ANAND TARUN & CO.
CHARTERED ACCOUNTANTS

ATC
Chartered Accountant

UDIN No : 24095725 7BKBEYM3387 Ref. No. : ..... Dated : 01.08.2024

# INDEPENDENT AUDITOR'S REPORT

**To the Members of M/S SKIDO INDUSTRIES PRIVATE LIMITED**

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the standalone financial statements of M/S SKIDO INDUSTRIES PRIVATE LIMITED, which comprise the balance sheet as at 31st March 2024, and the statement of Profit and Loss, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by 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 profit/loss, and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibility of Management for Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act.

ANAND TARUN & CO. CHARTERED ACCOUNTANTS FRN : 017735N JALANDHAR

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

**Reporting on other Matters:**

Company had maintained its books of Accounts Manually and not in Electronic form in any software for the year ending 31.03.2024. Thus as Required by Section 128 of the Companies Act, 2013 read with Rule 3(1) of the Companies (Accounts) Rules, 2014 Company was not required to Maintain Audit Trial of sequential record of all the events that occur in a computer system or application for the Preparation and Maintenance of Books of Accounts for the Year Ending 31.03.2024.

**Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2020, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

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.

ANAND TIRUV & CO. CHARTERED ACCOUNTANTS FRN : 017735N JALANDHAR

(a) 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.

(b) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts(c) 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.

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

**Date: 01/08/2024**
**Place: Jalandhar**
**UDIN:240957257BkBEYM3387**

**FOR ANAND TARUN & CO.**

**(CHARTERED ACCOUNTANTS)**

ANAND TARUN & CO. CHARTERED ACCOUNTANTS FRN : 017735N JALANDHAR

**CA. ANAND M.CHOPRA**
**(PARTNER)**
**M.NO 094257**

**"Annexure A" to the Independent Auditors' Report**

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2024:

1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.

(c) The title deeds of immovable properties are held in the name of the company.

2) (a) The management has conducted the physical verification of inventory at reasonable intervals.

b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.

3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.

4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and I86 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.

5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.

ANAND TARUN & CO. CHARTERED ACCOUNTANTS FRN : 017736N JALANDHAR

7) According to the information and explanations given to us in respect of statutory dues:

a) According to the information and explanations given to us and the records examined by us, the company had fully deposited with appropriate authorities undisputed statutory dues for the F.Y 2022-23

b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.

8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.

9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.

10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.

11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;

12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.

13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.

15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

ANAND TARUN & CO. CHARTERED ACCOUNTANTS FRN : 017735N JALANDHAR

16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

17) Company had not incurred any Cash Loss during the Period under Consideration. Company did not Commenced its operations during the financial year, thus mostly the expenses incurred are pre-operative in nature.

18) There had not been any resignation by the Statutory Auditor during the financial year.

19) We are of the Opinion that no Material uncertainty exists as on the date of audit report and t that company is 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.

20) (i) company has not transferred unspent amount to a Fund00 specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act;

(ii) Section 135 is not Applicable to company and also no amount had been transferred during the Period under Consideration.

21. Company is not having any its subsidiary company, hence no consolidation of financial statements

Are done.

**For Anand Tarun & Co.**
**Chartered Accountants**

ANAND TARUN & CO. CHARTERED ACCOUNTANTS FRN : 017735N JALANDHAR

**CA. Anand M.Chopra**
**M.No. – 094257**
**(Partner)**

**Place: Jalandhar.**

**Date: 01/08/2024**

**UDIN:240957257BkBEYM3387**

# Skido Industries Private Limited

## Balance Sheet as at 31 March 2024

(Currency: Indian rupees in Lakhs)

| | | Note | As at 31 March 2024 |
|---|---|---|---|
| | **ASSETS** | | |
| 1 | **Non-Current Assets** | | |
| | Property, Plant and Equipment | | - |
| | Financial Assets | | |
| | - Other Financial Assets | | - |
| | Deferred Tax Assets (net) | 11 | 0.12 |
| | Non-current tax assets (Net) | | - |
| | Other Non-Current Assets | | - |
| | **Total Non-Current Assets (A)** | | **0.13** |
| 2 | **Current Assets** | | |
| | Inventories | | - |
| | Financial Assets | | |
| | - Trade Receivables | | - |
| | - Cash And Cash Equivalents | 3 | 99.61 |
| | - Bank Balances other than cash and cash equivalents as above | | - |
| | Other Current Assets | | - |
| | **Total Current Assets (B)** | | **99.60** |
| | **TOTAL ASSETS (A+B)** | | **99.73** |
| | **EQUITY & LIABILITIES** | | |
| 1 | **Equity** | | |
| | - Equity Share Capital | 4 | 49.00 |
| | - Other Equity | 5 | (3.16) |
| | **Total Equity (C)** | | **45.84** |
| 2 | **Share Application Money pending allotment (D)** | 6 | **51.00** |
| 3 | **Liabilities** | | |
| | **Non-Current Liabilities** | | |
| | Financial Liabilities | | |
| | - Borrowings | | - |
| | Provisions | | - |
| | Deferred Tax Liabilities (net) | | - |
| | **Total Non-Current Liabilities (E)** | | - |
| | **Current Liabilities** | | |
| | Financial Liabilities | | |
| | - Borrowings | 7 | 2.79 |
| | - Trade Payables | 8 | |
| | Micro and Small Enterprises | | - |
| | Other than Micro and Small Enterprises | | 0.10 |
| | - Other Financial Liabilities | | - |
| | Other Current Liabilities | | - |
| | Provisions | | - |
| | Current Tax Liabilities (Net) | | - |
| | **Total Current Liabilities (F)** | | **2.89** |
| | **TOTAL EQUITY & LIABILITIES (C+D+E+F)** | | **99.73** |

