



INDEPENDENT AUDITOR'S REPORT

Unique Document Identification Number (UDIN) for this document is **24080855BKFINS8700**

To the Members of

AAA SHENYANG CONTAINER SEAL PRIVATE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **AAA SHENYANG CONTAINER SEAL PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2024, the Statement of Profit and Loss & the Cash Flow Statement 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 financial statements give the information required by the **Companies Act, 2013** 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, its **Profit &** 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.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of Key Audit Matters as per SA-701; Key Audit Matters are properly compiled in our audit.





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

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

It 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.

Management's Responsibilities for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance & the Cash Flow Statement of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management 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 Financial Statements

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





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

- Identified and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentati override of internal control.
- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluded 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 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.
- Evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicated 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 provided those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We described these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determined that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure "A"**, 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:

- (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 & the Cash Flow Statement de Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) 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.
- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the company and the operating effectiveness of such controls, refer to our separate Report in ' **Annexure B**'.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position
 - ii. The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company
- (h) The Board of Directors of the company have proposed final dividend for the year, which is subject to the approval of the members at the ensuing Annual General meeting, The dividend declared is in accordance with section 123 of the Act to the extent it applies to the declaration of dividend.

For B K Sood & Co.
Chartered Accountants
FRN. 000948N

CA B. K. Sood
Partner
M. No. 080855



Date: 21st Day of May, 2024

Place: New Delhi



“Annexure A” to the Independent Auditors’ Report

(Referred to in paragraph I under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the members of “AAA SHENYANG CONTAINER SEAL PRIVATE LIMITED” of even date)

- 1) (a)(i) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and equipment.
 - (ii) The company has maintained proper records, showing full particulars of Intangible Assets.
 - (b) The Property, Plant and Equipment 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 assets have been noticed.
 - (c) As per information provided to us title deeds of all the immovable properties disclosed in the financial statements are held in the name of the company.
 - (d) In our opinion company has not revalued Property, Plant and Equipment or Intangible assets or both during the year.
 - (e) According to information and explanation given to us there are no proceedings initiated or are pending against the company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988.
- 2) (a) The management has conducted the physical verification of the inventory at reasonable intervals & the coverage and procedure of such verification by the management is found appropriate; there are no material discrepancies found during the course of audit.
 - (b) The Company has not taken any working capital limit from banks/ Financial Institutions on basis of security of Current Assets.
- 3) Based upon the audit procedures performed and the information and explanations given by the management, During the Year Company has not made any investments in, provided any guarantee or security or granted any loans or advances in nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnership or any other parties.
 - (a) As per information provided to us, Company has not provided advances in the nature of loan or stood guarantee, or provided security to any other entity during the year.





- (b) In our Opinion Company has not made investments, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the company's Interest.
- (c) Based upon the audit procedures performed and the information and explanations given by the management, schedule of repayment of principal and payment of interest are regular.
- (d) As per informed to us, there is no overdue in loans and advance for more than 90 Days.
- (e) As per information and explanations given by the management there are no any loan or advance in the nature of loan granted which has fallen due during the year has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties.
- (f) As per information provided to us, there are no loans or advance in the nature of loans granted to promoters, related parties as defined in clause (76) of section 2 of the Companies Act, 2013.
- 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 186 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.
- 7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs, Value added Tax, Cess or any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2024 for a period of more than six months from the date on when they become payable.
- (b) According to the information and explanation given to us, there are no dues of Goods and service Tax, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
- 8) According to the information and explanations given to us there are no transaction has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Accordingly, the provisions of clause 3(viii) of the Order are not applicable to the Company and hence not commented upon.





- 9) (a) According to the information and explanations given to us and the records examined by us, the Company has not taken any loans from financial institutions and banks nor has it issued any debentures. Accordingly, the provisions of clause 3 (ix) of the Order is not applicable to the Company.
- (b) In our opinion company is not declared willful defaulter by any Bank or financial institution or other lender.
- (c) As per information and explanations given to us, the loan taken were applied for the purpose for which the loan was obtained.
- (d) As per information and explanations given to us, no fund raised on short term basis have been utilized for long term purposes.
- (e) As informed to us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) As informed to us, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- 10) (a) 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(x)(a) of the Order are not applicable to the Company and hence not commented upon.
- (b) 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(x)(b) of the Order are not applicable to the Company and hence not commented upon.
- 11) (a) Based upon the audit procedures performed and the information and explanations given by the management, we have report that no fraud has been made by the Company or on the company by its officers or employees has been noticed or reported during the year.
- (b) Based upon the audit procedures performed and the information and explanations given by the management, We have observe that there are no any offence involving fraud is being or has been committed against the company by officers or employees of the company. Hence auditor has not report u/s (12) of section 143 of the companies Act and has not been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) Based upon the audit procedures performed we have not considered any whistle-blower complaints. Accordingly, the provisions of clause 3(xi)(c) of the Order are not applicable to the Company and hence not commented upon.
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the order are not applicable to the Company.





