | 1,903 | - |
| Neesan Ventures Private Limited | Advance for Expenses | 52 | - |
| Hyuga Ecommerce Ventures Private Limited | Receivable for Capital Goods | 4,916 | - |
| Hyuga Health & Wellness Private Limited | Receivable for Capital Goods | 102 | - |
| Inaari Life Private Limited | Receivable for Capital Goods | 68 | - |
| Hyuga Ecommerce Ventures Private Limited | Interest Receivable | 15,788 | 1,628 |
| Hyuga Health & Wellness Private Limited | Interest Receivable | 935 | 97 |
| Inaari Life Private Limited | Interest Receivable | 328 | 323 |
| Neesan Ventures Private Limited | Interest Payable on Loan | 57 | - |

**31 Details relating to Micro, Small and Medium Enterprises**

| Description | Amount |
|---|---|
| (a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year; | Principal- Rs 344 thousand<br>Interest- Rs 17 thousand |
| (b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year; | - |
| (c) the amount of interest due and payable for the period of detay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006; | - |
| (d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and | Rs 17 thousand |
| (e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006. | - |

| **32 Expenditure in Foreign Currency** | FY 2023-24 Amount | FY 2022-23 Amount |
|---|---|---|
| Expenses on Technology & Development | 2,004 | 218 |
| Commission on Import | 1,677 | 1,392 |
| **Earning in Foreign Currency** | | |
| Foreign Exchange Gain | 118 | 63 |

**33 Commitments and contingencies**

Capital commitments:
There are no capital commitments as at 31 March 2024

**Contingent liabilities:**
The Company does not have any pending litigations which would impact its financial position.

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## 34 Employee benefit plans:

### (i) Defined contribution plan

The amount recognised as an expense during the year ended 31 March 2024 towards provident and other funds is Rs 3,55,800 (31 March 2023: Rs 86,100).

### (ii) Defined benefit plan

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is eligible to a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is unfunded. The following table set out the status of the gratuity plan as required under Accounting Standard 15 "Employee benefits" and the reconciliation of opening and closing balances of the present value of the defined benefit obligation.

**a. Changes in the present value of defined benefit obligation** **₹ in thousand**

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| Present value of the obligation at beginning of the year | 475 | - |
| Current service cost | 582 | - |
| Past service cost – vested benefit incurred during the period | - | 106 |
| Interest cost | 35 | 8 |
| Actuarial (gain)/loss on obligation | (450) | 361 |
| Benefits paid | - | - |
| **Present value of the obligation at the end of the year** | 642 | 475 |

**b. Actuarial gain/ loss recognised for the year**

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| Actuarial (Gain) / loss for the year – Obligations | (450) | 361 |
| Actuarial (Gain) / loss for the year – Plan Assets | - | - |
| Total (gain) / loss for the year | (450) | 361 |
| Actuarial (gain) / loss recognised in the year | (450) | 361 |
| Unrecognised actuarial (gain) / loss at the end of the year | | |
| **Unrecognised actuarial (gain) / loss at the end of the year** | - | - |

**c. Amount recognised in the balance sheet**

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| Present value of obligation at the end of year | 642 | 475 |
| Fair value of the plan assets at the end of year | - | - |
| Surplus / (Deficit) | (642) | (475) |
| Current liability | - | - |
| Non-current liability | 642 | 475 |
| Unrecognised past service cost | - | - |
| **Net asset / (liability) recognised in balance sheet** | (642) | (475) |

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**d. Expenses recognised in the statement of profit and loss**

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| Current service cost | 582 | - |
| Interest cost | 35 | 8 |
| Actuarial (gain)/loss | (450) | 361 |
| Past service cost – vested benefit incurred during the period | - | 106 |
| **Expenses recognised in the statement of profit and loss** | **167** | **475** |

**e. Reconciliation of net asset/(liability) recognised**

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| Net asset / (liability) recognised at the beginning of the year | (475) | - |
| Expense recognised at the end of year | (167) | (475) |
| Benefits directly paid by Company | - | - |
| **Net asset / (liability) recognised at the end of the year** | **(642)** | **(475)** |

**f. Assumptions**

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| Discount rate (p.a.) | 7.20% | 7.30% |
| Salary escalation rate (p.a.) | 10.00% | 10.00% |
| Employee attrition rate (p.a.) | 17.00% | 17.00% |
| Mortality rate | IALM(2012-14) ult | IALM(2012-14) ult |

**g. Details of present value of obligation, plan assets and experience adjustments:**

| Particulars | 31-Mar-20 | 31-Mar-21 | 31-Mar-22 | 31-Mar-23 | 31-Mar-24 |
|---|---|---|---|---|---|
| Present value of obligation | - | - | - | 475 | 642 |
| Fair value of plan assets | - | - | - | - | - |
| Deficit | - | - | - | (475) | (642) |
| Experience adjustments: | - | - | - | - | - |
| (Gain)/Loss on plan liabilities | - | - | - | 361 | (454) |
| (Gain)/Loss on plan assets | - | - | - | - | - |

**(iii) Defined benefit plan for compensated absences**

The amount of the provision of Rs 71 thousand (31 March 2023: Rs 137 thousand) is presented as liability, since the Company does not have an unconditional right to defer settlement for any of these obligations.

