INDEPENDENT AUDITOR'S REPORT

To the Members of V2 Smart Manufacturing Private Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of V2 Smart Manufacturing Private Limited ("the Company"), which comprise the balance sheet as at 31st March 2023, and the statement of Profit and Loss, the statement of changes in equity, and the 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 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, 2023, and its profit, changes in equity and its cash flows for the year ended on that date.

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the 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.

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 Directors' report but does not include the financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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In preparing the financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

Those boards 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.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the 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.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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FRN 018340N
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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 company does not have any branch which was audited by other auditor(s).

d) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

e) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

f) There are no financial transactions or matters which may have adverse effect on functioning of the company.

g) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

h) There are no qualification, reservation or adverse remark relating to the maintenance of accounts and other matters connected therewith.

i) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure "B".

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

   (a) The Company does not have any pending litigations which would impact its financial position.

   (b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses

   (c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company (if any).

   (d) Omitted

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Chartered Accountants

(e) (i) The management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(ii) Whether the management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(iii) Based on such audit procedures that the auditor has considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (vi)(i) and (vi)(ii) contain any material mis-statement.

(f) The company has not declared or paid any dividend during the year. Therefore, the said rule is not applicable.

(g) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For and on behalf of
MNRS & ASSOCIATES
Chartered Accountants
FRN: 018340N

MNRS & ASSOCIATES
FRN 018340N
Chartered Accountants

Raghav Agrawal
Partner
M.No:557961
UDIN: 23557961BGXRXC4204

Place: New Delhi, India
Date: 23-May-2023

Annexure A to the Independent Auditor's Report of Even Date on the Standalone Financial Statements of V2 Smart Manufacturing Private Limited

Based on audit procedures performed for the purpose of reporting a true and fair view on the financial statement of the company taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit and to the best of our knowledge and belief, we report that-

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

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

(b) The property, plant and equipment have been physically verified by the management of the company at reasonable intervals. No material discrepancies were noticed on such verification.

(c) The company does not hold immovable properties in its name. Accordingly, the provisions of clause 3(i) (c) of the Order are not applicable.

(d) The company has not revalued its property, plant and equipment including right-of-use assets and intangible assets during the year. Accordingly, the provisions of clause 3(i) (d) of the Order are not applicable.

(e) No proceedings have been initiated or are pending against the company for holding any benami property under Benami Transactions (Prohibition) Act, 1988 and rules made thereunder. Accordingly, the provisions of clause 3(i) (e) of the Order are not applicable.

(ii) (a) The management has conducted physical verification of inventory and in our opinion the coverage and procedure of such verification by the management is appropriate. Any discrepancies noticed on such verification have been dealt with in books of account.

(b) The company has not been sanctioned any working capital limits during the year. Accordingly, the provisions of clause 3(ii) (b) of the Order are not applicable.

(iii) (a) The company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties. Accordingly, the provisions of clause 3(iii) (a) of the Order are not applicable.

(b) The company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties. Accordingly, the provisions of clause 3(iii) (b) of the Order are not applicable.

(c) The company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties. Accordingly, the provisions of clause 3(iii) (c) of the Order are not applicable.

(d) The company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties. Accordingly, the provisions of clause 3(iii) (d) of the Order are not applicable.

(e) The company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties. Accordingly, the provisions of clause 3(iii) (e) of the Order are not applicable.

(f) The company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties. Accordingly, the provisions of clause 3(iii) (f) of the Order are not applicable.

(iv) The company has not provided loans, investments, guarantees, and security in terms of the provisions of Section 185 and 186 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.

(v) The company has not accepted any deposits. Accordingly, the provisions of clause 3(v) of the Order are not applicable.

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(vi) The maintenance of the cost records has been specified under Section 148 of the Companies Act, 2013. The company has made and maintained such accounts and records.

(vii) (a) The company is generally regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income tax, cess, and any other statutory dues to the appropriate authorities.

(b) There are no statutory dues as referred to in sub-clause (a) pending on account of any dispute. Accordingly, the provisions of clause 3(vii) (b) of the Order are not applicable.

(viii) The company has not surrendered or disclosed any 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.

(ix) (a) The company has not defaulted in repayment of loans or other borrowings or interest thereon. Accordingly, the provisions of clause 3(ix) (a) of the Order are not applicable.

(b) The company has not been declared wilful defaulter by any bank or financial institution or other lender. Accordingly, the provisions of clause 3(ix) (b) of the Order are not applicable.

(c) The company has not availed any term loan during the year. Accordingly, the provisions of clause 3(ix) (c) of the Order are not applicable.

(d) The company has not raised funds on short term basis during the year. Accordingly, the provisions of clause 3(ix) (d) of the Order are not applicable.

(e) The company does not have any subsidiary, associates, or joint ventures. Accordingly, the provisions of clause 3(ix) (e) of the Order are not applicable.

(f) The company does not have any subsidiary, associates, or joint ventures. Accordingly, the provisions of clause 3(ix) (f) of the Order are not applicable.

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

(b) The company has not made any preferential allotment or private placement of shares or fully, partly or optionally convertible debentures in terms of section 42 and 62 of the Companies Act, 2013. Accordingly, the provisions of clause 3(x) (b) of the Order are not applicable.

(xi) (a) No fraud by the company or on the company by its officers or employees has been noticed or reported during the year. Accordingly, the provisions of clause 3(xi) (a) of the Order are not applicable.

(b) No report under Section 143(12) of the Companies Act, 2013 has been filed by the auditor of the company.

(c) The company does not have adequate whistle blower process to handle anonymous complaints. Consequently, we have not received any whistle-blower complaint. Accordingly, we are unable to comment on the provisions of clause 3(xi) (c) of the Order.

(xii) The company is not a Nidhi company. Accordingly, the provisions of clause 3(xii) of the Order are not applicable.

(xiii) All transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 and details of such transactions have been disclosed in the accompanying financial statements of the company as required by the applicable Indian Accounting Standards (Ind AS).

(xiv) (a) In our opinion and based on our examination, the company does not have internal audit system and it is not required to have an internal audit system as per provisions of the Companies Act, 2013.

(b) As emphasised under sub-clause (a) above, the company does not have internal audit system during the year. Accordingly, the provisions of clause 3(xiv) (b) of the Order are not applicable.

(xv) The company has not entered into any non-cash transactions with the directors or person connected with him. Accordingly, the provisions of clause 3(xv) of the Order are not applicable.

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(xvi) (a) The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause 3(xvi) (a) of the Order are not applicable.

(b) The company has not conducted any Non-Banking Financial or Housing Finance activities during the year. Accordingly, the provisions of clause 3(xvi) (b) of the Order are not applicable.

(c) The 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.

(d) The Group does not have more than one Core Investment Company (CIC) as part of it. Accordingly, the provisions of clause 3(xvi) (d) of the Order are not applicable.

(xvii) The company has not incurred any cash losses during the year and in immediately preceding financial year. Accordingly, the provisions of clause 3(xvii) of the Order are not applicable.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) In our opinion, no material uncertainty exists as on the date of the audit report about the fact that the company is capable of meeting its liabilities existing at the balance sheet date as and when they fall due within a period of one year from the balance sheet. We would also bring attention to the fact that the accompanying financial statements have been prepared on going concern basis. We further state that this is not an assurance as to future viability of the company. Also, we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the company as and when they fall due.

(xx) (a) The company is not covered under the provisions of the Section 135 of the Companies Act, 2013. Accordingly, the provisions of clause 3(xx) (a) of the Order are not applicable.

(b) The company is not covered under the provisions of the Section 135 of the Companies Act, 2013. Accordingly, the provisions of clause 3(xx) (b) of the Order are not applicable.

(xxi) The provisions of the clause 3(xxi) of the Order are applicable to the consolidated financial statements of the holding (parent) company. The accompanying financial statements not being the financial statements of holding (parent) company, the provisions of the said clause of the Order are not applicable.

For and on behalf of
MNRS & ASSOCIATES
Chartered Accountants
FRN: 018340N

MNRS & ASSOCIATES
FRN 018340N
Chartered Accountants

Raghav Agrawal
Partner
M.No:557961
UDIN: 23557961BGXRXC4204

Place: New Delhi, India
Date: 23-May-2023

Annexure B to the Independent Auditor's Report of Even Date on the Standalone Financial Statements of V2 Smart Manufacturing Private Limited

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

We have audited the internal financial controls over financial reporting of V2 Smart Manufacturing Private Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone 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". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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.