- 13) Section 177 deals with formation of Audit Committee by every listed public companies and such other class or classes of companies as prescribed under the Companies Act 2013, the company does not fall under such class of companies hence no reporting is required. In our opinion, all transactions with the related parties are in compliance with section 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) (a) In our opinion, the Company does not have an internal audit system. Therefore, the provisions of clause 3(xiv)(a), (b) of the order are not applicable to the company.
- 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.
- 16) (a) 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)(a) of the Order are not applicable to the Company and hence not commented upon.
- (b) In our opinion, the company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause 3 (xvi)(b) of the Order are not applicable to the Company and hence not commented upon.
- (c) In our opinion, company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the provisions of clause 3 (xvi)(c) of the Order are not applicable to the Company and hence not commented upon.
- (d) In our opinion, the group has not more than one CIC as part of the group Accordingly, the provisions of clause 3 (xvi)(d) of the Order are not applicable to the Company and hence not commented upon.
- 17) As per information and explanations given by the management, Company has not incurred cash losses in the financial year and in the immediately preceding financial year. Accordingly, the provisions of clause 3 (xvii) of the Order are not applicable to the Company and hence not commented upon.
- 18) In our opinion, there has not been any resignation of the statutory auditors during the year. Accordingly, the provisions of clause 3 (xviii) of the Order are not applicable to the Company and hence not commented upon.
- 19) Based upon audit procedure performed and the information and explanations given by the management, on the basis of Financial ratio, ageing and expected dates of realisation of financial assets and payment of financial liabilities, we are of the opinion that no material uncertainty exists as on the date of the audit report 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.





B.K. Sood & Co.
Chartered Accountants

CONTINUATION SHEET

- 20) Based upon audit procedure performed and the information and explanations given by the management, Companies have not fall under section 135 Corporate Social responsibility of the said act. Accordingly, the provisions of clause 3 (xx) of the Order are not applicable to the Company.
- 21) In our opinion company have no such qualification and adverse remarks by the respective Auditors of subsidiary, and Joint venture to be included in the consolidated financial statements. Accordingly, the provisions of clause 3 (xxi) of the Order are not applicable to the Company.

For B K Sood & Co.
Chartered Accountants
FRN. 000948N.


CA B. K. Sood
Partner
M. No. 080855



Place: New Delhi
Date: 21st Day of May, 2024



ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of AAA Shenyang Container Seal Private Limited ("the Company") as of 31st March 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For B K Sood & Co.
Chartered Accountants
FRN. 000948N



B. K. Sood
Partner
M. No. 080855



Place: New Delhi

Date: 21st Day of May 2024

AAA SHENYANG CONTAINER SEAL PVT LTD

CIN NO: U74999DL2018PTC335899

Balance sheet

As at 31st March, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Particulars	Note	As at 31st March, 2024	As at 31st March, 2023
I. ASSETS			
A) NON-CURRENT ASSET			
(a) Property, plant and equipment	3	31.73	31.38
(b) Deferred tax asset (net)	4	0.03	0.41
(A)		31.76	31.79
B) CURRENT ASSETS			
(a) Inventories		21.84	18.27
(b) Financial assets			
(i) Trade Receivables	5	285.03	234.27
(ii) Cash and Cash Equivalents	6	256.13	356.18
(c) Current Tax Assets (net)		0.79	-
(d) Other current assets	7	28.99	10.08
(B)		592.78	618.80
TOTAL ASSETS (A)+(B)		624.54	650.59
II. EQUITY AND LIABILITIES			
C) EQUITY			
(a) Equity share capital	8	207.61	207.61
(b) Other equity	9	401.83	388.26
(C)		609.44	595.87
LIABILITIES			
D) CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Trade Payable	10	2.35	37.90
(ii) Other Financial Liabilities	11	5.37	3.35
(b) Other Current Liabilities	12	7.38	10.21
(c) Current Tax liability (net)		-	3.26
(D)		15.10	54.72
TOTAL EQUITY AND LIABILITIES (C)+(D)		624.54	650.59
Overview and significant accounting policies	1 - 2		

The accompanying notes are an integral part of financial statements.

As per our report of even date

For B.K Sood & Company

Chartered Accountants

FRN: 000948N

B.K Sood
Partner
M.No : 080855



For and on behalf of the board of Directors

Ashok Kumar Sawhney
Director
DIN No. 00303519

Ashok Kumar Sawhney
Director
DIN No. 00471724

Date : May 21, 2024

Place : New Delhi

AAA SHENYANG CONTAINER SEAL PVT LTD

CIN NO. U74999DL2018PTC335899

Statement of Profit and Loss

for the year ended 31st March, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Particulars	Note	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
A) INCOME			
Revenue from operations	13	668.54	779.13
Other Income	14	8.57	5.32
Total income (A)		677.11	784.45
B) EXPENSES			
Purchase of traded goods	15	462.59	569.00
Changes in inventory of finished goods, work-in progress and traded goods	16	(3.57)	13.93
Employee benefits expense	17	50.32	38.20
Depreciation & amortization expense	3	4.00	7.38
Other expenses	18	34.57	22.54
Total expenses (B)		547.91	651.05
C) Profit before tax (A)-(B)		129.20	133.40
D) Tax expense			
Current Tax		32.20	33.96
Deferred Tax		0.39	(0.39)
		32.59	33.57
E) Profit for the year (C)-(D)		96.61	99.83
Basic & Diluted Earnings per equity share (Nominal value of share Re. 10 (Previous year: Re. 10))	19	4.65	4.81
Overview & significant accounting policies	1 - 2		

The accompanying notes are an integral part of financial statements.

