

**SKYTECH TEXTILES PRIVATE  
LIMITED**

**FINANCIALS STATEMENTS**

**FOR THE YEAR ENDED ON: 31<sup>st</sup> MARCH, 2024**

**CGCA & ASSOCIATES LLP  
CHARTERED ACCOUNTANTS**

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## Independent Auditor's Report

To the Members of Skytech Textiles Private Limited

### Report on the Audit of Financial Statements

#### Opinion

We have audited the accompanying Financial Statements of **Skytech Textiles Private Limited** (‘the Company’), which comprises the Balance Sheet as at 31<sup>st</sup> March 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as “the Financial Statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (“Ind AS”), and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2024, and its loss, other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing (SA’s) specified under section 143(10) of the Act. Our responsibilities under those SA’s are further described in the *Auditor’s Responsibility 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 (ICAI) together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Financial Statements.

#### Key Audit Matters

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





| <b>Key Audit Matter</b>  | <b>How the matter was addressed in our audit</b>   |
|--|--|
| <p><b>Revenue Recognition</b></p> <p>Revenue from sale of goods is recognized when control of the products being sold is transferred to the customer and when there are no longer any unqualified obligations. The performance obligations in the contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer specific terms and conditions.</p> <p>Revenue is one of the key profit drivers and is therefore susceptible to misstatement. Year-end cut-off is the key assertion in so far as revenue recognition is concerned, since an inappropriate cut-off can result in material misstatement of results for the year.</p> <p>Revenue is measured at fair value of the consideration received or receivable, after the deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Accumulated experience is used to estimate the provisions for discounts and rebates. Revenue is only recognized to the extent that it is highly probable a significant reversal will not occur.</p> | <p><b>Our audit procedures included :</b></p> <ul style="list-style-type: none"> <li>• We assessed the appropriateness of the revenue recognition accounting policies, including those relating to rebates and discounts by comparing with applicable accounting standards.</li> <li>• We performed substantive testing by selecting samples of revenue transactions recorded during the year by verifying the underlying documents, which included goods dispatch notes and shipping documents.</li> <li>• We performed cut-off testing for samples of revenue transactions recorded before and after the financial year end date by comparing with relevant underlying documentation, which included goods dispatch notes and shipping documents, to assess whether the revenue was recognized in the correct relevant period.</li> <li>• We tested the design, implementation and operating effectiveness of controls over the calculations of discounts and rebates, if any.</li> <li>• We assessed manual journals posted to revenue to identify unusual items and out of system processing.</li> </ul> |
| <p><b>Inventory Valuation</b></p> <p>Inventories are valued at lower of cost and net realizable value.</p> <p>Sales in the industry can be extremely volatile with the consumer demand changing significantly based on current trends. As a result there is a risk that the carrying value of inventory exceeds its net Realizable Value.</p> <p>Hence we have determined valuation of inventories as a Key Audit Matter.</p>  | <p><b>Our audit procedures included:</b></p> <ul style="list-style-type: none"> <li>• Evaluating the rationality of Inventory Policies such as the policy of inventory valuation and provision for obsolescence and understanding whether the valuation of inventory was performed in accordance with the Companies Policy.</li> <li>• Analyzing the inventory aging report and net realizable value Of Inventories.</li> <li>• Inspecting the post period sales situation and evaluating the net realizable value of measurement applied on aging inventory in order to verify the evaluation accuracy of</li> </ul>  |





|  |  |
|--|--|
|  | <p>the estimated inventory allowance by the company.</p> <ul style="list-style-type: none"><li>• Tested the valuation of inventory on sampling basis, by comparing the value of raw materials and traded goods with the underlying supporting documents.</li></ul> |
|--|--|

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

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include Financial Statements and our auditor's report thereon.

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

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Company's annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

### Management's and Board of Director's Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.





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

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

### **Auditor's Responsibility for the Audit of Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to the Financial Statements in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the Financial Statements made by management and Board of Directors.
- Conclude on the appropriateness of management's and Board of Director 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.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

### Report on Other Legal and Regulatory Requirements

1. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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 Act, we give in





the “**Annexure A**” a statement on the matters specified in the paragraph 3 and 4 of the order to the extend applicable.

3. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The balance sheet, the statement of profit and loss (including other comprehensive income), statement of cash flow and statement of changes in equity dealt with by this Report are in agreement with the relevant books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act;
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “**Annexure B**”; and
  - (g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations (if any) as at 31<sup>st</sup> March, 2024 on its financial position in its Financial Statements.
    - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
    - iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund;
    - iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in





any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Company or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Party or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (iv) (a) and (iv) (b) contain any material mis-statement.

- v. The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.
- vi. Based on our examination, which included test checks, the Company has used accounting softwares for maintaining its books of account for the financial year ended 31st March, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.







**CGCA & ASSOCIATES LLP**

CHARTERED ACCOUNTANTS

**Champak K. Dedhia** B.Com., FCA

**Gautam R. Mota** B.Com., LLB, FCA

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 1st April, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended 31st March, 2024.

Place: Mumbai  
Date: 20<sup>th</sup> May, 2024  
UDIN: 24101769BKAJPF1273



For **CGCA & Associates LLP**  
**Chartered Accountants**

Firm Regn No : 123393W / W100755

  
**Champak K. Dedhia**  
**Partner**  
Membership No: 101769



**Annexure - A to the Independent Auditors' Report on the Financial Statements of the Company**

The Annexure referred to in Independent Auditors' Report to the members of the Company on the Financial Statements for the year ended 31<sup>st</sup> March 2024, we report that:

- i. According to the information and explanations given to us and on the basis of our examination of the records of the Company, in respect of Property, Plant & Equipment:
  - a. (A) The Company has maintained proper records, showing full particulars including quantitative details and situation of Property, Plant and Equipment and relevant details of Right-of-use assets.  
  
(B) The Company has maintained proper records, showing full particulars of intangible assets.
  - b. The Company has a phased program for physical verification of the property, plant and equipment of the company to cover all locations. In our opinion and as confirmed by the management regular physical verification of property, plant & equipment is not consistently performed however the same would not have any material impact on the financial statements as a whole.
  - c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not have any immovable property. Accordingly, clause 3(i)(c) of the said Order is not applicable to the Company.
  - d. The Company has not revalued its Property, Plant & Equipment or Intangible assets or both during the year.
  - e. There are no proceedings 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.
- ii. According to information and explanation given to us and on the basis of our examination of the records of the Company, in respect of Inventory:
  - a. The inventory, except those lying with third parties and in transit, has been physically verified by the management at regular intervals, which we consider to be reasonable and coverage as followed by the management were appropriate. The discrepancies noticed during the physical verification of inventories as compared to book records were not material and have been property dealt with in the books of account.
  - b. The Company has not been sanctioned working capital limits in excess of 5 crores, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.



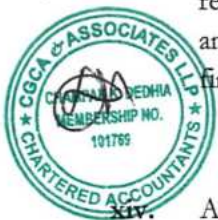


- iii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided guarantee or security or granted any advances in the nature of loans, secured or unsecured, to Companies, firms, limited liability partnerships or any other parties during the year and therefore clause 3(iii) of the Order is not applicable.
- iv. According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013. In respect of investments made by the Company, in our opinion the provisions of Section 186 of the Companies Act, 2013 have been complied with.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- vi. In our opinion and according to the information and explanation give to us by the management, the Central Government has not prescribed maintenance of cost records under sub section (1) of Section 148 of the Act, for any of the activities carried on by the Company. The maintenance of cost records is not applicable to the Company as confirmed by the Management.
- vii. According to the information and explanations given to us and based on the records examined by us, the Company has been generally regular in depositing undisputed statutory dues including provident fund, Employee's State Insurance, Income Tax, GST, Custom Duty, Cess and other material statutory dues as and wherever applicable to the Company, with appropriate authorities and no dues remain outstanding for a period of more than six months from the date they became payable.
- viii. According to the information and explanations given to us and on the basis of our examination of the records, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- ix. According to the information and explanations given to us and on the basis of our examination of the records, in respect of loans or borrowings:
- The Company has not defaulted in the repayment of loans or borrowings or in the payment of interest during the year.
  - The Company has not been declared a willful defaulter by any bank or financial institution or government or government authority.
  - The Company has not obtained any term loan
  - We report that funds raised on short term basis has not been utilized for long term purposes.