The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached
**For Anand Tarun & Co**
*Chartered Accountants*
Firm Registration No. 017735N

ANAND TARUN & CO. CHARTERED ACCOUNTANTS FRN: 017735N JALANDHAR

**Anand Mohan Chopra**
*Partner*
Membership No: 094257
Place: Jalandhar
Date:01-08-2024

**For Skido Industries Private Limited**
CIN No. U15121PB2023PTC060067

**Pranay Sehgal**
Director
DIN : 09310877
Place: Jalandhar
Date: 01-08-2024

**Priya Sehgal**
Director
DIN : 09310794
Place: Jalandhar
Date: 01-08-2024

# Skido Industries Private Limited

## Statement of Profit and Loss

**For the period ended 22 November 2023 to 31 March 2024**

(Currency: Indian rupees in Lakhs)

| | | Note No. | Period ended 22 Novemeber 2023 to 31 March 2024 |
|---|---|---|---|
| **I** | **Income** | | |
| | Revenue from Operations | | - |
| | Other Income | | - |
| | **Total Income (I)** | | **-** |
| **II** | **Expenses** | | |
| | Cost of Materials Consumed | | - |
| | Purchase of Stock-in-Trade | | - |
| | Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade | | - |
| | Employee Benefits Expense | | - |
| | Finance Costs | | - |
| | Depreciation and Amortisation Expense | | - |
| | Other Expenses | 9 | 3.28 |
| | **Total Expenses (II)** | | **3.28** |
| **III** | **Loss before Tax (I -II)** | | **(3.28)** |
| **IV** | **Tax Expenses** | 10 | |
| | Current Tax | | - |
| | Deferred Tax Expense/(Credit) | | (0.12) |
| | | | **(0.12)** |
| **V** | **Loss for the period** | | **(3.16)** |
| **VI** | **Other Comprehensive Income** | | **-** |
| **VII** | **Total Comprehensive Income for the Period (V+VI)** | | **(3.16)** |
| **VIII** | **Earnings Per Equity Share (Face Value of Share Rs 10 each)** | | |
| | Basic (Rs) | 12 | (1.20) |
| | Diluted (Rs) | | (1.20) |

The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached
**For Anand Tarun & Co**
*Chartered Accountants*
Firm Registration No. 017735N

ANAND TARUN & CO. CHARTERED ACCOUNTANTS FRN : 017735N JALANDHAR

**Anand Mohan Chopra**
*Partner*
Membership No: 094257
Place: Jalandhar
Date: 01-08-2024

**For Skido Industries Private Limited**
CIN No. U15121PB2023PTC060067

**Pranay Sehgal**
Director
DIN : 09310877
Place: Jalandhar
Date: 01-08-2024

**Priya Sehgal**
Director
DIN : 09310794
Place: Jalandhar
Date: 01-08-2024

# Skido Industries Private Limited

## Statement of Cash Flows

**For the period ended 22 November 2023 to 31 March 2024**

(Currency: Indian rupees in Lakhs)

| Particulars | Period ended 22 Novemeber 2023 to 31 March 2024 |
|---|---|
| **Cash flow from operating activities** | |
| Loss before tax | (3.28) |
| **Adjustments for working capital change in:** | |
| -Increase in trade payables | 0.10 |
| **Net (increase) in working capital** | **0.10** |
| **Cash generated from operations** | (3.18) |
| Income tax paid (net of refunds) | - |
| **Net cash flows generated from operating activities (A)** | **(3.18)** |
| **Net cash flows from investing activities (B)** | - |
| **Cash flow from financing activities** | |
| Proceeds from share issue | 49.00 |
| Share application money received | 51.00 |
| Proceeds from short term borrowings | 2.79 |
| **Net cash flows generated from financing activities (C )** | **102.79** |
| **Net increase in cash and cash equivalents (A+B+C)** | **99.61** |
| Cash and cash equivalents at beginning of the year | - |
| **Cash and cash equivalents at end of the year** | **99.61** |
| **Net increase in cash and cash equivalents** | **99.61** |

**Notes:**

i) The above cash flow statement has been prepared using indirect method as setout in Ind AS- 7 Cash Flow Statements as prescribed under section 133 of the Companies Act, 2013 read with rules.

ii) **Break of Cash and cash equivalents at the end of the year :-**

| | Year ended 31 March 2024 |
|---|---|
| Balances with banks: | |
| -in current accounts | 99.61 |
| | **99.61** |

As per our report of even date attached
**For Anand Tarun & Co**
*Chartered Accountants*
Firm Registration No. 017735N