As per our report of even date

For B.K Sood & Company

Chartered Accountants

FRN: 000948N

B.K Sood
Partner
M.No : 080855



For and on behalf of the board of Directors

Ashok Kumar Sawhney
Director
DIN No. 00303519

Ashok Kumar Sawhney
Director
DIN No. 00471724

Date : May 21, 2024

Place : New Delhi

AAA SHENYANG CONTAINER SEAL PVT LTD
CIN NO. U74999DL2018PTC335899

CASH FLOW STATEMENT
for the year ended 31st March, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Particulars	Year Ended 31st March, 2024	Year Ended 31st March, 2023
Cash Flow from Operating Activities		
Profit / (Loss) before tax	129.20	133.40
Adjustments for:		
Depreciation	4.00	7.38
Loss on sale of Fixed assets	0.09	-
Interest Income on Fixed Deposit	(8.10)	(5.13)
Operating (Loss) / Profit before working capital changes	125.19	135.65
Change in Working Capital		
Adjustments for (Increase) / Decrease in Operating Assets		
Inventories	(3.57)	13.93
Trade Receivables	(50.76)	(4.57)
Other financial assets	(18.91)	68.28
Adjustments for Increase / (Decrease) in Operating Liabilities		
Current Liabilities	(36.37)	45.76
Cash Generated / (used in) from Operating Activities	15.58	259.05
Tax Paid	36.26	33.96
Net Cash Generated / (used in) from Operating Activities (A)	(20.68)	225.09
Cash flow from Investing Activities		
Investment	-	-
Purchase Fixed Assets	(4.43)	(1.33)
Interest Income on Fixed Deposit	8.10	5.13
Net Cash from / (used in) Investing Activities (B)	3.67	3.80
Cash flow from Financing Activities		
Dividend paid to shareholders of the Company	(83.04)	-
Net cash from / (used in) Financing Activities (C)	(83.04)	-
Cash & Cash equivalents at beginning of the year	356.18	127.30
Cash & Cash equivalents at end of the year	256.13	356.18
Net Increase / (Decrease) in Cash and Cash equivalents	(100.05)	228.88
Total (A) + (B) + (C)	(100.05)	228.88

The accompanying notes are an integral part of financial statements.

As per our report of even date

For and on behalf of
B. K. Sood & Co.
Chartered Accountants
Firm Registration No. 000948N


B.K Sood
Partner
M.No : 080855



Date : May 21, 2024
Place : New Delhi

For and On behalf of the Board of Directors


Ashok Kumar Sawhney
Director
DIN No. 00303519


Ashok Sawhney
Director
DIN No. 00471724

Notes to the financial statements

for the year ended 31st March, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

3. Property, plant and equipme

Particulars	Plant & Machinery	Office Equipments	Computers	Vehicle	Furniture & Fixtures	Total
Cost						
As at 1st April 2022	46.14	0.34	2.59	-	0.43	49.51
Additions	-	1.33	-	-	-	1.33
As at 31st March 2023	46.14	1.67	2.59	-	0.43	50.83
Depreciation						
As at 1st April 2022	9.32	0.15	2.33	-	0.27	12.07
Charge During the Year	6.87	0.40	0.08	-	0.03	7.38
As at 31st March 2023	16.19	0.55	2.41	-	0.30	19.45
Net Book value	29.95	1.13	0.18	-	0.12	31.38
Cost						
As at 1st April 2023	46.14	1.67	2.59	-	0.43	50.83
Additions	0.75	0.39	-	3.29	-	4.43
Disposals	-	-	(2.39)	-	-	(2.39)
As at 31st March,2024	46.89	2.06	0.20	3.29	0.43	52.87
Depreciation						
As at 1st April 2023	16.19	0.55	2.41	-	0.30	19.45
Charge During the Year	2.00	0.42	0.06	1.49	0.03	4.00
Disposals	-	-	(2.31)	-	-	(2.31)
As at 31st March,2024	18.19	0.97	0.16	1.49	0.33	21.14
Net Book value	28.70	1.09	0.04	1.80	0.10	31.73
Net Book value						
As at 31st March 2023	29.95	1.13	0.18	-	0.12	31.38
As at 31st March,2024	28.70	1.09	0.04	1.80	0.10	31.73



Notes to the financial statements

for the year ended 31st March, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

4. Deferred Tax Asset/(Liability)

The tax of significant temporary differences that resulted in deferred income tax assets and liabilities are as follows:

Particulars	As at 31st March,2024	As at 31st March,2023
Difference between book value and tax base of Property, Plant & Equipments and Intangible Asset	0.03	0.41
Total	0.03	0.41

Reconciliation of deferred tax asset/(liability)

Particulars	As at 31st March,2024	As at 31st March,2023
Opening balance	0.41	0.03
Deferred tax (charged)/credited during the year - to the statement of profit and loss	(0.38)	0.39
Closing balance	0.03	0.41

5. Trade receivables

Particulars	As at 31st March,2024	As at 31st March,2023
Trade receivables considered good - Unsecured	285.03	234.27
Total	285.03	234.27

-Trade receivables ageing schedule are disclosed in note 20.

6. Cash and cash equivalents

Particulars	As at 31st March,2024	As at 31st March,2023
Balances with banks:		
On current accounts	56.11	270.55
Cash in Hand	0.02	0.04
Deposits with original maturity for less than 12 months	200.00	85.59
Total	256.13	356.18

7. Other current assets

Particulars	As at 31st March,2024	As at 31st March,2023
Unsecured, considered good, except where otherwise stated		
Advance to suppliers	26.99	10.00
Interest Accrued but not due	1.49	-
Staff Advance	0.11	0.08
Security Deposit	0.40	-
Total	28.99	10.08



Notes to the financial statements

for the year ended 31st March, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

8. Equity Share Capital

Particulars	As at 31st March, 2024	As at 31st March, 2023
AUTHORISED CAPITAL		
21,00,000 (31st March,2023: 21,00,000) Equity shares of Rs. 10 each	210.00	210.00
ISSUED, SUBSCRIBED AND PAID UP CAPITAL		
20,76,112 (31st March,2023: 20,76,112) Equity shares of Rs. 10 each	207.61	207.61
	207.61	207.61

a) Rights, preferences and restrictions attached to shares

The Company has only one class of equity shares having par value of Re. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend, if proposed by the Board of Directors, is subject to the approval of the shareholders in the Annual General Meeting, except in case of interim dividend.