- e. The According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(d) of the Order is not applicable.
- f. The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries.
- x. According to the information and explanations given to us and on the basis of our examination of the records of the Company:
- a. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly clause 3(x)(a) of the Order is not applicable.
- b. During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. According to the information and explanations given to us and on the basis of our examination of the records of the Company, in respect of Frauds:
- a. Based upon the audit procedures performed and according to the information and explanations given to us by the management, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company by its officers/employees has been noticed or reported during the course of the audit.
- b. In the absence of any fraud, there is no requirement to submit ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules 2014 with the Central Government.
- c. During the year under audit we have not received any complaints under whistle blower mechanism.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, clause 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.
- xiv. According to the information given to us and based on our examination of the records of the company, internal audit is not applicable to the company as per the relevant provisions of the Act and hence reporting under clause 3(xiv) of the Order is not applicable.





- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company. Accordingly, Clause 3(xv) of the Order is not applicable.
- xvi.
- The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
  - The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
  - The Company is not the Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India Accordingly, clause 3(xvi)(c) of the Order is not applicable.
  - Accordingly to the information and explanations provided to us during the course of the audit, Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- xvii. The Company has incurred cash losses of 11.02 Lakhs during the year under audit.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly clause 3 (xviii) of the Order is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exist as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee or 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. There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.





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**Gautam R. Mota** B.Com., LLB, FCA

- xxi. The Company is not having any subsidiaries or Joint Venture or associate and hence not required to prepare consolidated financial statements. Accordingly, clause 3 (xxi) of the Order is not applicable.



Place: Mumbai


Date: 20<sup>th</sup> May, 2024

UDIN: 24101769BKAJPF1273

For **CGCA & Associates LLP**

**Chartered Accountants**

Firm Regn No : 123393W / W100755

  
**Champak K. Dedhia**  
Partner

Membership No: 101769

**Annexure - B to the Auditors' Report****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")****Opinion**

We have audited the internal financial controls over financial reporting of **Skytech Textiles Private Limited** ("the Company") as of 31<sup>st</sup> March 2024 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

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

**Management's Responsibility for Internal Financial Controls**

The Company's management and the Board of Director are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 have 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 with reference to Financial Statements**

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


### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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



**Place: Mumbai**  
**Date: 20<sup>th</sup> May, 2024**  
**UDIN: 24101769BKAJPF1273**

For **CGCA & Associates LLP**  
**Chartered Accountants**  
Firm Regn No : 123393W / W100755

  
**Champak K. Dedhia**  
**Partner**  
**Membership No: 101769**



**Skytech Textiles Private Limited**  
**Balance Sheet as at 31st March 2024**  
 (All amount in Rupees lakhs, unless otherwise stated)

| Particulars                       | Note No. | As at<br>March 31, 2024 |
|-----------------------------------|----------|-------------------------|
| <b>ASSETS</b>                     |          |                         |
| <b>Non - Current Assets</b>       |          |                         |
| Property, Plant & Equipment       | 3        | 48.07                   |
| Deferred Tax Asset (Net)          | 4        | 1.73                    |
| <b>Total Non - Current Assets</b> |          | <b>49.80</b>            |
| <b>Current Assets</b>             |          |                         |
| Inventories                       | 5        | 61.85                   |
| Financial Assets                  |          |                         |
| Trade Receivables                 | 6        | 1.75                    |
| Cash & Cash Equivalents           | 7        | 5.56                    |
| Other Financial Asset             | 8        | 8.19                    |
| Other Current Assets              | 9        | 17.25                   |
| <b>Total Current Assets</b>       |          | <b>94.60</b>            |
| <b>TOTAL ASSETS</b>               |          | <b>144.40</b>           |