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

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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 March 31, 2023, 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 and on behalf of
MNRS & ASSOCIATES
Chartered Accountants
FRN: 018340N

MNRS & ASSOCIATES FRN 018340N Chartered Accountants

Raghav Agrawal
Partner
M.No:557961
UDIN: 23557961BGXRXC4204

Place: New Delhi, India
Date: 23-May-23

V2 SMART MANUFACTURING PRIVATE LIMITED
Balance Sheet as at 31 March 2023
CIN-U18209DL2019PTC356730
(All amounts are in ₹ lakhs, unless otherwise stated)

	Note No.	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	2	1,289.86	1,127.46
Right-of-use assets (ROU)	3	554.22	785.84
Intangible assets	3	61.24	-
Financial assets			
(i) Other financial assets	4	38.14	35.15
Other non-current assets	6	25.47	23.39
Income tax assets (net)	7	10.29	16.53
Total Non-Current assets		**1,979.22**	**1,988.37**
Current assets			
Inventories	8	3,608.88	2,575.80
Financial assets			
Cash and cash equivalents	9	298.36	59.77
Other current assets	10	643.53	626.44
Total Current Assets		**4,550.77**	**3,262.01**
Total Assets		**6,529.99**	**5,250.37**
EQUITY AND LIABILITIES			
Equity Share capital	11	1,500.00	1,500.00
Other equity	12	245.44	(20.82)
Total Equity		**1,745.44**	**1,479.18**
Non-Current liabilities			
Financial liabilities			
(i) Borrowings	13	722.13	560.81
(ii) Lease Liability		391.01	627.14
Deferred tax liability (net)	5	8.91	2.52
Provisions	14	14.41	8.79
Total Non-Current liabilities		**1,136.46**	**1,199.26**
Current liabilities			
Financial liabilities			
(i) Borrowings	15	-	-
(ii) Lease Liability		212.40	204.41
(iii) Trade payables	16		
(a) Total outstanding dues of micro enterprises and small enterprises		64.63	3.61
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises.		1,741.72	1,722.09
(iv) Other financial liabilities	17	295.65	535.77
Provisions	18	4.67	3.23
Liabilities for current tax (net)	18A	40.89	-
Other current liabilities	19	1,288.13	102.82
Total Current liabilities		**3,648.09**	**2,571.93**
Total Liabilities		**4,784.56**	**3,771.19**
Total Equity & Liabilities		**6,529.99**	**5,250.37**

Summary of Significant accounting polices

The accompanying notes are integral part of the standalone financial statements
This is the Standalone Balance Sheet referred to in our report of even date.

For MNRS & Associates
Chartered Accountants
Firm Registration Number: 018340N

Raghav Agrawal
Partner
Membership No. 557961

Place: New Delhi
Date: 23-May-2023

For and on behalf of the Board of Directors of V2 Smart Manufacturing Pvt Ltd

Ram Chandra Agarwal
Director
DIN: 00491885

Akash Agarwal
Director
DIN: 03194632

Roshan Varshney
Company Secretary

V2 SMART MANUFACTURING PRIVATE LIMITED
Statement of Profit and Loss for the year ended 31 March 2023
CIN-U18209DL2019PTC356730
(All amounts are in ₹ lakhs, unless otherwise stated)

	Note No.	31 March 2023	31 March 2022
Income			
Revenue from operations	20	9,398.24	9,573.28
Other income	21	52.35	30.51
Total income		**9,450.59**	**9,603.79**
Expenses			
Cost of material consumed	22	5,383.95	4,745.03
Changes in inventories	23	(334.84)	842.80
Direct expenses	24	2,541.55	2,526.81
Employee benefits expense	25	692.74	539.48
Finance costs	26	67.19	50.09
Depreciation and amortization expense	27	312.87	223.72
Other expenses	28	463.25	365.99
Total expenses		**9,126.71**	**9,293.92**
Profit before exceptional items and tax		**323.88**	**309.87**
Exceptional item		0.00	0.00
Profit before tax		**323.88**	**309.87**
Tax expense:			
Current tax	5	48.63	0.00
Deferred tax	5	6.84	53.89
Total tax expense		**55.47**	**53.89**
Profit for the year		**268.40**	**255.98**
Other comprehensive income			
A. Items that will not be reclassified to profit and loss			
(i) Re-measurement of post employement benefits obligations .		(2.60)	(0.10)
(ii) Income tax relating to these items.		0.45	0.02
Other comprehensive income for the year		**(2.15)**	**(0.08)**
Total comprehensive income for the year		**266.26**	**255.90**
Earnings per share (face value of ₹ 10 each)			
(i) Basic	29	1.79	1.71
(ii) Diluted	29	1.79	1.71

Summary of Significant accounting polices

The accompanying notes are integral part of the standalone financial statements
This is the Standalone Statement of Profit & Loss referred to in our report of even date.

For MNRS & Associates
Chartered Accountants
Firm Registration Number: 018340N

Raghav Agrawal
Partner
Membership No. 557961

Place: New Delhi
Date: 23-May-2023

For and on behalf of the Board of Directors of
V2 Smart Manufacturing Pvt Ltd

Ram Chandra Agarwal
Director
DIN: 00491885

Akash Agarwal
Director
DIN: 03194632

Roshan Varshney
Company Secretary

V2 SMART MANUFACTURING PRIVATE LIMITED
Cash Flow Statement for the year ended 31 March 2023
CIN-U18209DL2019PTC356730
(All amounts are in ₹ lakhs, unless otherwise stated)

	Note No.	31 March 2023	31 March 2022
A. Cash flow from operating activities			
Profit before tax		323.88	309.87
Adjustments for:			
Depreciation and amortisation expense		312.87	223.72
Interest income		(2.99)	(1.79)
Rent concession on lease rentals		(0.94)	(9.94)
Gain/Loss on closure of lease		(21.14)	
Finance charges		67.19	50.09
Operating profit / (loss) before working capital changes		**678.87**	**571.95**
Movement in working capital			
Movement in trade payables		80.65	(743.34)
Movement in trade receivables		-	-
Movement in provisions		4.46	4.17
Movement in other liabilities		1,202.27	(1,157.51)
Movement in inventories		(1,033.08)	1,137.44
Movement in other financial assets		(0.00)	(26.69)
Movement in other assets		(19.17)	(214.26)
Cash flow (used in) / from operating activities post working capital changes		**914.00**	**(428.24)**
Income tax paid (net)		(1.50)	(9.10)
Net cash flow (used in) / from operating activities (A)		**912.50**	**(437.34)**
B. Cash flows from investing activities			
Purchase of property, plant and equipment (including capital work-in-progress and payable towards property, plant and equipment)		(592.70)	(234.73)
Intangible assets under development		-	-
Net cash flow (used in) / from investing activities (B)		**(592.70)**	**(234.73)**
C. Cash flows from financing activities			
Proceeds from short term borrowings (net)		-	(330.00)
Proceeds from long term borrowings (net)		161.32	560.81
Payment of lease liability		(175.34)	(124.60)
Interest paid on lease liability		(56.91)	(49.06)
Interest paid		(10.28)	(1.05)
Net cash flow (used in) / from financing activities (C)		**(81.21)**	**56.10**
Net (decrease)/increase in cash and cash equivalents (A+B+C)		238.59	(615.97)
Cash and cash equivalents at the beginning of the period		59.77	675.74
Cash and cash equivalents at the end of the period		**298.36**	**59.77**
Components of cash and cash equivalents at the end of the period			
Cash in hand		2.56	4.47
Balance with banks:			
-in current accounts		295.80	55.30
Total		**298.36**	**59.77**

Note:
1. The figures in bracket indicate outflows.
2. The cash flow has been prepared under the "Indirect method", as set out in Indian Accounting Standard (Ind AS) 7 - Statement of Cash Flows.
3. Additions to property, plant and equipment are stated inclusive of movements of capital work-in-progress (including capital advances) and the same has been treated as part of investing activities.

Summary of Significant accounting polices

The accompanying notes are integral part of the standalone financial statements
This is the Standalone Cash Flow Statement referred to in our report of even date.