In the event of liquidation of the Company, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

b) The details of shareholders holding more than 5% shares in the Company :

Equity Shares

Name of Shareholder	As at 31st March, 2024		As at 31st March, 2023	
	No. of Shares	%	No. of Shares	%
Swiss Military Consumer Goods Limited	20,76,112	100.00%	20,76,112	100.00%

(c) The reconciliation of the number of shares outstanding and the amount of share capital is set out below:

Equity Shares

Name of Shareholder	As at 31st March, 2024		As at 31st March, 2023	
	No. of Shares	Amount in Rs.	No. of Shares	Amount in Rs.
Number of shares at the beginning	20,76,112	207.61	20,76,112	207.61
Add: Shares issued during the year	-	-	-	-
Number of shares at the end	20,76,112	207.61	20,76,112	207.61



Notes to the financial statements

for the year ended 31st March, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

9. Other Equity

Particulars	As at 31st March,2024	As at 31st March,2023
Retained Earnings		
Opening Balance	388.26	288.43
Add : Profit for the year	96.61	99.83
Less : Final Equity Dividend Amount per share Re. 4.00 for the year ended March 31, 2024 (Previous Year Nil)	83.04	-
Total	401.83	388.26

10. Trade Payable

Particulars	As at 31st March,2024	As at 31st March,2023
Total Outstanding Dues of Micro and Small Enterprises	-	19.04
Total outstanding dues of creditors other than micro enterprises and small enterprises	2.35	18.86
Total	2.35	37.90

-Trade receivables ageing schedule are disclosed in note 21**11. Other Financial liabilities**

Particulars	As at 31st March,2024	As at 31st March,2023
Employees Benefits Payable	5.37	3.35
Total	5.37	3.35

12. Other current liabilities

Particulars	As at 31st March,2024	As at 31st March,2023
Audit Fees Payable	0.36	0.36
Statutory dues payable	6.45	7.36
Others	0.57	2.49
Total	7.38	10.21



Notes to the financial statements

for the year ended 31st March, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

13. Revenue from operations

Particulars	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
Sale of products	668.54	779.13
Total	668.54	779.13

14. Other income

Particulars	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
Interest on Fixed Deposit	8.10	5.13
Net Gain on Exchange Rate Fluctuations	0.47	-
Interest on Income tax Refund	-	0.19
Total	8.57	5.32

15. Purchase of traded goods

Particulars	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
Purchase of traded goods	462.59	569.00
Total	462.59	569.00

16. Changes in inventory

Particulars	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
Inventories at the end of the year		
Finished goods	21.84	18.27
	21.84	18.27
Inventories at the beginning of the year		
Finished goods	18.27	32.20
	18.27	32.20
(Increase)/ decrease in stocks	(3.57)	13.93

17. Employee benefits expense

Particulars	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
Salaries & Wages	49.68	37.43
Contribution to ESI	0.35	0.49
Staff Welfare	0.29	0.28
Total	50.32	38.20



Notes to the financial statements

for the year ended 31st March, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

18. Other expenses

Particulars	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
Payment to auditors		
Statutory Audit Fees	0.40	0.40
Others	0.60	0.60
Bank Charges	0.06	0.00
Conveyance Expenses	0.27	0.69
Electricity & Water Expenses	3.39	0.09
Fees & Taxes	0.22	0.23
Festival expenses	0.19	0.28
Interest paid	0.33	-
Professional & Consultancy Charges	1.07	0.71
Printing & Stationary Expenses	0.05	0.03
Repair & Maintenance Expenses	0.02	0.41
Insurance Expenses	0.09	-
Selling and Distribution Expenses	22.99	14.57
Security Charges	3.56	3.36
Vehicle Running & Maintenance Exp.	0.24	-
Office Expenses	0.55	0.73
Telephone Expenses	0.15	0.14
Misc. Expenses	0.39	0.30
Total	34.57	22.54

19. Earnings per share (EPS)

The following table reflects the profit and share data used in the basic and diluted EPS computations:

Particulars	31st March, 2024	31st March, 2023
Profit attributable to the equity shareholders of the Company used for calculation of basic and diluted EPS	96.61	99.83
	96.61	99.83
Basic earning per share		
Weighted average number of equity shares used in calculating basic EPS	20.76	20.76
Basic Earnings per equity share (Nominal value of share Re. 10)	4.65	4.81
Diluted earning per share		
Weighted average number of equity shares outstanding (Nos.) during the year adjusted for the effect of dilution	20.76	20.76
Diluted Earnings per equity share (Nominal value of share Re. 10)	4.65	4.81



Notes to the financial statements

for the year ended 31st March, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

20. Trade Receivables Ageing *

Disclosure is hereby given on ageing schedule of trade receivables in pursuant to Division II - Ind AS schedule III to the Companies Act, 2013.