| Particulars                            | Note No. | As at<br>March 31, 2024 |
|--|----------|-------------------------|
| <b>EQUITY AND LIABILITIES</b>          |          |                         |
| <b>EQUITY</b>                          |          |                         |
| Equity Share Capital                   | 10       | 1.00                    |
| Other Equity                           | 11       | (11.75)                 |
| <b>TOTAL EQUITY</b>                    |          | <b>(10.75)</b>          |
| <b>LIABILITIES</b>                     |          |                         |
| <b>Non - Current Liabilities</b>       |          |                         |
| Financial Liabilities                  |          |                         |
| Borrowings                             | 12       | 42.53                   |
| <b>Total Non - Current Liabilities</b> |          | <b>42.53</b>            |
| <b>Current Liabilities</b>             |          |                         |
| Financial Liabilities                  |          |                         |
| Borrowings                             | 13       | 0.19                    |
| Trade Payables                         | 14       |                         |
| Dues to Micro and Small Enterprises    |          | 1.16                    |
| Dues to Others                         |          | 109.02                  |
| Other Current Liabilities              | 15       | 1.95                    |
| Provisions                             | 16       | 0.30                    |
| <b>Total Current Liabilities</b>       |          | <b>112.61</b>           |
| <b>TOTAL LIABILITIES</b>               |          | <b>155.14</b>           |
| <b>TOTAL EQUITY AND LIABILITIES</b>    |          | <b>144.40</b>           |

|                              |      |
|------------------------------|------|
| CORPORATE INFORMATION        | 1    |
| MATERIAL ACCOUNTING POLICIES | 2    |
| NOTES ON ACCOUNTS            | 3-34 |

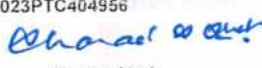
As per our report attached of even date  
 For CGCA & Associates LLP  
 Chartered Accountants  
 Firm Reg. No 123393W / W100755

For and on behalf of the Board of Directors

CIN:U13119MH2023PTC404956

  
  
 Champa K. Dedhia  
 Partner  
 Membership No. 101769  
 UDIN : 24101769BKAJPF1273  
 Mumbai, 20th May, 2024

  
 Shailesh Shah  
 Director  
 DIN: 00006154

  
 Sharad Shah  
 Director  
 DIN: 00006114

  
 SKYTECH TEXTILES PRIVATE LIMITED  
 MUMBAI

  
 Naikal Roarani  
 Director  
 DIN: 00037831





Skytech Textiles Private Limited  
Statement of Profit and Loss for the period ended 31 March 2024  
(All amount in Rupees lakhs, unless otherwise stated)

| Particulars   | Note. No. | For the period ended<br>March 31,2024 |
|---|-----------|---------------------------------------|
| <b>Income</b>   |           |                                       |
| Revenue from Operations   | 17        | 14.45                                 |
| <b>Total Income</b>   |           | <b>14.45</b>                          |
| <b>Expenses</b>   |           |                                       |
| Cost of materials consumed                                      | 18        | 4.47                                  |
| Purchase of Stock in Trade                                      | 19        | 41.20                                 |
| Changes in inventory of finished goods<br>and stock in trade    | 20        | (35.70)                               |
| Employee Benefit Expenses                                       | 21        | 7.07                                  |
| Finance Cost  | 22        | 1.11                                  |
| Depreciation and Amortization                                   | 23        | 0.16                                  |
| Other Expenses  | 24        | 7.32                                  |
| <b>Total Expenses</b>   |           | <b>25.62</b>                          |
| <b>Profit / (Loss) Before Tax</b>                               |           | <b>(11.17)</b>                        |
| <b>Tax Expenses / (Credit)</b>                                  |           |                                       |
| Current Tax   |           | -                                     |
| Deferred Tax  | 4         | (1.73)                                |
|   |           | (1.73)                                |
| <b>Profit After Tax</b>   |           | <b>(9.44)</b>                         |
| <b>Other Comprehensive Income</b>                               |           |                                       |
| <b>Items that will not be reclassified to Profit &amp; Loss</b> |           |                                       |
| Remeasurement of Defined Benefit Obligation / Asset             |           | -                                     |
| Income Tax related to above                                     |           | -                                     |
| <b>Total Other Comprehensive Income for the period</b>          |           | <b>-</b>                              |
| <b>Total Comprehensive Income for the period</b>                |           | <b>(9.44)</b>                         |
| <b>Earnings Per Share - Basic &amp; Diluted (₹)</b>             |           | <b>(117.96)</b>                       |