As per our report of even date attached

For MNRS & Associates
Chartered Accountants
Firm Registration Number: 018340N

Raghav Agrawal
Partner
Membership No. 557961

MNRS & ASSOCIATES FRN 018340N Chartered Accountants

Place: New Delhi
Date: 23-May-2023

For and on behalf of the Board of Directors of
V2 Smart Manufacturing Pvt Ltd

Ram Chandra Agarwal
Director
DIN: 00491885

Akash Agarwal
Director
DIN: 03194632

Roshan Varshney
Company Secretary

V2 SMART MANUFACTURING PRIVATE LIMITED
Standalone statement of changes in equity for the year ended 31 March 2023
CIN-U18209DL2019PTC356730
(All amounts are in ₹ lakhs, unless otherwise stated)

A Equity share capital

Particulars	31 March 2023	31 March 2022
Opening balance	1,500.00	1,500.00
Changes in equity share capital due to prior period errors	-	-
Restated balance at the beginning of the year	1,500.00	1,500.00
Changes in equity share capital during the year	-	-
Closing Balance	**1,500.00**	**1,500.00**

B Other equity

PARTICULARS	Attributable to owners of V2 Smart Manufacturing Private Limited				Total
	Reserves and surplus				
	Retained earnings	Securities premium reserve	Capital reserve	Share options outstanding account	
Balance as at 01 April 2021	(276.72)	-	-	-	(276.72)
Profit for the year	255.98	-	-	-	255.98
Other comprehensive income (net of tax)	(0.08)	-	-	-	(0.08)
Balance as at 31 March 2022	**(20.82)**	**-**	**-**	**-**	**(20.82)**
Balance as at 1 April 2022	**(20.82)**	-			(20.82)
Profit for the year	268.41	-	-	-	268.41
Other comprehensive income for the year (net of tax)	(2.15)	-	-	-	(2.15)
Balance as at 31 March 2023	**245.45**	**-**	**-**	**-**	**245.45**

Description of Nature and Purpose of Retained Earning
Retained earning are created from the profit/loss of the company as adjusted for distributions to owners, transfer to other reserves etc.

Summary of Significant accounting polices

The accompanying notes are integral part of the standalone financial statements
This is the Standalone Statement of Changes in Equity referred to in our report of even date.

For MNRS & Associates
Chartered Accountants
Firm Registration Number: 018340N

MNRS & ASSOCIATES FRN 018340N Chartered Accountants

Raghav Agrawal
Partner
Membership No. 557961

Place : New Delhi
Date: 23-May-2023

For and on behalf of the Board of Directors of
V2 Smart Manufacturing Pvt Ltd

Ram Chandra Agarwal
Director
DIN: 00491885

Akash Agarwal
Director
DIN: 03194632

Roshan Varshney
Company Secretary

(All amounts are in ₹ lakhs, unless otherwise stated)

2 Property, plant and equipment

Description	Leasehold improvements	Office equipments	Plant and machinery	Air conditioner	Generator Set	Electrical equipments	Furniture and fixture	Computer hardware	Total
Gross carrying value									
As at 1 April 2021	0.68	16.29	740.28	-	-	51.33	17.90	1.19	827.68
Additions	28.50	8.13	252.50	0.88	29.37	51.14	20.77	19.11	410.40
Disposals	-	-	-	-	-	-	-	-	-
As at 31 March 2022	**29.18**	**24.42**	**992.78**	**0.88**	**29.37**	**102.47**	**38.68**	**20.30**	**1,238.07**
Additions	5.31	5.45	239.17	0.88		5.28	9.15	3.65	268.90
Disposals	-	-	-	-	-	-	-	-	-
As at 31 March 2023	**34.49**	**29.87**	**1,231.95**	**1.76**	**29.37**	**107.75**	**47.83**	**23.95**	**1,506.97**
Accumulated depreciation									
As at 1 April 2021	0.00	2.95	35.69	-	-	5.20	1.71	0.37	45.92
Charge for the year	0.75	3.57	50.90	0.06	0.36	5.63	2.37	1.06	64.70
Disposals	-	-	-	-	-	-	-	-	-
As at 31 March 2022	**0.75**	**6.52**	**86.59**	**0.06**	**0.36**	**10.84**	**4.08**	**1.43**	**110.62**
Charge for the period ended March 2023	3.37	5.52	74.57	0.17	1.86	10.09	4.13	6.78	106.49
Disposals		-	-	-	-	-	-	-	-
As at 31 March 2023	**4.12**	**12.04**	**161.16**	**0.23**	**2.22**	**20.93**	**8.20**	**8.20**	**217.12**
Net block as at 31 March 2022	**28.42**	**17.90**	**906.19**	**0.82**	**29.01**	**91.63**	**34.60**	**18.87**	**1,127.46**
Net block as at 31 March 2023	**30.36**	**17.83**	**1,070.79**	**1.53**	**27.15**	**86.82**	**39.63**	**15.75**	**1,289.86**

Notes:

Capitalised borrowing cost
The Company has not capitalised any borrowing costs during the year ended 31 March 2023 and 31 March 2022.

3 Right-of-use assets (ROU)

Particulars	Amount
Gross carrying value	
As at 1 April 2021	643.40
Add: Additions	480.97
Less: Deletions	-
As at 31 March 2022	1,124.37
Add: Additions	98.43
Less: Deletions	(129.16)
As at 31 March 2023	1,093.64
Accumulated depreciation	
As at 1 April 2021	179.51
Add: Charge for the year	159.02
As at 31 March 2022	338.53
Add: Charge for the year	200.89
As at 31 March 2023	539.42
Net carrying value	
Net Block as at 31 March 2022	785.84
Net Block as at 31 March 2023	*554.22*

3(i) Intangible assets

Description	Computer software	Total
Gross carrying value		
As at 1 April 2021	-	-
Additions	-	-
Disposals	-	-
As at 31 March 2022	-	-
Additions	66.73	66.73
Disposals	-	-
As at 31 March 2023	**66.73**	**66.73**
Accumulated amortization		
As at 1 April 2021	-	-
Amortisation	-	-
Disposals	-	-
As at 31 March 2022	-	-
Amortisation	5.48	5.48
Disposals	-	-
As at 31 March 2023	**5.48**	**5.48**
Net block as at 31 March 2022	-	-
Net block as at 31 March 2023	**61.24**	**61.24**

ASSOCIATES FRN 018340N ered Accountants

(All amounts are in ₹ lakhs, unless otherwise stated)

		As at 31 March 2023	As at 31 March 2022
4	**Other financial assets**		
	Security deposits	38.14	35.15
	Total	**38.14**	**35.15**
5	**(i) Deferred tax assets / (liabilities) (net)**		
	Deferred tax asset arising on account of:		
	Property, plant and equipment		
	Provision for employee benefits	3.91	3.44
	Expenses not allowed in Income-tax Act, 1961	17.16	
	Unabsorbed business losses	-	12.40
	Security deposits	1.64	0.57
	Lease liabilities	103.55	142.70
	Total	**126.25**	**159.11**
	Deferred tax liability arising on account of:		
	Right of use assets	95.10	134.85
	Property, plant and equipment	40.06	26.78
	Security deposits	-	-
	Total	**135.16**	**161.63**
	Net deferred tax (liability) / assets	**(8.91)**	**(2.52)**

Notes:

(a) Movement in deferred tax assets/(liabilities) for the year ended 31 March 2023 is as follows:

Description	Opening Balance	Recognised/ (reversed) through profit and loss	Recognised / (reversed) in other comprehensive income	Closing Balance
Deferred tax assets in relation to:				
Provision for employee benefits	3.44	0.02	0.45	3.91
Unabsorbed business losses	12.40	(12.40)		-
Lease liabilities	142.70	(39.15)	-	103.55
Security deposits	0.57	1.07	-	1.64
Expenses not allowed in Income-tax Act, 1961	-	17.16	-	17.16
Sub-total (a)	**159.11**	**(33.30)**	**0.45**	**126.25**
Deferred tax liabilities in relation to:				
Right of use assets	134.85	(39.75)		95.10
Property, plant and equipment	26.78	13.28		40.06
Sub-total (b)	**161.63**	**(26.47)**	**-**	**135.16**
Total (a-b)	**(2.52)**	**(6.84)**	**0.45**	**(8.91)**

(b) Movement in deferred tax assets/(liabilities) for the year ended 31 March 2022 is as follows:

Description	Opening Balance	Recognised/ (reversed) through profit and loss	Recognised / (reversed) in other comprehensive income	Closing Balance
Deferred tax assets in relation to:				
Provision for employee benefits	2.95	0.47	0.02	3.44
Unabsorbed business losses	58.62	(46.22)	-	12.40
Lease liabilities	83.21	59.49	-	142.70
Security deposits	0.92	(0.35)	-	0.57
Sub-total (a)	**145.70**	**13.39**	**0.02**	**159.11**
Deferred tax liabilities in relation to:				
Right of use assets	79.60	55.25	-	134.85
Property, plant and equipment	14.75	12.03	-	26.78
Sub-total (b)	**94.35**	**67.28**	**-**	**161.63**
Total (a-b)	**51.35**	**(53.89)**	**0.02**	**(2.52)**

(All amounts are in ₹ lakhs, unless otherwise stated)