Particulars	Within 6 months	Between 6 months and 1 year	Between 1 and 2 years	Between 2 and 3 years	More than 3 years	Total
As at March 31, 2024						
Undisputed Trade Receivables						
Considered Good	258.66	26.37	-	-	-	285.03
Credit Impaired	-	-	-	-	-	-
Disputed Trade Receivables	-	-	-	-	-	-
Considered Good	-	-	-	-	-	-
Credit Impaired	-	-	-	-	-	-
Total	258.66	26.37	-	-	-	285.03
As at March 31, 2023						
Undisputed Trade Receivables						
Considered Good	192.68	41.59	-	-	-	234.27
Credit Impaired	-	-	-	-	-	-
Disputed Trade Receivables	-	-	-	-	-	-
Considered Good	-	-	-	-	-	-
Credit Impaired	-	-	-	-	-	-
Total	192.68	41.59	-	-	-	234.27

* Refer note no. 5

21. Trade Payables Ageing *

Disclosure is hereby given on ageing schedule of trade payables Act, 2013. in pursuant to Division II - Ind AS schedule III to the Companies

Particulars	Not Due	Within 1 year	Between 1 and 2 years	Between 2 and 3 years	More than 3 years	Total
As at March 31, 2024						
Undisputed dues						
Micro and Small Enterprises	-	-	-	-	-	-
Others	-	2.35	-	-	-	2.35
Disputed dues						
Micro and Small Enterprises	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	-	2.35	-	-	-	2.35
As at March 31, 2023						
Undisputed dues						
Micro and Small Enterprises	-	19.04	-	-	-	19.04
Others	-	18.86	-	-	-	18.86
Disputed dues						
Micro and Small Enterprises	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	-	37.90	-	-	-	37.90

* Refer note no. 10



Notes to the financial statements

for the year ended 31st March, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

22. RELATED PARTY DISCLOSURES

1. Related Party Disclosures for the period ended 31st March, 2024 in accordance with Indian Accounting Standard (Ind

a) List of related parties & relationships, where control exists.		
Sr. No.	Nature of Relationship	Name of Parties
1	Holding Company	Swiss Military Consumer Goods Limited
2	Subsidiary Company	Nil
3	Associates	Nil
4	Key Management Personnel & their relatives	Mr. Ashok Kumar Sawhney (Executive Director) Mr. Anuj Sawhney (Executive Director)
5	Relatives of Key Management Personnel	Nil
6	Non-Executive Independent Directors	Mr. Chirag Gupta (Independent Director)

b) Transactions with Related Parties

		(Amount in Rs.)			
Transactions		Associates	Key Management Personnel (Directors)	Relatives of Key Management Personnel	Enterprises where Significant Influence exist by Key Management Personnel or
1	Professional Fees to Non - executive directors of the company	Nil (Nil)	10,000 (45,000)	Nil (Nil)	Nil (Nil)
2	Outstanding as on 31st March, 2024				
	Professional Fees to Non - executive directors of the company	(Nil) (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)

Notes: 1. Figures in bracket represent previous year amounts.

2. Figures has been Regrouped/Rearranged accordingly



Notes to the financial statements

for the year ended 31st March, 2024

23. Financial Ratio

Financial Ratios are hereby given in pursuant to Division II - Ind AS schedule III to the Companies Act, 2013

Particulars	UoM	Numerator	Denominator	Current Year	Previous Year	% Variance	Reason for variation for cases with more than 25%
Current Ratio	Times	Current Assets	Current Liabilities	39.26	11.31	247.20	Due to decrease in trade Payable
Debt-Equity Ratio	Times	Total Debt	Shareholder's Equity	-	-	-	-
Debt Service Coverage Ratio	Times	Earnings Available for	Debt Service	-	-	-	-
Trade Receivables Turnover Ratio	Times	Net Credit Sales	Trade Receivables (Average)	2.57	3.36	(23.34)	-
Trade Payables Turnover Ratio	Times	Net Credit Purchases	Trade Payables (Average)	22.98	30.03	(23.45)	-
Net Capital turnover Ratio	Times	Net Sales	Working Capital (Average)	1.17	1.38	(15.22)	-
Inventory Turnover Ratio	Times	Cost of Goods Sold	Inventory (Average)	22.89	23.10	(0.93)	-
Return on Equity (ROE)	%	Net Profit after Tax	Shareholder's Equity (Average)	15.85	16.75	(5.38)	-
Net profit Ratio	%	Net Profit after Tax	Net Sales	14.45	12.81	12.78	-
Return on Capital employed (ROCE)	%	Earnings before Interest	Capital Employed (Average)	21.44	22.39	(4.24)	-
Return on Investment	%	Income Generated from Invested Funds	Invested Funds (Average)	-	-	-	-



Notes to the financial statements

for the year ended 31st March, 2024

1. Company Information

The company M/s AAA Shenyang Container Seal Private Limited was incorporated on 28th June 2018 under the provisions of the Companies Act 2013 having its registered office at W-39, Okhla Industrial Areal Phase-II, New Delhi -110020.

The Company is engaged in the business of developing, manufacturing, importing, exporting of Radio Frequency Identification (RFID) logistics or container seal. RFID technology is a sensory technology which finds and track the product through the transmission of radio waves between RFID tagged item and an RFID Reader. The company is a wholly owned subsidiary of Swiss Military Consumer Goods Limited with effect from 4th April, 2022.

The financial statements for the year ended March 31, 2024 are authorised for issue by the Board of Directors at their meeting held on May 21, 2024.

2. SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto along with other provisions of the Act and relevant guidelines issued by the Securities and Exchange Board of India ("SEBI").

b. Basis of Preparation of Financial Statements

The financial statements have been prepared on going concern basis and on accrual method of accounting. Historical cost is used in preparation of financial statements except following assets and liabilities which have been measured at fair value.