ANAND TARUN & CO. CHARTERED ACCOUNTANTS FRN : 017735N JALANDHAR

**Anand Mohan Chopra**
*Partner*
Membership No: 094257
Place: Jalandhar
Date: 01-08-2024

**For Skido Industries Private Limited**
CIN No. U15121PB2023PTC060067

**Pranay Sehgal**
Director
DIN : 09310877
Place: Jalandhar
Date: 01-08-2024

**Priya Sehgal**
Director
DIN : 09310794
Place: Jalandhar
Date: 01-08-2024

# Skido Industries Private Limited

## Statement of Changes In Equity

**For the period ended 22 November 2023 to 31 March 2024**

(Currency: Indian rupees in Lakhs)

### A. Equity Share Capital

| | As at 31 March 2024 |
|---|---|
| **ISSUED, SUBSCRIBED AND PAID UP CAPITAL** | |
| Equity Shares of Rs 10/- each | |
| No of Shares | **4,90,000** |
| Balance at the beginning of the year (Rupees in Lakhs) | - |
| Changes during the year | 49.00 |
| **Balance at the end of the year (Rupees in Lakhs)** | **49.00** |

### B. Other Equity

**(Rs. In Lakhs)**

| | Reserves & Surplus | Total Other Equity |
|---|---|---|
| | Retained Earnings | |
| Balance at 22 November 2023 | - | - |
| Loss for the period | (3.16) | (3.16) |
| **Balance at 31 March 2024** | **(3.16)** | **(3.16)** |

The accompanying notes form an integral part of the Financial Statements

**For Anand Tarun & Co**
*Chartered Accountants*
Firm Registration No. 017735N

ANAND TARUN & CO. CHARTERED ACCOUNTANTS FRN: 017735N JALANDHAR

**Anand Mohan Chopra**
*Partner*
Membership No: 094257
Place: Jalandhar
Date: 01-08-2024

**For Skido Industries Private Limited**
CIN No. U15121PB2023PTC060067

**Pranay Sehgal**
Director
DIN : 09310877
Place: Jalandhar
Date: 01-08-2024

**Priya Sehgal**
Director
DIN : 09310794
Place: Jalandhar
Date: 01-08-2024

## Notes to the Financial Statements (Continued)

*as at 31 March 2024*

(Currency: Indian rupees in Lakhs)

### 1 Company information

**(a)** Skido Industries Private Limited ("Skido" or "Company") registered office is located at B-29 Sports and Surgical Complex , Kapurthala Road, Basti Bawa Khel, Jalandhar, Punjab, India, 144021. Skido is primarily engaged in manufacturing and sales of manufacturing and retailing of bags, including school bags, pouches, and related items.

**(b)** Skido was incorporated under the Companies Act, 2013, vide Certificate of Incorporation dated 22 Novemeber 2023, issued by the Ministry of Corporate Affairs, under the name and style "Skido Industries Private Limited".

### 2(i) Material accounting policies

**(a) Basis of preparation**

The financial statements of the Company have been prepared in compliance with Indian Accounting Standards (hereinafter referred to as the 'Ind AS') notified under Section 133 of the Companies Act, 2013 (the Act) read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) Amendment Rules, 2016 and other relevant provisions of the Act.

The Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101, First-Time Adoption of Indian Accounting Standards.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements except where a newly issued accounting standard is initially adopted or revision to an existing accounting standard where a change in accounting policy hitherto in use.

The financial statements have been prepared under the historical cost convention except for certain financial instruments measured at fair value as explained in the accounting policies. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services at the time of their acquisition.

**(b) 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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

**(c) Inventories**

Inventories which comprise raw materials, work-in-progress, finished goods, stock-in-trade, packing material are carried at the lower of cost and net realisable value. Cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value. The comparison of cost and net realisable value is made on an item-by-item basis.

ANAND TARUN & CO. CHARTERED ACCOUNTANTS FRN: 017735N JALANDHAR

**(d) Revenue recognition**

**i. Revenue from sale of goods**

Revenue represents amounts received and receivable from third parties for goods supplied to the customers. The Company recognizes revenue from sale of goods measured upon satisfaction of performance obligation which is at a point in time when control of the goods is transferred to the customer, generally on delivery of the goods. Revenue is measured based on the transaction price, which is the consideration, adjusted for trade discounts, rebates, scheme allowances, incentives, and returns, if any. Revenue excludes taxes collected from customers on behalf of the Government. Accumulated experience is used to estimate and accrue for the discounts (using the most likely method) and returns considering the terms of the underlying schemes and agreements with the customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

A liability is recognised where payments are received from customers before transferring control of the goods being sold.

**ii. Interest income**

Interest income from financial assets is recognised when it is probable that 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 assets to that asset's net carrying amount on initial recognition.

**(e) Property, plant and equipment**

**i. Recognition and measurement**

All other items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of an item of property, plant and equipment comprises:

a) its purchase price, including import duties and non-refundable taxes (net of Cenvat, VAT and GST), after deducting trade discounts and rebates.

b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

c) borrowing costs for long-term construction projects if the recognition criteria are met.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets and the cost of assets not ready to use before such date are disclosed under 'Capital work-in-progress'.

**ii. Subsequent expenditure**

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the Statement of Profit and Loss when incurred.