		As at 31 March 2023	As at 31 March 2022
5	**(ii) Tax expense**		
	The income tax expense consists of the following:		
	Current tax expense	48.63	-
	Deferred tax expense/ (credit)	6.84	53.89
	Total income tax expense	**55.47**	**53.89**

		As at 31 March 2023	As at 31 March 2022
(c)	**The major components of income tax expense and the reconciliation of expense based on the domestic effective tax rate of at 17.160% and the reported tax expense in profit or loss are as follows:**		
	Profit / (loss) before income tax	323.88	309.87
	Income tax using the Company's domestic tax rate *	17.16%	17.16%
	Expected tax expense [A]	**55.58**	**53.17**
	Tax effect of adjustment to reconcile expected income tax expense to reported income tax expense		
	Tax effect of expenses not eligible for deduction		
	Items of permanent difference on which deferred tax not created	0.73	0.42
	Rental income		
	Brought forward business loss set off		
	Others	(0.84)	0.30
	Total adjustments [B]	**(0.11)**	**0.71**
	Actual tax expense [C=A+B]	**55.47**	**53.89**
	* Domestic tax rate applicable to the Company has been computed as follows		
	Base tax rate	**15%**	**15%**
	Surcharge (% of tax)	**10%**	**10%**
	Cess (% of tax)	**4%**	**4%**
	Applicable rate	**17.160%**	**17.160%**
(d)	**Unused tax losses and credits**		
	Business losses brought/carried forward		
	2019-2020 (30 December 2020)	-	145.73
	2020-2021 (15 February 2022)	-	62.40
	Total	-	208.13
	Unabsorbed depreciation brought/carried forward		
	2019-2020 (30 December 2020)	-	23.71
	2020-2021 (15 February 2022)	-	108.16
	Total	-	131.87

Accountants

(All amounts are in ₹ lakhs, unless otherwise stated)

		As at 31 March 2023	As at 31 March 2022
6	**Other non-current assets**		
	Security Deposits	23.39	23.39
	Advance for capex	2.09	-
	Total	**25.47**	**23.39**
7	**Income tax assets (net)**		
	Refund receivable from Income Tax	10.29	16.53
	Total	**10.29**	**16.53**
8	**Inventories**		
	(Valued at lower of cost or net realisable value)		
	Raw materials	2,363.07	1,664.83
	Work in progress	1,195.83	869.90
	Stock Semifinished	-	-
	Finished goods	49.98	41.07
	Total	**3,608.88**	**2,575.80**

NOTE : Write down of inventories to net realisable value NIL (P.Y.- NIL)

		As at 31 March 2023	As at 31 March 2022
9	**Cash and cash equivalents**		
	Cash in hand	2.56	4.47
	Balance with banks:		
	-in current accounts	295.80	55.30
	Total	**298.36**	**59.77**

Notes:

(i) There are no repatriation restrictions with respect to other bank balances as at the end of the reporting year and prior year.

(ii) The carrying values are a reasonable approximate of their fair values.

10	**Other current assets**		
	Prepaid expenses	4.03	3.86
	Advances recoverable in kind or value to be received	2.89	2.76
	Advance to suppliers	4.34	140.37
	Advance to employess	1.38	-
	Balance with statutory authorities	630.89	479.45
	Total	**643.53**	**626.44**

ASSOCIATES
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Accountants

(All amounts are in ₹ lakhs, unless otherwise stated)

		As at 31 March 2023	As at 31 March 2022
11	**Equity share capital**		
	Authorised		
	1,50,00,000 equity shares of ₹ 10 each (31 March 2022 : 1,50,00,000 equity shares of ₹ 10 each)	1,500	1,500
	Issued, subscribed and fully paid-up		
	1,50,00,000 equity shares of ₹ 10 each (31 March 2022 : 1,50,00,000 equity shares of ₹ 10 each)	1,500	1,500
		1,500	**1,500**

		31 March 2023		31 March 2022	
		No of shares	Amount	No of shares	Amount
(a)	**Reconciliation of number of shares**				
	Equity shares at the beginning of the year	**15,000,000**	**1,500.00**	**15,000,000**	**1,500.00**
	Changes during the year	-	-	-	-
	Equity shares at the end of the year	**15,000,000**	**1,500.00**	**15,000,000**	**1,500.00**

(b) Terms/rights attached to equity shares/warrants

The Company has only one class of equity shares having par value of ₹ 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 Board of Directors of the Company has not declared any dividend during the reporting period.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

		31 March 2023		31 March 2022	
		No of shares	% holding	No of shares	% holding
(c)	**Details of shareholders holding more than 5% shares in the company**				
	V2 Retail Limited	15,000,000	100.00%	15,000,000	100.00%

(d) Details of Shares held by holding company or ultimate holding company

	31 March 2023		31 March 2022	
	No of shares	% holding	No of shares	% holding
Equity Shares				
V2 Retail Limited	15,000,000	100.00%	15,000,000	100.00%

(e) Share Held by Promoters

	31 March 2023		31 March 2022	
	No of shares	% holding	No of shares	% holding
V2 Retail Limited	15,000,000	100%	15,000,000	100%
Total	15,000,000	100%	15,000,000	100%

		As at 31 March 2023	As at 31 March 2022
12	**Other equity**		
	Retained earnings		
	Opening balance	(20.82)	(276.72)
	Add: Net profit for the year	268.41	255.98
	Add: Remeasurement benefit of defined benefit plans (net of tax)	(2.15)	(0.08)
	Total	**245.44**	**(20.82)**

Note : Retained Earnings represents undistributed accumulated earnings of the company as on balance sheet date.

Akash Agarwal

(All amounts are in ₹ lakhs, unless otherwise stated)

		As at 31 March 2023	As at 31 March 2022
13	**Borrowings**		
	Non-Current		
	Secured		
	Term loan		
	(i) From banks	-	-
	Total Secured	-	-
	Unsecured		
	Loan from related parties		
	(i) Loan from directors and their relatives	500.96	560.81
	(ii) Loan from group companies	221.18	-
	Total Unsecured	722.13	560.81
			-
		722.13	560.81
	Total Secured & Unsecured	722.13	560.81

NOTE :
Details of Securities and Terms of repayment.
The company has received loans from one of its director. Such loan is interest free and repayable one year from the date of demand made by lender. The company has not entered into any formal agreement in this regards.

14	**Provisions**		
	Non-current		
	Provision for employee benefits		
	(I) Provision for gratuity	7.12	2.48
	(II) Provision for compensated absences	7.29	6.31
	Total	14.41	8.79

For disclosures on Gratuity and Other post employment benefit obligation, refer note 31

15	**Borrowings**		
	Current		
	Secured		
	Term Loan	-	-
	(i) From banks		
	Total	-	-

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Chartered Accountants

Akash Agarwal

	As at 31 March 2023	As at 31 March 2022
16 Trade payables		
(i) Total outstanding dues of micro enterprises and small enterprises	64.63	3.61
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,741.72	1,722.09
Total	**1,806.35**	**1,725.70**

(a) Disclosure under the Micro,Small & Medium Enterprises act 2006 (27 of 2006) [MSME Act 2006]

Due to micro, small and medium enterprises as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

Particulars		
the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	-	-
Principal amount remaining unpaid	64.63	3.61
Interest accrued and remaining unpaid as at year end	-	-
Amount of interest paid by the Company to the suppliers in terms of section 16 ofthe Act	-	-
Amount paid to the suppliers beyond the respective due date.	-	-
Amount of interest due and payable for the period of delay in payments (which have been paid but beyond the due date during the year) but without adding the interest specified under the Act.	-	
Amount of interest accrued and remaining unpaid at the end of accounting period.	-	-
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	-	-

Note:

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management.
The entire closing balance represents the principal amount payable to these enetrprises.There are no interest due on outsanding on the same.