- Certain financial assets and liabilities, including derivative financial instruments and Investments
- Defined benefit plan
- Employee share-based payment

Classification of Current or Non-Current Assets and Liabilities

All the 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 and Ind AS 1 "Presentation of financial statements".

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.

Assets

An asset is classified as current when it satisfies any of the following criteria

- 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

Notes to the financial statements

for the year ended 31st March, 2024

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria

- Expected to be settled in normal operating cycle
- Held primarily for the purpose of trading
- 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.

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

Figures have been rounded off to the nearest lakhs of rupees upto two decimal places, unless otherwise stated. The figure 0.00 wherever stated represents amount less than Rs. 5,00.

c. Recent Accounting Pronouncements

The Company does not foresee any significant impact in its financial statements due to these amendments.

d. Significant Accounting Judgements, Estimates and Assumptions

The preparation of financial statements in conformity with Ind AS requires the Company's management to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities recognised in the financial statements that are not readily apparent from other sources. The judgements, estimates and associated assumptions are based on historical experience and other factors including estimation of effects of uncertain future events that are considered to be relevant, however actual results may differ from these estimates.

The following are the critical judgements, estimations & assumptions that have been made by the management in the process of applying the Company's accounting policies.

- Management uses judgement in deciding whether individual item or group of items are material in the financial statements. Materiality is judged by reference to the size and nature of the item. The deciding factor is whether omission, misstatement or obscuring the information could individually or collectively influence the economic decision that users make on the basis of the financial statements.
- Tax expense is calculated using applicable tax rate and laws that have been enacted or substantially enacted. In arriving at taxable profit and all tax bases of assets and liabilities, the Company determines the taxability based on tax enactments, relevant judicial pronouncements and tax expert opinions and makes appropriate provisions which includes an estimation of the likely outcome of any open tax assessments/litigations. Any difference is recognised on closure of assessment or in the period in which they are agreed.
- Defined benefit obligations are measured at fair value for financial reporting purposes. Fair value determined by actuary is based on actuarial assumptions. Management judgement is

Notes to the financial statements for the year ended 31st March, 2024

required to determine such actuarial assumptions. Such assumptions are reviewed annually using the best information available with the management.

- When the fair value of financial assets and financial liabilities recorded in these financial statements cannot be measured based on quoted price in active markets, their fair value is measured using valuation techniques. The inputs to these valuation techniques are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility etc.
- The Company makes allowances for doubtful trade receivables (Expected Credit Loss Allowance) based on a provision matrix which takes into account historical credit loss experience and adjusted for current estimates.
- The determination of depreciation and amortisation charge depends on the useful lives for which judgements and estimations are required. The residual values, useful lives, and method of depreciation/amortisation of property, plant and equipment and intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.
- Inventories are stated at the lower of cost and net realisable value. In estimating the net realisable value of inventories, the Company makes an estimate of future selling prices and costs necessary to make the sale.
- Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claims/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.
- The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116 "Leases". Identification of a lease requires significant judgment in assessing the lease term (including anticipated renewals) and the applicable discount rate.
- The contracts with customers include transfer of promised goods to the customers. Judgement is required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as rebates and discounts etc. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

e. **Property, Plant and Equipment (PPE)**

Property, Plant and Equipment are stated at cost less accumulated depreciation and impairment loss, if any. Freehold land is disclosed at cost less impairment, if any. The cost comprises its purchase price, other non-refundable taxes, duties and any directly attributable costs of bringing the asset to its working condition for its intended use.

Subsequent expenditure is recognised as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the Company and the cost of the item can be measured reliably.

The Company identifies and determines cost of each component of the asset separately, if the component has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Notes to the financial statements

for the year ended 31st March, 2024

The present value of the expected cost for decommissioning of an asset, if any, after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

The cost of self-constructed assets includes the cost of materials, direct labour, borrowing costs and any other costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management. Advances given towards acquisition / construction of property, plant and equipment outstanding at each reporting date are disclosed as capital advances under other non-current assets. Other indirect expenses incurred related to project, net of income earned during the project development stage prior to its intended use, are considered as pre-operative expense and disclosed under capital work-in-progress.

An item of property, plant and equipment and any significant part initially recognised, is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

f. Intangible Assets

Intangible assets are stated at cost less accumulated amortisation and impairment loss, if any. The cost comprises its purchase price, other non-refundable taxes, duties and any directly attributable costs of bringing the asset to its working condition for its intended use.

Intangible assets under development are shown separately at cost incurred in bringing the asset to its present condition.

Subsequent expenditure is recognised as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the Company and the cost of the item can be measured reliably.

Revenue expenditure pertaining to research is charged to the statement of profit and loss. Development costs of products are also charged to the statement of profit and loss unless a product's commercial feasibility has been established, in which case such expenditure is capitalised.

Intangible asset initially recognised, is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

g. Leases

The Company as a lessee

The Company assesses whether the contract is or contains a lease, if the contract involves:

- (a) The use of an identified asset,
- (b) The right to obtain substantially all the economic benefits from use of the identified asset, and
- (c) The right to direct the use of the identified asset.

Lease Liabilities

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the

Notes to the financial statements

for the year ended 31st March, 2024

lease unless this is not readily determinable, in which case the Company's incremental borrowing rate on commencement of the lease is used.

Principal payment of lease liabilities have been classified within financing activities.

Right-of-use Assets

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for

- Lease payments made at or before commencement of the lease
- Initial direct costs incurred and
- The amount of any provision recognised where the Company is contractually required to dismantle, remove or restore the leased asset.