**(f) Financial instruments**

Financial instruments (assets and liabilities) are recognised when the Company becomes a party to a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**i. Financial assets**

**Initial recognition and measurement**

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

**Classification**

The Company classifies financial assets as subsequently measured at amortized cost on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

**Debt instruments**

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

ANAND TARUN & CO. CHARTERED ACCOUNTANTS FRN: 017735N JALANDHAR

## Notes to the Financial Statements (Continued)

*as at 31 March 2024*

(Currency: Indian rupees in Lakhs)

**(f) Financial instruments (continued)**

**i. Financial assets (continued)**

**Equity Instruments measured at FVTOCI or FVTPL**

All equity investments in scope of Ind-AS 109 are measured at Fair Value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the Other Comprehensive Income (OCI). There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Profit and loss statement.

**Equity instruments measured at Cost**

Equity instruments / Investments in subsidiaries / Joint Ventures / Associates are accounted at cost in accordance with Ind AS 27 - Separate Financial Statements.

**De-recognition**

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

**Impairment of financial assets**

In accordance with Ind-AS 109, the Company applies expected credit loss ('ECL') model for recognition and measurement of impairment loss on the following financial assets and credit risk exposure:

a) Trade receivables

b) Financial assets that are debt instruments, and are measured at amortized cost e.g. deposits and bank balance.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

**ii. Financial liabilities**

**Initial recognition and measurement**

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

The Company's financial liabilities include trade and other payables and loans and borrowings.

**Classification**

The Company classifies all financial liabilities as subsequently measured at amortised cost.

**Subsequent measurement of Financial liabilities at amortised cost**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit and loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

ANAND TARUN & CO. CHARTERED ACCOUNTANTS FRN: 017735N JALANDHAR

## Notes to the Financial Statements (Continued)

*as at 31 March 2024*

(Currency: Indian rupees in Lakhs)

**(f) Financial instruments (continued)**

**ii. Financial liabilities (continued)**

**Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

**Offsetting of financial instruments**

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

**(g) Employee benefits**

**i.** Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**ii.** Compensated absences are recognised when the employees render service that increase their entitlement to future compensated absences. As per the policy of the Company, employees are entitled to encash leave subject to a maximum of 30 days. Compensated absences have been provided for based on outstanding leave balance and employee's basic pay. Compensated absences are payable wholly within twelve months of rendering the service and are classified as short-term employee benefits.

**iii.** Defined contribution plans Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

**iv.** Defined benefit plans The Company's net obligation in respect of defined benefit plans is calculated separately by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements. When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

**(h) Impairment of non-financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

**(i) Foreign currency transactions**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. 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. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

ANAND TARUN & CO. CHARTERED ACCOUNTANTS FRN : 017735N JALANDHAR

## Notes to the Financial Statements (Continued)

*as at 31 March 2024*

(Currency: Indian rupees in Lakhs)

**(j) Borrowing cost**

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

**i. Commencement of capitalisation**

Capitalisation of borrowing cost as part of the cost of a qualifying asset shall begin on the commencement date. The commencement date for capitalisation is the date when the entity first meets all of the following conditions:

a. it incurs expenditures for the asset;

b. it incurs borrowing costs; and

c. it undertakes activities that are necessary to prepare the asset for its intended use or sale.

**ii. Cessation of capitalisation**

Cessation of capitalisation shall happen when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

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

**(k) Leases**

**Company as lessee**

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense in the Statement of profit and loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the start date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the financial statement. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification. The effective date of the modification is the date when both the parties agree to the lease modification and is accounted for in that point in time. The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Company applies Ind AS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right of- use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Other expenses" in profit or loss.

**(l) Cash and cash equivalents**

Cash and cash equivalents includes cash-in-hand and demand deposit with banks with original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

AMRIT TARUN & CO. ACCOUNTANTS FRN : 017735 JALANDHAR

## Notes to the Financial Statements (Continued)

*as at 31 March 2024*

(Currency: Indian rupees in Lakhs)

**(m) Provisions, contingent liabilities and contingent assets**

**Provisions**: Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date and are not discounted to its present value, unless the time value of money is material.

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

**Contingent Assets:** Contingent assets are not recognised in the financial assets. However, the same is considered when the realisation is certain and it is no longer considered contingent. The asset is recognised in the period in which the change from contingent asset to asset occurs.

**(n) Functional and presentation currency**

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

**(o) Income tax**

Income tax expense comprises current and deferred tax. It is recognized in profit and loss except to the extent that it relates to items recognised directly in equity or in OCI.

**i. Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the period and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantially enacted as at the reporting date.

Pursuant to the Taxation Laws (Amendment) Act, 2019, A new Section 115BAA has been inserted with effect from Financial Year 2019-20 which allows domestic company to opt to pay income tax at the rate of 22 per cent (effective tax rate is 25.17 percent including surcharge and cess) subject to certain specified conditions mentioned therein. During the year, Company has opted to pay tax as per section 115BA at lower rate. Further, the Company has computed deferred tax as per new tax rate.