(b) Trade payables ageing schedule

Particulars	As at 31 March 2023					
	Outstanding for following periods from due date of payment					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed- MSME	0.50	64.13	-	-	-	64.63
(ii) Undisputed- Others	377.57	950.65	176.84	236.66	-	1,741.72
Total	378.07	1,014.77	176.84	236.66	-	1,806.35

Particulars	As at 31 March 2022					
	Outstanding for following periods from due date of payment					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed- MSME	3.61	-	-	-	-	3.61
(ii) Undisputed- Others	446.67	212.34	3.30	1,059.78	-	1,722.09
Total	450.29	212.34	3.30	1,059.78	-	1,725.70

	As at 31 March 2023	As at 31 March 2022
17 Other financial liabilities		
Current		
Employee related payables	73.94	56.99
Creditors for capital purchases	221.70	478.78
Total	**295.65**	**535.77**
18 Provisions		
Current		
Provision for Employee Benefits		
(i) Provision for gratuity	0.04	0.02
(ii) Provision for compensated absences	4.63	3.21
Total	**4.67**	**3.23**
Current		
18A Provision for Income Tax		
Provision for Income Tax (Net)	40.89	-
Total	**40.89**	-
19 Other current liabilities		
Statutory liabilities	6.37	6.87
Advance from customers*	1,281.76	95.95
Total	**1,288.13**	**102.82**

* Advances from customers is on account of advances received from related party (Holding company)

FRN 018140N
Chartered Accountants

Akash Agarwal

V2 SMART MANUFACTURING PRIVATE LIMITED
Notes forming part of Standalone Financial Statements
CIN-U18209DL2019PTC356730
(All amounts are in ₹ lakhs, unless otherwise stated)

		31 March 2023	31 March 2022
20	**Revenue from operations**		
	Operating revenue		
	Sales of goods	9,398.24	9,573.28
	Total	**9,398.24**	**9,573.28**
	*** Details of sale of traded goods**		
	Apparels	9,398.24	9,573.28
	Non-apparels	-	-
		9,398.24	9,573.28
	Detail of Operating revenue by Geographical locations		
	In India	9,398.24	9,573.28
	Outside India	-	-
	Total	9,398.24	9,573.28
21	**Other income**		
	Interest from:		
	(i) Unwinding of security deposit	2.99	11.73
	Rent concession received from landlords	0.94	-
	Other financial assets carried at amortised cost	21.14	-
	(ii) On Deposits with Bank	-	-
	Other income		
	Interest on Income tax refund	0.51	0.12
	Scrap Sale	26.77	18.66
	Total	52.35	30.51
22	**Raw material consumed**		
	Opening stock of raw materials	1,664.83	1,959.47
	Purchase of goods	6,082.19	4,450.39
	Closing stock of raw materials	(2,363.07)	(1,665)
	Total	5,383.95	4,745.03
a.	**Details of purchase of goods**		
	Fabric & accessories	6,082.19	4,450.39
	Total	6,082.19	4,450.39
23	**Changes in inventories**		
	Closing Stock		
	Raw materials	2,363.07	1,664.83
	Work in progress	1,195.83	869.90
	Semi finish goods	-	-
	Finished goods	49.98	41.07
	Opening Stock		
	Raw materials	1,664.83	1,959.47
	Work in progress	869.90	1,740.10
	Semi finish goods	-	-
	Finished goods	41.07	13.67
	Trading inventory converted to Non Trading		
	Total	(334.84)	842.80

FRN 018340N
Chartered Accountants

Akash Agarwal

24	**Direct Expenses**		
	Factory Rent	-	-
	Production consumables	8.69	158.99
	Jobwork charges	2,101.64	1,921.82
	Contractor salary	4.15	368.71
	Printing Charges	83.82	-
	Washing Charges	49.83	-
	Finishing Charges	3.52	-
	Cutting Charges	4.52	-
	Embroidery charges	1.13	-
	Generator running & maintenance	13.10	50.16
	Power & fuel	181.62	-
	Water charges	-	-
	Freight inward	36.17	27.13
	Other direct expenses	53.37	-
	Total	**2,541.55**	**2,526.81**

		31 March 2023	31 March 2022
25	**Employee benefit expense**		
	Salaries, wages and bonus	627.25	495.68
	Post-employment and other long-term benefits expense (refer note 31)	3.19	1.70
	Contribution to provident and other funds	3.59	3.47
	Retention Bonus	22.41	-
	Staff welfare	36.29	38.63
	Total	**692.74**	**539.48**
26	**Finance costs**		
	Interest on		
	-Term loans	-	1.05
	-Working capital facility	-	-
	-Term loans from related parties	10.28	
	-Lease liabilities	56.91	49.04
	Total	**67.19**	**50.09**
27	**Depreciation and amortisation**		
	Depreciation on property, plant and equipment	106.49	64.70
	Amortization of intangible assets	5.48	
	Depreciation on right of use assets	200.89	159.02
	Total	**312.87**	**223.72**
28	**Other expenses**		
	Power, fuel and electricity	1.47	112.36
	Water Exp	1.63	10.11
	Repair and maintenance		
	- Building	-	-
	- Plant and machinery	31.49	15.28
	- Others	33.62	21.76
	Rent	32.51	1.42
	Insurance charges	4.06	3.99
	Rates and taxes	2.45	21.80
	Bank charges		-
	Legal and professional	37.61	6.35
	Motor vehicle expenses		-
	Printing and stationery	19.53	8.87
	Packing materials & expenses	142.37	102.44
	Provision for inventory obsolence	100.00	
	Security service charges	10.50	7.83
	Housekeeping expenses	3.09	2.47
	Telephone expenses	1.01	0.53
	Traveling and conveyance	11.10	22.80
	Postage and telephones	0.07	0.28
	Payment to auditors (refer note a below)	3.00	2.00
	Advertisement & sales promotion	0.24	-
	Transportation charges	12.90	13.42
	Miscellaneous expenses	14.63	12.28
	Total	**463.25**	**365.99**
28.1	**Payment to Auditors (Exclusive of Taxes, As Applicable)**		
	Statutory audit (including fees for limited reviews)	3.00	2.00
	Total	**3.00**	**2.00**

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(All amounts are in ₹ lakhs, unless otherwise stated)

		31 March 2023	31 March 2022
29	**Earnings per share**		
	Profit attributable to equity shareholders before exceptional items (A)	268.40	255.98
	Nominal value per share	10.00	10.00
	Weighted-average number of ordinary shares (basic)		
	Numbers of weighted average equity share outstanding at the opening	15,000,000	15,000,000
	Issued ordinary shares	-	-
	Weighted average number of equity shares outstanding during the year (B)	**15,000,000**	**15,000,000**
	Basic EPS (Amount in ₹) (A/B)	1.79	1.71
	Diluted EPS (Amount in ₹) (A/C)	1.79	1.71

***Diluted earnings per share**
The calculation of diluted earnings per share has been based on the profit attributable to equity shareholders and weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential equity shares.

30 Segment Information

In accordance with Ind AS 108, the Board of directors, being the Chief operating decision maker (CODM) of the Company, has determined that the Company is engaged in the business of manufacturing of garments in India and there are no separate reportable segments as per Ind AS 108. Thus, the segment revenue, segment results, total carrying amount of segment assets, total carrying amount of segment liabilities, total cost incurred to acquire segment assets, total amount of charge for depreciation during the year is as reflected in the financial statement. The Company's operations are such that all activities are confined only to India.

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31 Gratuity and other post employment benefit plans

Particulars	31 March 2023 Current	31 March 2023 Non-current	31 March 2022 Current	31 March 2022 Non-current
Gratuity	0.04	7.12	0.02	2.48
	0.04	7.12	0.02	2.48

A Gratuity

The Company operates gratuity plan where in every employee is entitled to benefit equivalent to 15 days salary (includes dearness allowance) last drawn for each completed year of service. The same is payable on termination of service, or retirement, or death whichever is earlier. The benefits vests after five years of continuous service. Gratuity benefits valued were in accordance with the payment of Gratuity Act, 1972.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and amounts recognised in the balance sheet for the Gratuity plan:

(i) Amount recognised in the statement of profit and loss is as under:

Description	31 March 2023	31 March 2022
Current service cost	3.07	1.67
Interest cost	0.12	0.03
Amount recognised in the statement of profit and loss	**3.19**	**1.70**

(ii) Changes in the present value of the defined benefit obligation are as follows :

Description		
Present value of defined benefit obligation as at the start of the year	2.50	0.69
Current service cost	3.07	1.67
Interest cost	0.12	0.03
Actuarial loss/(gain) recognised during the year	2.60	0.10
Benefits paid	(1.14)	-
Present value of defined benefit obligation as at the start of the year	**7.16**	**2.50**

(iii) Amount recognised in Other comprehensive income is as under:

Description		
Actuarial (gain)/loss on arising from change in demographic assumption	-	-
Actuarial (gain)/loss on arising from change in financial assumption	(0.45)	(0.04)
Actuarial (gain)/loss on arising from experience adjustment	3.05	0.14
Total actuarial (gain)/loss	**2.60**	**0.10**

(iv) The principal assumptions used in determining gratuity benefit obligations for the Company are shown below

Description		
Discount rate	7.04%	4.97%
Retirement age	58 years	58 years
Mortality rates inclusive of provision for disability	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)
Attrition at ages:		
- Upto 30 years	50.00%	50.00%
- From 31 to 44 years	50.00%	50.00%
- Above 44 years	50.00%	50.00%
Rate of increase in compensation	10.00%	10.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(v) Sensitivity analysis for gratuity liability

Description	31 March 2023	31 March 2022
Impact of the change in discount rate		
Present value of obligation at the end of the year	7.16	2.50
- Impact due to increase of 0.50 %	(0.11)	(0.02)
- Impact due to decrease of 0.50 %	0.11	0.02
Impact of the change in salary increase		
Present value of obligation at the end of the year	7.16	2.50
- Impact due to increase of 0.50 %	0.10	0.02
- Impact due to decrease of 0.50 %	(0.10)	(0.02)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied which was applied while calculating the defined benefit obligation liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to prior period.