Subsequently, the right-of-use assets are measured at cost less any accumulated depreciation and accumulated impairment losses, if any.

Right-of-use assets are depreciated on a straight-line basis over the remaining term of the lease or useful life of the assets whichever is shorter.

Right-of-use assets are tested for impairment whenever there is any indication that their carrying amount may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

Modifications to a lease agreement beyond the original terms and conditions are generally accounted for as a remeasurement of the lease liability with a corresponding adjustment to the right-of-use asset. Any gain or loss on modification is recognised in the statement of profit and loss.

h. Inventories

Raw Materials including packing material, stores and spares are valued at lower of cost and net realisable value. The cost of purchase consists of the purchase price including non-refundable taxes, duties, freight inward and other costs incurred in bringing the inventories to their present location and condition. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase.

Materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on moving weighted average basis.

Work-in-Progress and finished goods are valued at lower of cost and net realisable value. Cost includes direct materials and labour costs and a proportion of manufacturing overheads based on normal operating capacity.

Stock-in-Trade is valued at moving weighted average basis and comprises all costs of purchase, non-refundable taxes, duties and all 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 estimated costs of completion and estimated costs necessary to make the sale.

Notes to the financial statements

for the year ended 31st March, 2024

i. Impairment of Non-Financial Assets

The carrying amount of assets are reviewed at each reporting date if there is any indication of impairment based on internal and external factors.

An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. An asset's recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transaction can be identified, an appropriate valuation model is used.

A previously recognised impairment loss is further provided or reversed depending on changes in circumstances.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods. A reversal of an impairment loss is recognised as income immediately.

j. Financial Instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Financial Assets

Initial Recognition and Measurement

All financial assets are recognised 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 assets. These include trade receivables, cash & cash equivalents, bank balances other than cash & cash equivalents and other financial assets.

Classification and Subsequent Measurement

Financial assets are subsequently measured at amortised cost or fair value through other comprehensive income or fair value through profit or loss depending on its business model for managing those financial assets and the asset contractual cash flow characteristics.

Financial Assets at Amortised Cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Assets at Fair Value through Other Comprehensive Income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash

Notes to the financial statements

for the year ended 31st March, 2024

flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The company may make an irrevocable election to present subsequent changes in the fair value of equity investment not held for trading in other comprehensive income.

Financial Assets at Fair Value through Profit or Loss (FVTPL)

A financial asset which is not classified in any of the above categories is subsequently measured at fair value through profit or loss.

Derecognition

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity and does not retain control of the asset.

Impairment of Financial Assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. The Company recognises a loss allowance for expected credit losses on financial assets. In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 "Financial Instruments" for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

Financial Liabilities

Initial Recognition and Measurement

Financial liabilities include borrowings, lease liability, trade payables and other financial liabilities.

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

Classification and Subsequent Measurement

The financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'financial liabilities at amortised cost'.

Financial liabilities at Fair Value through Profit or Loss

Financial liabilities are classified at fair value through profit or loss when the financial liability is held for trading or are designated upon initial recognition as fair value through profit or loss. It includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships. All changes in the fair value of such liability are recognised in the statement of profit and loss.

Financial liabilities at Amortised Cost

Other financial liabilities (including borrowings and trade payables etc.) are subsequently measured at amortised cost using effective interest method.

Notes to the financial statements

for the year ended 31st March, 2024

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Any gain or loss arising on derecognition is included in the statement of profit and loss when the liability is derecognised.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Effective Interest Method (EIR)

Financial assets and liabilities are subsequently measured at amortised cost using the effective interest rate method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

Derivative Financial Instruments

The Company uses derivative financial instruments, such as forward contracts to hedge its foreign currency. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken to statement of profit and loss.

Financial Liabilities and Equity Instruments

Classification as Debt or Equity

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

Equity Instruments

An Equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by Company are recognised at the proceeds received. Transaction costs related to issue of equity instruments is reduced from equity. Dividend paid on equity instruments is directly reduced from equity.

k. Foreign Currency Transactions and Translations

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

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate between the functional & foreign currency prevailing at the date of transaction.

Monetary assets and liabilities at the reporting date are translated at the rate prevailing on reporting date. The difference thereon and also the exchange difference on settlement of foreign currency transactions during the year is recognised as income or expense in statement of profit and loss.

Notes to the financial statements

for the year ended 31st March, 2024

Non-monetary items are carried at historical cost and reported using the exchange rate at the date of transaction.

l. Cash and Cash Equivalents

Cash and cash equivalents comprise of balances with banks, cash on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of change in value.

m. Government grants

Government grants and subsidies are recognised when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with.

Where the government grant/subsidy relates to revenue, it is recognised as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Government grant and subsidy receivable against an expense are deducted from such expense.

Where the grant/subsidy relates to an asset, government grant and subsidy receivable against an asset are deducted from the carrying value of such asset.

n. Income Taxes

Income tax expense represents the sum of current and deferred tax. Tax expense is recognised in the statement of profit and loss except to the extent that it relates to items recognised directly in equity or other comprehensive income, in such case the tax expense is also recognised directly in equity or in other comprehensive income. Any subsequent change in income tax on items initially recognised in equity or other comprehensive income is also recognised in equity or other comprehensive income, such change could be for change in tax rate.

Current Tax

Current tax is measured at the amount expected to be paid to or recovered from the tax authorities in accordance with the provisions of Income Tax Act, 1961 including the relevant transfer pricing regulations prescribed thereunder, read with applicable judicial precedents or interpretations, wherever relevant.