**ii. Deferred tax**

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets are recognised for deductible temporary differences (if any) to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore in case of history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary difference or there is convincing other evidence that sufficient taxable profits will be available against which such deferred tax asset can be realised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

**(p) Earnings per share (EPS)**

Basic earnings per share (EPS) is computed by dividing the profit after tax or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to dilutive potential equity shares, by the weighted average number of equity shares considered for deriving the basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all the dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity would decrease the net profit per share from continuing ordinary operations.

**(q) Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Division II of Schedule III to the Companies Act, 2013, unless otherwise stated.

ANAND ... & CO. CHARTERED ACCOUNTANTS FRN: 017735N JALANDHAR

## Notes to the Financial Statements (Continued)

*as at 31 March 2024*

(Currency: Indian rupees in Lakhs)

| | | As at 31 March 2024 |
|---|---|---|
| **3** | **Cash and Cash Equivalents** | |
| | Balances with Banks | |
| | Balance in current account | 99.61 |
| | | **99.61** |

| | | |
|---|---|---|
| **4** | **Equity Share Capital** | |
| | **Authorised Share Capital:** | |
| | 20,00,000 Equity shares of Rs.10 each | **200.00** |
| | **Issued, subscribed and paid up capital** | |
| | 4,90,000 Equity shares of Rs.10 each fully paid up | 49.00 |
| | | **49.00** |

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

| | 31 March 2024 | |
|---|---|---|
| | **No. of shares** | **Amount (Rs in Lakhs)** |
| At the beginning of the year-Fully Paid up | - | - |
| Add: Shares issued during the year fully paid up | 4,90,000 | 49.00 |
| **At the end of the year** | **4,90,000** | **49.00** |

**Terms/Rights attached to Equity Shares**

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regards to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. Failure to pay any amount called up on shares may lead to forfeiture of the shares. On winding up of the Company, the holder of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

**b) Disclosure of Shareholding of Promoters**

| Promoter name | Class of Shares | As at 31 March 2024 | |
|---|---|---|---|
| | | **No. of Shares** | **% of total shares** |
| *Equity shares of Rs. 10 each fully paid up* | | | |
| Pranay Sehgal | Equity | 2,45,000 | 50.00% |
| Priya Sehgal | Equity | 2,45,000 | 50.00% |
| **Total** | | **4,90,000** | **100.00%** |

**c) Details of shareholder(s) holding more than 5% equity shares**

| | 31 March 2024 | |
|---|---|---|
| | **No. of shares** | **% holding** |
| *Equity shares of Rs. 10 each fully paid up* | | |
| Pranay Sehgal | 2,45,000 | 50.00% |
| Priya Sehgal | 2,45,000 | 50.00% |

| | | As at 31 March 2024 |
|---|---|---|
| **5** | **Other Equity** | |
| | **Surplus in the statement of profit and loss** | |
| | Balance at the beginning of the period | - |
| | Add: Loss for the period | (3.16) |
| | **Balance at the end of the period** | **(3.16)** |
| | **Total** | **(3.16)** |

**6 Share Application Money pending allotment**

**a) Details of Share application money:**

| Name | Number of shares proposed to be issued | Face value of share | Amount (Rs Lakhs) |
|---|---|---|---|
| Doms Industries Limited | 5,10,000 | 10.00 | 51.00 |

Pursuant to approval of Board of Directors and the subsequent Share Subscription Agreement and Shareholders Agreement entered between the parties on March 28, 2024, the Company received share application money amounting to ₹ 51.00 lakhs for subscribing to 5,10,000 (Five lakhs and ten thousand) Equity Shares of ₹ 10/- each. The shares of the Company were allotted to Doms Industries Limited on April 01, 2024 effective which the Company became subsidiary of the Doms Industries Limited from that date.

ARORA & CO. CHARTERED ACCOUNTANTS FRN: 017735N JALANDHAR

# Skido Industries Private Limited

## Notes to the Financial Statements (Continued)

*as at 31 March 2024*

(Currency: Indian rupees in Lakhs)

| | | As at 31 March 2024 |
|---|---|---|
| 7 | **Borrowings** | |
| | **Current** | |
| | **Unsecured** | |
| | Loan repayable on demand - related parties | 2.79 |
| | **Total** | **2.79** |

**Notes**

a) **The terms of the loan from related parties are as follows:**
Loan from director is interest free.

| | | |
|---|---|---|
| 8 | **Trade Payables** | |
| | **Current** | |
| | Dues of Micro Enterprises and Small Enterprises | - |
| | Dues of Creditors other than Micro Enterprises and Small Enterprises | 0.10 |
| | **Total** | **0.10** |

8(a) Disclosure as per the provision of the Micro, Small and Medium Enterprises Development Act, 2006, based on available information available with the Company as under:

| Particulars | 31 March 2024 |
|---|---|
| Principal amount remaining unpaid at the end of the period | - |
| Interest due thereon remaining unpaid at the end of the period | - |
| the amount of interest paid by the buyer as per the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006); | - |
| the amounts of the payments made to the suppliers beyond the appointed day during each accounting year; | - |
| 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 MSMED Act, 2006; | - |
| the amount of interest accrued and remaining unpaid at the end of each accounting year; | - |
| 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 enterprises for the purposes of disallowances as a deductible expenditure under the MSMED Act, 2006; | - |