|                              |      |
|------------------------------|------|
| CORPORATE INFORMATION        | 1    |
| MATERIAL ACCOUNTING POLICIES | 2    |
| NOTES ON ACCOUNTS            | 3-34 |

As per our report attached of even date  
For CGCA & Associates LLP  
Chartered Accountants  
Firm Reg. No. 123393W / W100755

For and on behalf of the Board of Directors

CIN:U13119MH2023PTC404956

*Shailish Shah* *Sharad Shah*

Shailish Shah  
Director  
DIN: 00006154

Sharad Shah  
Director  
DIN: 00006114

*Champak K Dedhia*  
Champak K Dedhia  
Partner

Membership No. 101769  
UDIN : 24101769BKAJPF1273  
Mumbai, 20th May, 2024



*Maikal Roarani*  
Maikal Roarani  
Director  
DIN: 00037831

*AS*

Skytech Textiles Private Limited  
Statement of Cash Flow for the year ended 31 March 2024  
(All amount in Rupees lakhs, unless otherwise stated)

| Particulars  | For the period ended<br>March 31,2024 |
|--|---------------------------------------|
| <b>A CASH FLOW FROM OPERATING ACTIVITIES</b>                   |                                       |
| Net Profit / (Loss) Before Tax                                 | (11.17)                               |
| Add / (Less):- Adjustments for Non-Cash / Non-Operating Items: |                                       |
| Depreciation & Amortization                                    | 0.16                                  |
| Finance Cost   | 1.11                                  |
|  | 1.27                                  |
| <b>Operating Profit Before Working Capital Changes</b>         | <b>(9.91)</b>                         |
| <b>Movement in working capital :</b>                           |                                       |
| (Increase) / Decrease in Trade Receivables                     | (1.75)                                |
| (Increase) / Decrease in Other Current Assets                  | (17.25)                               |
| (Increase) / Decrease in Other Financial Assets                | (8.19)                                |
| (Increase) / Decrease in Inventories                           | (61.85)                               |
| Increase / (Decrease) in Trade Payables                        | 110.17                                |
| Increase / (Decrease) in Other Current Liabilities             | 1.95                                  |
| Increase / (Decrease) in Current Provisions                    | 0.30                                  |
|  | 23.38                                 |
| <b>Cash Generated from Operations</b>                          | <b>13.47</b>                          |
| Less: Taxes Paid (Net of refund received)                      | -                                     |
| <b>NET CASH FLOW FROM OPERATING ACTIVITY (A)</b>               | <b>13.47</b>                          |
| <b>B CASH FLOW FROM INVESTING ACTIVITIES</b>                   |                                       |
| Purchase of Property, Plant & Equipment & Intangible Assets    | (48.23)                               |
| <b>NET CASH FLOW FROM INVESTING ACTIVITY (B)</b>               | <b>(48.23)</b>                        |
| <b>C CASH FLOW FROM FINANCING ACTIVITY</b>                     |                                       |
| Issue of equity shares on incorporation                        | 1.00                                  |
| Proceeds from Unsecured Borrowings                             | 42.72                                 |
| Preliminary expenses   | (2.30)                                |
| Finance Cost   | (1.11)                                |
| <b>NET CASH FLOW FROM FINANCING ACTIVITY (C)</b>               | <b>40.31</b>                          |
| <b>NET CASH FLOW FOR THE YEAR (A + B + C)</b>                  | <b>5.56</b>                           |
| Add: Opening Balance of Cash & Cash Equivalents                | -                                     |
| <b>CLOSING BALANCE OF CASH &amp; CASH EQUIVALENTS</b>          | <b>5.56</b>                           |
| <b>RECONCILATION OF CASH AND CASH EQUIVALENT</b>               |                                       |
| Total Cash And Bank Balance As Per Balance Sheet               |                                       |
| Cash And Cash Equivalent Comprises As Under:                   |                                       |
| Balance with banks in current accounts                         | 5.56                                  |
| Cash on Hand   | -                                     |
| <b>CASH AND CASH EQUIVALENT AT THE END OF THE YEAR</b>         | <b>5.56</b>                           |