Current tax assets and liabilities are offset when there is a legally enforceable right to set-off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amount of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit and are accounted for using the balance sheet approach.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, carry forward tax losses and allowances to the extent it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilised.

Notes to the financial statements

for the year ended 31st March, 2024

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

The carrying amount of deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is legally enforceable right to set-off current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

o. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when there is a present obligation (legal or constructive) as a result of past event and 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. The expense relating to any provision is presented in the statement of profit and loss, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as part of finance costs.

Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

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 the 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.

A contingent asset is disclosed, where an inflow of economic benefits is probable. Contingent assets are not recognised in financial statements since this may result in the recognition of income that will never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

p. Revenue from Contracts with Customers

The Company derives revenues primarily from the following major sources.

- Sale of footwear and related products
- Sale of generated wind power

The Company recognises revenue from sale of footwear and related products at a point in time when control of the goods is transferred to the customer and the revenue can be reliably measured, regardless of when payment is being made. No element of financing is present as the sales are generally made with a credit term of 0-30 days, which is consistent with market practice. The performance obligation in contracts are considered fulfilled in accordance with the terms agreed with the respective customers.

The Company recognises revenue from sale of generated wind power at a point in time on the basis of net power delivered as per power purchase agreement signed with the Discom(s).

Notes to the financial statements for the year ended 31st March, 2024

The transaction price is the amount of consideration which the Company expects to be entitled in exchange for transferring promised goods to a customer.

The consideration promised in a contract with a customer may include fixed consideration, variable consideration (if reversal is less likely in future), or both.

Revenue is disclosed net of goods and services tax (GST), rebates, discounts, returns and claims as applicable.

q. Other Operating Revenue

Other operating revenue include revenue arising from a Company's operating activities, i.e., either its principal or ancillary revenue-generating activities, but which is not revenue arising from sale of products or rendering of services. The other operating revenue of the company includes revenue from scrap sales, export incentives, franchisee fees etc.

Export incentives are recognised as income on accrual basis to the extent its realisation is certain.

r. Other Income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Difference between the sale price and carrying value of investment is recognised in other income.

Other income is recognised on accrual basis in the financial statements, except when there is uncertainty of collection.

s. Employee Benefits

All employee benefits like salaries, wages etc. payable wholly within twelve months of rendering the service are classified as short-term employee benefits. A liability is recognised for the amount expected to be paid when there is 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.

Contribution towards provident fund and employee state insurance is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as defined contribution plans as the Company does not carry any further obligations, apart from the contributions made on a monthly basis. Such contributions are charged to the statement of profit and loss for the period of service rendered by the employees.

The Company has a defined benefit gratuity plan and pays annual contribution to Life Insurance Corporation of India ("LIC") through a Trust, namely Relaxo Footwears Limited Employees Group Gratuity Scheme. Company's liability is determined using the projected unit credit method at the end of each year.

Remeasurement comprises of actuarial gains and losses on the defined benefit obligation, the return on plan assets excluding amounts included in net interest on the net defined benefit liability/(asset), as well as any changes in the effect of the asset ceiling excluding the amount included in net interest are recognised in the period in which they occur, directly in other comprehensive income.

Compensated absences which are expected to be availed or encashed within twelve months from the end of the year are treated as short term employee benefits. The obligation towards the same

Notes to the financial statements

for the year ended 31st March, 2024

is measured at the expected cost of accumulating leaves as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Compensated absences which are expected to be availed or encashed beyond twelve months from the end of the year are treated as other long term employee benefits. The Company's liability is actuarially determined (using the projected unit credit method) at the end of each year.

Actuarial gains/losses on compensated absences are immediately taken to the statement of profit and loss.

t. Employee Share Based Payment

Employees of the Company receive part remuneration in the form of share-based payments in consideration of the services rendered. The Company recognises compensation expense relating to share based payments in accordance with Ind AS 102 "Share based Payment". Stock options granted by the Company to its employees are accounted as equity settled options. Accordingly, the estimated fair value of options granted that is determined on the date of grant, is charged to statement of profit and loss on a proportionate basis over the vesting period of options which is the requisite service period, with a corresponding increase in equity.

u. Borrowing Costs

Borrowing cost includes interest and ancillary costs incurred in connection with the arrangement of borrowings and charged to statement of profit and loss on the basis of effective interest rate (EIR).

Borrowing cost includes exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

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

All other borrowing costs are expensed in the period in which they occur.

v. Depreciation and Amortisation

Depreciation is provided pro- rata to the period of use on Straight Line Method (SLM) based on the estimated useful lives of the assets, which have been determined as per Schedule II of Companies Act, 2013.

Intellectual Property Rights are amortised over their useful life. Computer software and licenses are amortised over the period of five years on straight line basis.

The residual values, useful lives and methods of depreciation of assets is reviewed at each financial year end and adjusted prospectively, if appropriate.

Lease hold improvements are depreciated on straight line basis over shorter of the asset's useful life and their initial agreement period.

w. Earnings Per Share

Basic earnings per share is computed by dividing the profit after tax for the year by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events i.e. bonus issue, share splits and further issue of share capital.

Notes to the financial statements

for the year ended 31st March, 2024

Diluted earnings per share is computed by dividing the profit after tax for the year attributable to equity shareholders by the weighted-average number of equity shares outstanding during the year and adjusted for the effects of all dilutive potential equity shares.

x. Dividend Payments

Final dividend is recognised, when it is approved by the shareholders and the distribution is no longer at the discretion of the Company. However, Interim dividend is recorded as a liability on the date of declaration by the Company's Board of Directors.