8(b) **Trade Payables Ageing Schedule**

**As on 31 March 2024:**

| Particulars | Outstanding for following period from due date of | | | | | | Total |
|---|---|---|---|---|---|---|---|
| | Unbilled | Not Due | Less than 1 Year | 1-2 years | 2-3 years | More than 3 years | |
| (i) MSME | - | - | - | - | - | - | - |
| (ii) Others | 0.10 | - | - | - | - | | 0.10 |
| (iii) Disputed dues - MSME | - | - | - | - | - | - | - |
| (iv) Disputed dues -Others | - | - | - | - | - | - | - |
| **Total** | **0.10** | **-** | **-** | **-** | **-** | **-** | **0.10** |

ANAND TARUN & CO. CHARTERED ACCOUNTANTS FRN: 017735N JALANDHAR

Skido Industries Private Limited

## Notes to the Financial Statements (Continued)

**For the period ended 22 November 2023 to 31 March 2024**

(Currency: Indian rupees in Lakhs)

| | | Period ended 22 Novemeber 2023 to 31 March 2024 |
|---|---|---|
| **9** | **Other expenses** | |
| | Rates, taxes and duty | 3.00 |
| | Legal and professional fees | 0.18 |
| | Payment to auditors* | 0.10 |
| | **Total** | **3.28** |
| | ***Payment to auditors** | |
| | For statutory audit | 0.10 |
| | **Total** | **0.10** |
| | *Excluding applicable taxes. | |
| **10** | **Tax Expenses** | |
| **(a)** | **Income Tax Expense** | |
| | **Current Tax expenses** | |
| | Current tax for the period | - |
| | **Total Current Tax Expenses** | - |
| | **Deferred Tax Expenses** | |
| | Decrease/(Increase) in Deferred Tax Assets | (0.12) |
| | **Total Deferred Tax Expenses** | **(0.12)** |
| | **Total Tax expenses** | **(0.12)** |

**b)** **Reconciliation of effective tax rate:**

The reconciliation between the amount computed by applying the statutory income tax rate to the (loss) before tax and tax (income) / expenses charge is summarised below:

| Particulars | 31 March 2024 |
|---|---|
| Accounting (loss) before tax | (3.28) |
| Statutory income tax rate | 25.17% |
| Computed tax expense at statutory income tax rate | (0.83) |
| **Adjustments for:** | |
| Tax on non-deductible expenses | 0.70 |
| **Income tax expense reported in the statement of profit or loss** | **(0.12)** |

ANAND TARUN & CO. CHARTERED ACCOUNTANTS FRN: 017[illegible]N JALANDHAR

Skido Industries Private Limited

## Notes to the Financial Statements (Continued)

*as at 31 March 2024*

(Currency: Indian rupees in Lakhs)

| | | As at 31 March 2024 |
|---|---|---|
| **11** | **Deferred Tax balances** | |
| | **Deferred tax assets** | **0.12** |

**Deferred tax assets and liabilities are attributable to the following:**

| | 31 March 2024 |
|---|---|
| **Deferred Tax Assets** | |
| Carry forward of loss | 0.12 |
| **Total Deferred Tax Assets (A)** | **0.12** |
| **Deferred Tax Liabilities** | |
| Property, plant and equipment | - |
| **Total Deferred Tax Liabilities (B)** | **-** |
| **Net Deferred Tax Assets (A-B)** | **0.12** |

**12 Earning per share**

| | |
|---|---|
| Net loss attributable to equity holders (Rs in Lakhs) | (3.16) |
| Weighted average number of Equity Shares outstanding at the end of the year | 2,63,795 |
| Earnings Per Share (Rs): | |
| Basic | (1.20) |
| Diluted | (1.20) |
| Face value per share | **10.00** |

**13 Segment Reporting**

There is only one primary business segment i.e. "manufacturing and retailing of Bags" and hence no separate segment information is disclosed in this financial.

ANAND TARUN & CO
CHARTERED ACCOUNTANTS
FRN : 01773
JALANDHAR

## Notes to the Financial Statements (Continued)

*as at 31 March 2024*

(Currency: Indian rupees in Lakhs)

### 14 Financial instruments – Fair values and risk management

### A. Financial instruments by category and their fair value

| As at 31 March 2024 | Carrying amount | | | | Fair value | | | |
|---|---|---|---|---|---|---|---|---|
| | FVTPL | FVOCI | Amortised Cost | Total | Level 1 - Quoted price in active markets | Level 2 - Significant observable inputs | Level 3 - Significant unobservable inputs | Total |
| **Financial assets** | | | | | | | | |
| Trade Receivables | - | - | - | - | - | - | - | - |
| Cash and Cash Equivalents | - | - | 99.61 | 99.61 | - | - | - | - |
| Other financial assets | | | | | | | | |
| - Non-current | - | - | - | - | - | - | - | - |
| **Total financial assets** | **-** | **-** | **99.61** | **99.61** | **-** | **-** | **-** | **-** |
| **Financial liabilities** | | | | | | | | |
| Borrowings | | | | | | | | |
| - Non-current | - | - | - | - | - | - | - | - |
| - Current | - | - | 2.79 | 2.79 | - | - | - | - |
| Trade Payables | - | - | 0.10 | 0.10 | - | - | - | - |
| Other financial liabilities | | | | | | | | |
| - Current | - | - | - | - | - | - | | - |
| **Total financial liabilities** | **-** | **-** | **2.89** | **2.89** | **-** | **-** | **-** | **-** |

**Note:**

The Company has not disclosed the fair value of financial instruments such as trade receivables, trade payables, short term loans, deposits,etc because their carriying amounts are reasonable approximation of fair value.