For and on behalf of the Board of Directors

As per our report attached of even date  
For CGCA & Associates LLP  
Chartered Accountants  
Firm Reg. No. 123393W / W100755

Champak K. Dedhia  
Partner

Membership No. 101769  
UDIN : 24101769BKAJPF1273  
Mumbai, 20th May, 2024



CIN:U13119MH2023PTC404956

Shailesh Shah  
Director  
DIN: 00006154

Sharad Shah  
Director  
DIN: 00006114

Maikal Roarani  
Director  
DIN: 00037831



**1 CORPORATE INFORMATION**

Skytech Textiles Pvt Ltd is a Company incorporated under the Companies Act, 2013. The Company is engaged in manufacturing of "Neoprene Fabric". The Company is engaged in manufacturing and marketing in various products like neoprene fabric & other technical textiles etc. The Company has its corporate office at 1101, Universal Majestic, Behind RBK INTL School, Mumbai, Mumbai, Maharashtra, India, 400043. The Company has been incorporated in the current year hence, these financials relate to the period 12 June 2023 to 31 March 2024. The Company has adopted IND AS as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

**2 BASIS OF PREPARATION, MEASUREMENT AND MATERIAL ACCOUNTING POLICIES**

This note provides a list of Basis of Preparation, Measurement and Material Accounting Policies adopted in the preparation of these Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

**2.1 BASIS FOR PREPARATION OF ACCOUNTS**

**A. Statement of Compliance with Ind AS**

These Financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

**B. Current versus Non-Current classification**

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification.

**Assets**

- i) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle.
- ii) it is held primarily for the purpose of being traded;
- iii) it is expected to be realised within 12 months after the reporting date; or
- iv) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include current portion of non-current financial assets. All other assets are classified as non-current.

**Liabilities**

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

- i) it is expected to be settled in the Company's normal operating cycle;
- ii) it is held primarily for the purpose of being traded;
- iii) it is expected to be settled within 12 months after the reporting date; or
- iv) the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current

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

**Operating Cycle**

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The operating cycle of the Company is less than 12 months.

**C. Historical Cost Convention**

The financial statements have been prepared on the historical cost convention on accrual basis except for the following items:

| Items                                    | Measurement Basis  |
|--|--|
| Certain financial assets and liabilities | Fair Value   |
| Net defined benefit liability            | Present value of defined benefit obligation less fair value of plan assets |

**D. Going Concern Assumption**

These financial statements have been prepared on a going concern basis. The management has assessed the cash flow projections and available liquidity for a period of at least twelve months from the date of these financial statements. Based on this evaluation, Management believes that the Company will be able to continue as a 'going concern' in the foreseeable future and for a period of at least twelve months from the date of these financial statements based on the following:

- i) Expected future operating cash flows based on business projections, and
- ii) Available credit facilities with its bankers.

Based on the above factors, Management has concluded that the "going concern" assumption is appropriate. Accordingly, the financial statements do not include any adjustments regarding the recoverability and classification of the carrying amount of assets and classification of liabilities that might result, should the Company be unable to continue as a going concern.



#### **E. Functional and Presentation Currency**

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakh to two decimal points, unless otherwise indicated.