Expected contribution

	31 March 2023	31 March 2022
Expected contribution to Gratuity in next year	3.70	2.40

(vi) Maturity profile of defined benefit obligation (undiscounted)

Description		
Within next 12 months	0.04	0.02
Between 2-5 years	4.36	0.75
Beyond 5 years	2.76	1.73

Notes:
1 The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of obligations.
2 The estimates of future salary increase considered takes into account the inflations, seniority, promotion and other relevant factors on long term basis.
3 The weighted average duration to the payment of these cash flows is 1.49 years.

B Defined contribution scheme

The Company's state governed provident fund scheme, employee state insurance scheme and labour welfare fund scheme are considered as defined contribution plans. The contribution under the schemes is recognised as an expense in the statement of profit and loss, when an employee renders the related service. There are no other obligations other than the contribution payable to the respective funds. The amount of contribution made by the Company to employees' provident fund is ₹ 2.38 lakh (31-March-2022: 2.67 lakh).

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32 Related party disclosures

(a) Holding Company
V2 Retail Limited

(b) Directors
Mr. Ram Chandra Agarwal (Director)
Mr. Akash Agarwal (Director)
Ms. Archana Surendra Yadav (Non-executive Director)

(c) Key managerial personnel
Mr. Pratik Adukia (Chief Executive Officer) (Resigned Wef. 09th-Feb-2023)
Mr. Roshan Varshney (Company Secretary)

(d) Summary of transactions with related parties:

Particulars	31 March 2023	31 March 2022
Remuneration		
Mr. Roshan Varshney	3.36	0.76
Sale of manufactured goods#		
V2 Retail Limited	9,876.13	10,054.36
Purchase of property, plant and equipment during the year		
V2 Retail Limited	24.30	174.79
Loan from Related Parties		
Ram Chandra Agarwal	40.00	560.81
Uma Agarwal	40.00	-
Vishal Water World Pvt.Ltd	245.00	-
Repayment of Loan to Related Parties		
Ram Chandra Agarwal	99.85	
Uma Agarwal	40.00	-
Vishal Water World Pvt.Ltd (Including interest Rs. 9.10 lakhs)	34.10	-
Advance received against sale of manufactured goods during the year		
V2 Retail Limited	11,061.95	8,897.18
Advance / Payment received against Purchase of plant and equipment during the year	939.80	-
V2 Retail Limited		
Interest Expense		
Vishal Water World Pvt.Ltd	10.28	-

Balance outstanding Receivables / (Payables)

Particualrs	31 March 2023	31 March 2022
Advance from customer		
V2 Retail Limited	1,281.76	95.94
Trade Receivables		
V2 Retail Limited	-	-
Trade payables		
V2 Retail Limited / Trade Payable	195.71	1,536.21
V2 Retail Limited / Payable for Capital Goods	425.00	-
Loan from Related Parties		
Ram Chandra Agarwal	500.96	560.81
Uma Agarwal	-	-
Vishal Water World Pvt.Ltd	221.18	-

#Inclusive of GST of Rs.477.89 lakhs, Previous Year 'Rs.481.08 lakhs

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33 **Fair Value Measurements**
A **Financial instruments by category**

Particulars	FVOCI	FVTPL	Amortised cost	Total carrying Value
	31 March 2023			
Financial assets				
Cash and cash equivalents	-	-	298.36	298.36
Other financial assets- Security Deposits	-	-		
Current			-	-
Non-current			38.14	38.14
Total	-	-	336.50	336.50
Financial liabilities				
Borrowings	-	-	722.13	722.13
Lease liabilities				
Current			212.40	212.40
Non-current			391.01	391.01
Trade payable	-	-	1,806.35	1,806.35
Other financial liabilities	-	-		
Current			295.65	295.65
Non-current			-	-
Total	-	-	3,427.55	3,427.55

Particulars	FVOCI	FVTPL	Amortised cost	Total carrying Value
	31 March 2022			
Financial assets				
Cash and cash equivalents	-	-	59.77	59.77
Other financial assets- Security Deposits	-	-	-	-
Current			-	-
Non-current			35.15	35.15
Total	-	-	94.93	94.93
Financial liabilities measured at amortised cost				
Borrowings	-	-	560.81	560.81
Lease liabilities				
Current			204.41	204.41
Non-current			627.14	627.14
Trade payable	-	-	1,725.70	1,725.70
Other financial liabilities	-	-		-
Current			535.77	535.77
Non-current			-	-
Total	-	-	3,653.84	3,653.84

Carrying amount of cash & cash equivalents , trade payables as at 31st March 2023 and 31st march 2022 approximate the fair value due to nature. Carrying amount of security deposit included under the financial assets which are subsequently measured at cost are also approximate the fair value due to their nature in each of the period prescribed. Lease liabilities as per Ind AS 116 is itself approximate their fair value.

For other financial assets and liabilities that are measured at amortised cost , carrying value approximated their fair value.

34 **Financial risk management**

I) **Risk management framework**
The Company's activities expose it to liquidity risk only. The Company relies management over the management of these risks.

A) **Credit risk**
Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. The Company general as advances from its customers therfore is not exposed to any credit risks.

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B) **Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.

Maturities of financial liabilities

The tables below provides details regarding the contractual maturities of significant financial liabilities.
The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

31 March 2023	Less than 1 year	1-3 year	More than 3 years	Total
Borrowings	-	-	722.13	722.13
Trade payable	1,806.35	-	-	1,806.35
Lease liabilities	254.72	343.23	84.68	682.63
Other financial liabilities	295.85	-	-	295.85
Total	2,366.73	343.23	807.81	3,606.97

31 March 2022	Less than 1 year	1-3 year	More than 3 years	Total
Borrowings	-	-	560.81	560.81
Trade payable	1,725.70	-	-	1,725.70
Lease liabilities	266.22	498.51	208.54	973.27
Other financial liabilities	535.77	-	-	535.77
Total	2,527.70	498.51	769.35	3,795.57

C) **Market risk**

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

a) **Interest rate risk**

i) **Liabilities**

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. During the current period the company is not exposed to interest rate risk as the borrowings are interest free.

Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk:

Particulars	31 March 2023	31 March 2022
Variable rate borrowing	-	-
Total	-	-

Sensitivity

Profit or loss is sensitive to higher / lower interest expense from borrowings as a result of change in interest rates. The impact of change in interest rate of borrowings on the profitbility of the company :

Particulars	31 March 2023	31 March 2022
Interest rate	Nil	Nil
Interest rate	Nil	Nil

35 **Capital management**

The Company's capital management objectives are
- to safeguard their ability to continue as a going concern
- to maintain an optimal capital structure to reduce the cost of capital

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet. Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Company's adjusted net debt to equity ratio at 31 March 2023 and 31 March 2022 are as follows.

Particulars	31 March 2023	31 March 2022
Total borrowings	722.13	560.81
Less: cash and cash equivalents	298.36	59.77
Net debt	423.77	501.04
Total equity	1,745.44	1,479.18
Adjusted net debt to adjusted equity ratio	24.28%	33.87%

36 **Contingent Liabilities and Commitments**

Description	As at 31 March 2023	As at 31 March 2022
Contingent Liabilities :- Claims against company not acknowledged as debt.	Nil	Nil
Commitments :- Estimated amount of contract remaining to be exculed on capital account and not provide for	Nil	Nil

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37 ADDITIONAL DISCLOSURE

a. Disclosure related to Ind AS-115

Indian Accounting Standard 115 Revenue from Contracts with Customers ("Ind AS 115"), establishes a framework for determining whether, how much and when revenue is recognised and requires disclosures about the nature, amount, timing and uncertainty of revenues and cash flows arising from customer contracts. Under Ind AS 115, revenue is recognised through a 5-step approach:-

(i) Identify the contract(s) with customer;
(ii) Identify separate performance obligations in the contract;
(iii) Determine the transaction price;
(iv) Allocate the transaction price to the performance obligations; and
(v) Recognise revenue when a performance obligation is satisfied.