### B. Measurement of fair values

The Company uses the following heirarchy for determining and disclosing the fair value of financial instruments by valuation technique.

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have quoted price. The mutual funds are valued using the closing NAV.

**Level 2:** 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 3:** 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 included in level 3.

### C. Financial risk management

The Company has a well-defined risk management framework. The Board of Directors of the Company has adopted a Risk Management Policy. The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

### i) Credit risk

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or fail to pay amounts due causing financial loss to the company. The potential activities where credit risks may arise include from cash and cash equivalents, security deposits or other deposits and principally from credit exposures to customers relating to outstanding receivables. The maximum credit exposure associated with financial assets is equal to the carrying amount.

**Trade and other receivables**

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer and the geography in which it operates. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

The Company has a policy under which each new customer is analysed individually for creditworthiness before offering credit period and delivery terms and conditions. The Company's export sales are backed by letters of credit.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. The Company assesses and manages credit risk based on the Company's credit policy. The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. 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. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

ANANDPARKASH & CO. CHARTERED ACCOUNTANTS FRN: 017735 JALANDHAR

## Notes to the Financial Statements (Continued)

*as at 31 March 2024*

(Currency: Indian rupees in Lakhs)

The Company's trade receivables are geographically dispersed. The Management do not believe there are any particular customers or group of customers that would subject the Company to any significant credit risks in the collection of accounts receivable.

**Other financial assets**

Other financial assets includes loan to employees, security deposits, investments, cash and cash equivalents, other bank balance, advances to employees etc.

• Cash and cash equivalents and Bank deposits are placed with banks having good reputation and past track record with adequate credit rating.

• Company has given security deposit to state government companies for electricity supply . Being government companies, the Company does not have exposure to any credit risk.

**ii) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are proposed to be settled by delivering cash or other financial asset. The Company's financial planning has ensured, as far as possible, that there is sufficient liquidity to meet the liabilities whenever due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company has practiced financial diligence and syndicated adequate liquidity in all business scenarios.

**Exposure to liquidity risk**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

| 31 March 2024 | Carrying amount | Contractual maturities | | | |
|---|---|---|---|---|---|
| | | Total | Less than 1 year | 1-5 years | More than 5 years |
| **Non-derivative financial liabilities** | | | | | |
| Current Borrowings | 2.79 | 2.79 | 2.79 | - | - |
| Trade payables | 0.10 | 0.10 | 0.10 | - | - |
| **Total** | **2.89** | **2.89** | **2.89** | - | - |

**Financial instruments – Fair values and risk management (continued)**

**C. Financial risk management (continued)**

**iii) Market risk - Interest rate risk**

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

The Company's portfolio of borrowings comprise of a mix of fixed rate and floating rate loans which are monitored continuously in the light of market conditions.

| Variable-rate instruments | 31 March 2024 |
|---|---|
| Current Borrowings | - |
| **Total** | - |

**Sensitivity analysis**

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of change in interest rates. Since no interest rate exposure is perceived on fixed rate loans, the same have been excluded from the sensitivity analysis. A reasonably possible change of 50 basis points in interest rates at the reporting date would have increased (decreased) Equity and Profit or Loss by the amount shown below:

| Particulars | Profit or (Loss) | | Equity (net of tax) | |
|---|---|---|---|---|
| | 50 bp Increase | 50 bp decrease | 50 bp Increase | 50 bp decrease |
| **31 March 2024** | | | | |
| Current Borrowings | - | - | - | - |
| **Total** | - | - | - | - |

**Capital Management**

The Company defines capital as total equity including issued equity capital, share premium and all other equity reserves attributable to equity holders of the Company (which is the Company's net asset value). The primary objective of the Company's financial framework is to support the pursuit of value growth for shareholders, while ensuring a secure financial base.

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total interest-bearing loans and borrowings less cash and bank balances. Total equity comprises all components of equity.

The Company's adjusted net debt to equity ratio was as follows.

| | 31 March 2024 |
|---|---|
| Interest bearing borrowings | 2.79 |
| **Net Debt** | **2.79** |
| **Total Equity** | **45.84** |
| **Adjusted Net Debt to Adjusted Equity Ratio** | **0.06** |

ANANDA ARORA & CO. CHARTERED ACCOUNTANTS FRN: 017... JALANDHAR

# Skido Industries Private Limited

## Notes to the Financial Statements (Continued)

*as at 31 March 2024*

(Currency: Indian rupees in Lakhs)

**15 Related Parties**

**c. Key Management Personnel and their Relatives**

| Name of the person | Nature of Relationship |
|---|---|
| **Key Management Personnel** | |
| Pranay Sehgal | Director |
| Priya Sehgal | Director |

**Transactions with related parties during the year**

**i. Transactions with Key Management Personnel and their relatives:**

| Particulars | Name of Entity | 31 March 2024 |
|---|---|---|
| **Loan taken** | Pranay Sehgal | 2.79 |
| | **Total** | **2.79** |
| **Issue of Shares** | Pranay Sehgal | 24.50 |
| | Priya Sehgal | 24.50 |
| | **Total** | **49.00** |

**ii. Balances with Key Management Personnel and their relatives**

| Particulars | Name of Party | 31 March 2024 |
|---|---|---|
| **Net Amount Payable** | Pranay Sehgal | 2.79 |
| | **Total** | **2.79** |

**Terms and conditions of transactions with related parties**

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances on at the year end are unsecured.