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(₹ in thousands, except for share data, and if otherwise stated)

**35 Ratio Analysis and its elements**

| Ratio | Basis | | Year ended 31 March 2024 | Year ended 31 March 2023 | % change |
|---|---|---|---|---|---|
| Current ratio | Current Assets / Current Liabilities | Times | 40.45 | 10.90 | 271% |
| Debt- Equity Ratio | Total Debt / Total Equity | Times | 0.01 | 0.06 | -83% |
| Debt Service Coverage Ratio | Earnings for debt service / Debt Service | Times | -1.34 | -69.69 | -98% |
| Return on Equity Ratio | Net Loss for the year / Average Equity | % | -0.02 | -0.13 | -81% |
| Inventory Turnover Ratio | Cost of Goods Sold / Average Inventory | Times | 0.97 | 1.40 | -30% |
| Trade Receivable Turnover Ratio | Revenue from Sale of Products / Average Trade Receivables | Times | 30.28 | 36.15 | -16% |
| Trade Payable Turnover Ratio | Cost of Goods Sold / Average Trade Payables | Times | 12.51 | 10.89 | 15% |
| Net Capital Turnover Ratio | Revenue from Operations / Working Capital | Times | 0.10 | 0.16 | -36% |
| Net Profit Ratio | Net Loss for the year / Revenue from operations | % | -0.11 | -0.83 | -86% |
| Return on Capital Employed | Earnings before Interest and Tax / Capital Employed | % | -1.46 | -12.71 | -88% |
| Return on Investment | Gain/(Loss) / Cost of Investments | | 2.97 | 4.65 | -36% |

(i) Current ratio : The change in this ratio can be attributed to the fact that the company has provided a loan to its subsidiary for their operational needs.

ii) Debt- Equity Ratio: The shift in ratio can be attributed to the repayment of the loan and the growth in shareholders' funds.

(iii) Debt Service Coverage Ratio: This change in ratio is due to increase in Interest, which has been offset by reduced losses from increased sales

(iv) Return on Equity Ratio: Change in ratio due to notable decrease in losses and a simultaneous increase in equity

(v) Inventory Turnover Ratio: The increase in stock purchases has caused a shift in the ratio.

(vi) Trade Receivable Turnover Ratio : The increase in turnover has led to a change in ratio, while the rise in trade receivables has also contributed to this change.

(vii) Trade Payable Turnover Ratio : The increase in purchase of stock has led to a change in ratio, while the rise in trade receivables has also contributed to this change.

(viii) Net Capital Turnover Ratio : The change in ratio can be attributed to the improved revenue from operations, as well as the significant shift in the working capital of the entity

(ix) Net Profit Ratio: The improved ratio can be attributed to the significant increase in turnover and the noticeable decline in losses.

(x) Return on Capital Employed: The improvement in the ratio can be attributed to the decline in losses, as well as the increase in equity and reserves.

(xi) Return on Investment: return on investment (ROI) has seen a significant increase as a result of the improved market value on investments

V. C. SHAH & CO. CHARTERED ACCOUNTANTS VCS&Co.

PRATECH BRANDS PVT LTD

## 36 ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III

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

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

**(ii) Borrowing secured against current assets**

The Company has not borrowed from banks and financial institutions on the basis of security of current assets.

**(iii) Wilful defaulter**

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

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

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

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

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

**(vi) Compliance with approved scheme(s) of arrangements**

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

**(vii) Utilisation of borrowed funds and share premium**

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

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

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

**(viii) Undisclosed income**

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

**(ix) Details of crypto currency or virtual currency**

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

**(x) Valuation of PP&E, intangible asset and investment property**

The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

V.C. SHAH & CO. CHARTERED ACCOUNTANTS

VCS&Co.

PRATECH BRANDS PVT LTD

Pratech Brands Private Limited
CIN : U52335MH2021PTC362865
Notes on Financial Statements for the year ended March 31, 2024

**(xi) Loans or Advances**

(a) repayable on demand; or

(b) without specifying any terms or period of repayment

| | F.Y. 2023-24 | | F.Y. 2022-23 | |
|---|---|---|---|---|
| **Type of borrower** | **Amount of loan or advance in the nature of loan outstanding** | **Percentage to the total Loans and Advances in the nature of loans** | **Amount of loan or advance in the nature of loan outstanding** | **Percentage to the total Loans and Advances in the nature of loans** |
| Related parties | 4,07,433 | 100.00% | 99,101 | 100.00% |
| | 4,07,433 | 100.00% | 99,101 | 100.00% |

**(xii) Intangible assets under development:**

(a) No Intangible assets which is under development for the reporting period.

(b) No Intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan.

**Other regulatory information**

**(i) Title deeds of immovable properties not held in name of the company**
The Company does not have immovable property, hence this clause is not applicable.

**(ii) Registration of charges or satisfaction with Registrar of Companies**
There are no charges or satisfaction which are to be registered with the Registrar of Companies.

**37** The company has used an accounting software for maintaining its books of accounts which has a feature of recording audit trail (edit log) facility and the same has been operated througout the year for all relavant transaction recorded in the software.

**38** Previous Year's figures have been regrouped/rearranged, wherever necessary at last after all notes.

**As per our report of even**
**For V. C. Shah & Co.**
**Chartered Accountants**

V. C. SHAH & CO. CHARTERED ACCOUNTANTS

**Viral J. Shah**
**Partner**
**Membership No. 110120**
Place: Mumbai

Date: 24th September 2024

**Sachin Parikh**
Director
DIN - 07926070

**Neehar Modi**
Director
DIN - 09396436

PRATECH BRANDS PVT LTD