Assets and liabilities related to contracts with customers

Description	As at 31 March 2023		As at 31 March 2022	
	Non-current	Current	Non-current	Current
Contract liabilities related to sale of goods				
Advance from customers	-	1,281.76	-	95.95
Contract receivables related to sale of goods				
Trade receivables	-	-	-	-

Significant changes in contract assets and liabilities
There has been no significant changes in contact assets/contract liabilities during the year.

Revenue recognised in relation to contract liabilities
Ind AS 115 also requires disclosure of major changes on account of revenue recognised in the reporting period from the contract liability balance at the beginning of the period and other changes.

Description	31 March 2023	31 March 2022
Opening balance	95.95	-
Addition during the year	1,281.76	95.95
Revenue recognised during the year	(95.95)	-
Closing balance	**1,281.76**	**95.95**

Disaggregation of revenue
Revenue arises mainly from the sale of traded goods:

Description	31 March 2023	31 March 2022
(A) Sale of goods		
Revenue from sale of goods	9,398.24	9,573.28
(B) Other ancillary revenue		
Misc. incomes	26.77	18.66
Total	**9,425.01**	**9,591.95**

b. Disclosure related to Ind AS-116

The Company has leases for the office, warehouse and factory. There are no restrictions imposed on the Company under the lease arrangement. Some leases contain an option to extend the lease for a further term. The Company is prohibited from selling or pledging the underlying leased assets as security against the Company's other debts and liabilities.

A Lease payments not included in measurement of lease liability

Particulars	31 March 2023	31 March 2022
Expenses relating to short term leases (included in other expenses)	32.51	1.42
Total	**32.51**	**1.42**

Movement of lease liabilities:

Particulars	31 March 2023	31 March 2022
Opening Balance	831.56	494.09
Add: addition in lease liabilities during the year	98.43	472.03
Less: deletion in lease liabilities during the year	(150.29)	-
Add: interest on lease liabilities	56.91	49.04
Less: rent concession on lease rentals	(0.94)	(9.94)
Less: lease liabilities paid	(232.25)	(173.66)
Closing Balance	**603.41**	**831.56**
Current	212.40	204.41
Non-current	391.01	627.14

B The table below describes the nature of the Company's leasing activities by type of right-of-use asset recognised on balance sheet:

Right-of-use asset	No of right-of-use assets leased	Range of remaining term (in years)	Average remaining lease term (in years)
Warehouse	1	1.92	1.92
Factory	2	1.59-3.69	2.64

C The following are amounts recognised in statement of profit and loss:

Particulars	As at 31 March 2023	As at 31 March 2022
Depreciation expense of right-of-use assets	200.89	159.02
Interest expense on lease liabilities	56.91	49.04
Total	**257.80**	**208.06**

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38 OTHER ADDITIONAL REGULATORY DISCLOSURES

38.1 Disclosures with respect to Ratios

Particulars	Numerator	Denominator	Year ended 31 March 2023	Year ended 31 March 2022	Change (in %)	Reason for Variance
Debt- Equity Ratio	Total Debts=Borrowings+Lease Liabilities	Shareholder's total equity	0.76	0.94	(0.19)	-
Debt Service Coverage Ratio	Earnings available for debt service=Net profit after taxes + Non cash operating expenses	Debt service=Interest & lease payments+principal repayments	2.17	2.37	(0.09)	-
Current Ratio	Total Current Assets	Total Current Liabilities	1.25	1.27	(0.02)	-
Debtors Turnover	Revenue from operations	Average trade receivables	-	-		-
Inventory Turnover	Revenue from operations	Average inventory	3.04	3.04	(0.00)	-
Net Profit Ratio	Net profit after taxes	Revenue from operations	2.86%	2.67%	0.07	-
Trade payable turnover ratio	Purchases	Average trade payable	3.11	2.26	0.37	Relative improvements in supplier's credits.
Net capital turnover ratio	Revenue from operations	Working capital=Current assets-Current liabilities	10.41	13.87	(0.25)	Relative improvements in supplier's credits due to which changes in working capital.
Return on Capital Employed	Earnings before interest and taxes	Capital employed=Tangible net worth+total debts	5.88%	7.16%	(0.18)	-
Return on Equity	Net profit after taxes	Average share holders' equity	16.39%	18.60%	(0.12)	-
Return on Investment	Net profit after taxes	Total Assets	Not Applicable			

38.2

(a) Title deeds of immovable properties:
The company does not held any immovable properties except those immovable properties where the company is a lessee and the lease agreements are duly executed in the favour of the lessee.

(b) Details of revaluation of property, plant and equipment including right-of-use assets and intangible assets
The company has not revalued its property, plant and equipment including right-of-use assets and intangible assets.

(c) Loans and advances
The company has not granted any loans of given advances in the nature of loans to its promoters, directors, key managerial personnels, and related parties.

(d) Undisclosed income
Nil

(e) Relationship with struck-off companies
The company has no transactions with companies struck-off under section 248 and section 560 of the Companies Act, 2013 and Companies Act, 1956 respectively.

(f) Details of benami property held
No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(g) Wilful defaulter
The company has not been declared as wilful defaulter by any bank or financial institution or other lender.

(h) Utilisation of borrowed funds
(A) The company has not advanced, loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediary) with the understanding that the intermediary shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiary) or
(b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(B) The company has not received from any fund from any person(s) or entity(ies) including foreign entities (Funding Party) with the understanding that the company shall:
(a) directly or indirectly lend or invest in other person(s) or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
(b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

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39 Recent Pronoucement

Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

(a) Ind AS 12 – Income Taxes

In supersession of paragraph 15 and 24 of Ind AS 12, recognition of deferred tax asset by first time adopters to the extent it is probable that taxable profit will be available against which the deductible temporary difference can be utilized and deferred tax liability for all deductible and taxable temporary differences associated with ROU and Lease Liabilities and decommissioning, restoration and similar liabilities where corresponding amounts recognized as a part of cost in related assets.

Under Ind AS 12 in supersession of existing clause 15 (b) (ii), new insertion calls for initial recognition of assets or liabilities in a transaction affecting neither accounting profit nor taxable profit. This apart new stipulation has been added laying down recognition of tax at the time of transaction not giving rise to taxable and deductible temporary differences.

(b) Ind AS 107 - Financial Instruments: Disclosures

Pursuant to Ind AS 107 information about the measurement basis for financial instruments used in preparing the Financial Statements would form part of material accounting policy information.

Ind AS 107 has been enlarged to provide for, inter-alia, judgments apart from those involving estimation during the course of applying accounting policies which has significant effect on the amounts recognized in financial statements.

(c) Ind AS 1 – Presentation of Financial Statements

Ind AS- 1 laid down that disclosure of accounting policies should relate to those which when considered together with other information included in Financial statements is reasonably expected to influence decisions of users of financial Statements.

40 Other Notes

(a) The figures of the previous year have been re-classified according to current year classification wherever required.

(b) Statutory return under Goods And Service Tax Act , Income Tax Act may be subject to revision / updation so as to reconcile them with the particulars of the financial statements.

(c) In the opinion of the Board of Directors, current assets have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet and provisions for all known / expected liabilities have been made.

For MNRS & Associates
Chartered Accountants
Firm Registration Number: 018340N

MNRS & Associates Chartered Accountants FRN 018340N

Raghav Agrawal
Partner
Membership No. 557961

Place: New Delhi
Date: 23-May-2023

For and on behalf of the Board of Directors of
V2 Smart Manufacturing Pvt Ltd

Ram Chandra Agarwal
Director
DIN: 00491885

Akash Agarwal
Director
DIN: 03194632

Roshan Varshney
Company Secretary

1. Corporate information

V2 Smart Manufacturing Private Limited (the Company) is a Company domiciled in India and incorporated under the provisions of Companies Act, 2013. The Company has been incorporated on October 25,2019 to carry on the business of manufacturing, trading, fabricating, exporting and importing of all kinds of clothing, readymade garments, jewelry, footwear, hand bags, beauty products and all accessories related to fashion & lifestyle products, or otherwise to act as wholesalers, retailers, franchisers and dealers of all kinds of textile clothing, wearing apparel, cosmetics, jute, linens, all kinds of readymade garments and clothing, lingerie, hosiery and footwear in India or abroad.

2. Significant accounting policies

a) Basis of preparation

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

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

The financial statements have been prepared under the historical cost convention basis except for the following –

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments);
- Defined benefit plans – plan assets measured at fair value.
- Assets held for sale – measured at fair value less cost to sell.