**16 Ind AS 115 – Revenue from Contracts with Customers**

i) The Company is in the business of manufacturing, trading and selling of bags. All sales are made at a point in time and revenue recognised upon satisfaction of the performance obligations which is typically upon dispatch/delivery depending on the contractual terms with the customers. The Company has a credit evaluation policy based on which the credit limits for the trade receivables are established and the Company does not give significant credit period resulting in no significant financing component.

**ii) Reconciliation of Revenue as per contract price and as recognised in Statement of Profit and Loss:**

| | Period ended 22 Novemeber 2023 to 31 March 2024 |
|---|---|
| Revenue from contracts with customer as per Contract price | - |
| Less: Discounts, incentives, rebates | - |
| **Revenue from contracts with customer as per Statement of Profit and Loss** | - |

**iii) Contract Liability (advance from customers)**

| | 31 March 2024 |
|---|---|
| Advance from Customers | - |

ANAND TARUN & CO. CHARTERED ACCOUNTANTS FRN: 017735N JALANDHAR

## Notes to the Financial Statements (Continued)

*as at 31 March 2024*

(Currency: Indian rupees in Lakhs)

### 17 Ratio Analysis

| Particulars | Numerator | Denominator | 31 March 2024 | 31 March 2023 | % of variance | Explanation for change in the ratio by more than 25% |
|---|---|---|---|---|---|---|
| Current Ratio (times) | Current Assets | Current Liabilities | 34.46 | NA* | NA* | NA* |
| Debt-Equity Ratio (times) | Debt consists of borrowings | Total Equity | 0.06 | NA* | NA* | NA* |
| Debt Service Coverage Ratio (times) | Net Profit/(loss) after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest | Interest + Principal Repayments | NA | NA* | NA* | NA* |
| Net Profit Ratio (%) | Profit/(loss) after tax | Revenue from operations | NA | NA* | NA* | NA* |
| Return on Equity Ratio (%) | Profit/(loss) after tax | Total Equity | -6.88% | NA* | NA* | NA* |
| Return on Capital employed (%) | Profit/(loss) before tax and finance cost | Total Equity + Debt consists of borrowings | -6.74% | NA* | NA* | NA* |
| Return on Investment (%) - Deposits | Income generated from fixed deposits | Average invested funds fixed deposits | NA | NA* | NA* | NA* |
| Trade Receivables turnover ratio (times) | Revenue from operations | Average Trade Receivables | NA | NA* | NA* | NA* |
| Inventory turnover ratio (times) | Cost of goods sold | Average Inventory | NA | NA* | NA* | NA* |
| Trade payables turnover ratio (times) | Purchases | Average Trade Payables | NA | NA* | NA* | NA* |
| Net capital turnover ratio (times) | Revenue from operations | Working Capital = Current assets - current liabilities | NA | NA* | NA* | NA* |

**Since this is the first year of the Company, no comparatives are available.*

### 18 Transaction with Struck off Companies

The Company has reviewed transactions to identify if there are any transactions with struck off companies. To the extent information is available on struck off companies, there are no transactions with struck off companies.

ANAND TARUN & CO. CHARTERED ACCOUNTANTS FRN: 017 JALANDHAR

## Notes to the Financial Statements (Continued)

*as at 31 March 2024*

(Currency: Indian rupees in Lakhs)

**19 Disclosure of Intermediaries**

The Company has not advanced or loaned or invested funds - either borrowed funds or share premium or any other sources or kind of funds to any other person or entity, including foreign entities (Intermediaries) with an understanding that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or provide any guarantee, security or the like to or on behalf of the Company.

The Company has not received any fund from any person or entity, including foreign entities (Funding Party) with the understanding that the Company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

**20 Other statutory information**

The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.
The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the 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).

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

**21** Since this is the first year of financials post incorporation, comparative figures of previous year are not applicable.

As per our report of even date attached
**For Anand Tarun & Co**
*Chartered Accountants*
Firm Registration No. 017735N

ANAND TARUN & CO. CHARTERED ACCOUNTANTS FRN: 017735N JALANDHAR

**Anand Mohan Chopra**
*Partner*
Membership No: 094257
Place: Jalandhar
Date: 01-08-2024

**For Skido Industries Private Limited**
CIN No. U15121PB2023PTC060067

**Pranay Sehgal**
Director
DIN : 09310877
Place: Jalandhar
Date: 01-08-2024

**Priya Sehgal**
Director
DIN : 09310794
Place: Jalandhar
Date: 01-08-2024