The financial statements of the Company are presented in Indian Rupees (₹), which is also its functional currency and all amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III to the Act, unless otherwise stated.

b) Use of estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

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c) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

*Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

d) Property, plant and equipment

Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits attributable to such subsequent cost associated with the item will flow to the Company. All other repair and maintenance costs are recognized in statement of profit or loss as incurred. Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

In case an item of property, plant and equipment is acquired on deferred payment basis, interest expenses included in deferred payment is recognized as interest expense and not included in cost of asset.

Subsequent measurement (depreciation and useful lives)

Depreciation on property, plant and equipment is provided on the straight-line method arrived on the basis of the useful life which are equal to those prescribed under Schedule II of the Companies Act, 2013 except for furniture and fixtures and vehicles in which useful lives are different from those prescribed under Schedule II

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of the Companies Act, 2013. In respect of furniture and fixtures and vehicles, the management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. The following useful life of assets has been taken by the Company:

Class of Assets	Useful Life as per the Schedule II	Useful Life as assessed by the management
Plant and machinery	15 Years	15 Years
Furniture and fittings	10 Years	10 Years
Vehicles	8 Years	8-10 Years
Office equipment	5 Years	5 Years
Computer equipment	3 Years	3 Years
Servers and networking equipment	6 Years	6 Years
Electrical equipment &fittings	10 Years	10 Years
Air conditioners	10 Years	10 Years
Generator sets	15 Years	15 Years
Leasehold Improvement	9 Years	9 Years

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

Where, during any financial year, any addition has been made to any asset, or where any asset has been sold, discarded, demolished or destroyed, or significant components replaced; depreciation on such assets is calculated on a pro rata basis as individual assets with specific useful life from the month of such addition or, as the case may be, up to the month on which such asset has been sold, discarded, demolished or destroyed or replaced.

De-recognition

An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

e) Intangible Assets

Recognition and initial measurement

Purchased intangible assets are stated at cost less accumulated amortization and impairment, if any.

Subsequent measurement (amortisation)

All intangible assets are accounted for using the cost model whereby capitalized costs are amortized on a straight-line basis over their estimated useful lives. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. The following useful lives are applied:

Class of Assets	Useful life (in years)
Software	3 years

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De-recognition

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

f) 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.

These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.
Impairment losses of continuing operations are recognized in the statement of Profit and Loss.

g) Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.
Non-current assets are classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

h) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest calculated using the effective interest rate (EIR) and other costs like finance charges in respect of the finance leases recognized in accordance with Ind AS 116, that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

i) Functional and presentation currency

Thefinancial statements are presented in Indian Rupees (INR), which is also the Company's functional currency.

Initial recognition
Transactions in foreign currencies are initially recorded by the Company at its functional currency spot rates at the date the transaction first qualifies for recognition.

Subsequent measurement
Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.
Exchange differences arising on settlement or translation of monetary items are recognized in profit or loss.The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with

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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 recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

Exchange differences

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the year in which they arise.

j) Leases

The Company as a lessee

The Company's lease asset classes primarily consist of property leases. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

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

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

k) Fair value measurement

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

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

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

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

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data areavailable to measure fair value, maximizing the use of relevant observable inputs and minimizing the use ofunobservable inputs.

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

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

For assets and liabilities that are recognized in the financial statementson a recurring basis, the Company determineswhether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowestlevel input that is significant to the fair value measurement as a whole) at the end of each reporting period or each case.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of thenature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

l) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

m) Inventories

The Company has only trading goods in its inventory which is valued at lower of cost and net realizable value. Cost of inventory comprises of cost of purchases and other costs incurred in bringing the inventories to their present condition and location. Cost is determined by the weighted average cost method.

Net realizable 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.

n) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates, goods and service tax (GST) and amounts collected on behalf of third parties.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

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Interestincome

Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

For all financial assets measured at amortized cost, interest income is recorded using the effective interest rate (EIR) i.e. the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial assets. The future cash flows include all other transaction costs paid or received, premiums or discounts if any, etc.

o) Financial instruments

Financial instruments are recognized when the Company becomes a party to the contractual provisions of the instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

If the Company determines that the fair value at initial recognition differs from the transaction price, the Company accounts for that instrument at that date as follows:

- at the measurement basis mentioned above if that fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets. The Company recognizes the difference between the fair value at initial recognition and the transaction price as a gain or loss.

- in all other cases, at the measurement basis mentioned above, adjusted to defer the difference between the fair value at initial recognition and the transaction price. After initial recognition, the Company recognizes that deferred difference as a gain or loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

Subsequent measurement of financial assets and financial liabilities is described below:

Financial assets

Classification and subsequent measurement
For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

Financial assets at amortized cost – a financial instrument is measured at amortized cost if both the following conditions are met:

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

- 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.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method.

Financial assets at fair value

- **Investments in equity instruments other than above** – All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are generally classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (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 FVOCI, 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. Dividends on such investments are recognized in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Mutual funds – All mutual funds in scope of Ind-AS 109 are measured at fair value through profit and loss (FVTPL).

De-recognition of financial assets

A financial asset is primarily de-recognized 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.

Financial liabilities

Subsequent measurement

After initial recognition, the financial liabilities, other than derivative liabilities, are subsequently measured at amortized cost using the effective interest method (EIR).

Amortized cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The effect of EIR amortization is included as finance costs in the statement of profit and loss.

De-recognition of financial liabilities

A financial liability is de-recognized 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 de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost and FVOCI debt instruments.

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

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p) Retirement and other employee benefits

Defined Contribution plan

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company makes defined contribution to Government Employee Provident Fund, Employee Deposit Linked Insurance and ESI which are recognized in the statement of profit and loss on accrual basis.

The Company recognizes contributions payable to the provident fund scheme as an expenditure, when an employee renders the related services. The Company has no obligation other than the contribution payable to the Provided Fund. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Defined benefit plan

The Company operates a defined benefit gratuity plan in India. The cost of providing benefits under the defined benefit plan is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

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

Other employee benefits

Compensated absences

Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognized on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of compensated absences becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method.

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the actuarial valuation performed by an independent actuary using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Other short-term benefits

Expense in respect of other short-term benefits is recognized on the basis of amount paid or payable for the period during which services are rendered by the employees.

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Employee stock option plan

The cost of equity settled share-based plan is recognized based on the fair value of the options as at the grant date. The fair value of options granted is recognised as an employee benefits expense with a corresponding increase in other equity. The total expense is recognised over the vesting period, which is period over which all of the specified vesting conditions are satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of revision to original estimates, if any, in statement of profit and loss, with a corresponding adjustment to equity. The fair value of options is determined using the Black Scholes valuation model.

q) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) 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 a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of Profit and Loss net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

r) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

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

Potential ordinary shares shall be treated as dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations.

s) Taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

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

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Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits (Minimum alternate tax credit entitlement) and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

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

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

t) Segment reporting

The Company is engaged in the business of manufacturing of garments, textiles and accessories in India and there are no separate reportable segments as per Ind AS 108 'Segment Reporting'.

u). Cash and cash equivalents

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

v) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

w) Significant management judgement in applying accounting policies and estimation uncertainty

The following are the critical judgments and the key estimates concerning the future that management has made in the process of applying the Company's accounting policies and that may have the most significant effect on the amounts recognized in the financial Statements or that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

i. **Useful lives of depreciable/amortizable assets** – Management reviews its estimate of the useful lives of depreciable/amortizable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software, IT equipment and other plant and equipment.

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ii. **Defined benefit obligation (DBO)** – Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

iii. **Evaluation of indicators for impairment of assets** – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

iv. **Recognition of deferred tax assets** - The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

v. **Contingent liabilities** – The Company is the subject of legal proceedings and tax issues covering a range of matters, which are pending in various jurisdictions. Due to the uncertainty inherent in such matters, it is difficult to predict the final outcome of such matters. The cases and claims against the Company often raise difficult and complex factual and legal issues, which are subject to many uncertainties, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law. In the normal course of business, management consults with legal counsel and certain other experts on matters related to litigation and taxes. The Company accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated.

vi. **Inventories** – The Company estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices. Further, the Company also estimate expected loss due to shrinkage, pilferage etc. along with NRV impact on old inventory taking into account most reliable information available at the reporting date.

For MNRS & Associates
Chartered Accountants
Firm Registration Number: 018340N

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Raghav Agrawal
Partner
Membership No. 557981

For and on behalf of the Board of Directors of
V2 Smart Manufacturing Pvt Ltd

Ram Chandra Agarwal
Director
DIN: 00491885

Akash Agarwal
Director
DIN: 03194632

Roshan Varshney
Company Secretary

Place: New Delhi
Date: 23-May-2023