#### **2.2 Key Accounting Estimates and Judgements**

The preparation of financial statements requires management to make judgements, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgements based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

Information about critical judgements in applying accounting policies, as well as estimates and assumptions that have the most MATERIAL effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

- (a) Measurement of defined benefit obligations.
- (b) Measurement and likelihood of occurrence of provisions and contingencies.
- (c) Recognition of deferred tax assets.
- (d) Measurement of Lease liabilities and Right of Use Asset (ROUA).

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

#### **2.3 MATERIAL ACCOUNTING POLICIES**

##### **REVENUE RECOGNITION**

Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to MATERIAL reversal when uncertainty relating to its recognition is resolved.

##### **a) Sale of Goods**

Revenue from sale of products is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

##### **b) Rendering of services**

Revenue of services are recognized when the services are rendered.

##### **c) Dividend**

Dividend income from investments is recognised when the shareholder's rights to receive payment have been established, which is generally when shareholders approve the dividend.

##### **d) Interest Income**

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable.

##### **e) Rental Income**

Rental income from investment property is recognised as part of revenue from operations in profit or loss on a straight-line basis over the term of the lease except where the rentals are structured to increase in line with expected general inflation. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

##### **f) Export Incentives**

Export incentives under various schemes are accounted in the year of Exports.

#### **2.4 FOREIGN CURRENCY TRANSACTIONS**

##### **Functional and Presentation Currency**

##### **a) The financial statements are presented in Indian Rupee (INR), which is company's functional and presentation currency.**

##### **b) Initial Recognition**

Transactions in foreign currencies are recorded at the exchange rate prevailing on the dates of the transactions. Exchange difference arising on foreign exchange transaction settled during the year are recognized in the Statement of profit and loss of the year.

##### **c) Measurement of foreign currency items at the Balance sheet date**



Monetary assets and liabilities denominated in foreign currencies are re-translated into functional currency at the exchange rate prevailing at the end of the reporting period. Non monetary assets and liabilities that are measured based on a historical cost in a foreign currency are not re-translated. Exchange differences arising out of these transaction are charged to the profit and loss.

## 2.5 PROPERTY, PLANT AND EQUIPMENTS AND INTANGIBLE ASSETS

### a) Property, plant and equipment (PPE)

#### i) Recognition and measurement

Freehold land is carried at cost. All other items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenses directly attributable to the acquisition of the assets. The cost of an item of a PPE comprises its purchase price including import duty, and other non-refundable taxes or levies and any directly attributable cost of bringing the assets to its working condition of its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

#### ii) Subsequent expenditure

Expenditure incurred on substantial expansion upto the date of commencement of commercial production are capitalised. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

### b) Capital Work-In-Progress And Pre-Operative Expenses During Construction Period

Capital work-in progress includes expenditure directly related to construction and incidental thereto. The same is transferred or allocated to respective Property, Plant and Equipment on their completion / commencement of commercial production.

### c) Intangible assets

Intangible assets are held on the balance sheet at cost less accumulated amortisation and impairment loss if any.

## 2.6 IMPAIRMENT OF NON- FINANCIAL ASSETS

The Company's non-financial assets other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is an indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of time value of money and the risks specific to the CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment losses recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amount of the other assets of the CGU on a pro rata basis.

An impairment loss in respect of assets for which impairment loss has been recognized in prior periods, the Company reviews at reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

## 2.7 DEPRECIATION AND AMORTISATION

Depreciation is computed using Straight Line Method (SLM) over the useful lives of the assets as specified in Schedule II

to the Companies Act, 2013. Lease hold land is amortised over the period of lease.

Useful lives of the items of Property, Plant and Equipment are as follows:

| Asset                  | Estimated Useful Life |
|------------------------|-----------------------|
| Building               | 30 Years              |
| Plant & Machinery      | 15 Years              |
| Furniture and Fixtures | 10 Years              |
| Vehicles               | 8 Years               |
| Other equipment        | 6 Years               |

The management believes that the useful life as given above the best represent the period over which the management expects to use these assets.



The assets; residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.  
Depreciation and amortization on property, plant and equipment added/dropped off during the year has been provided on pro-rata basis with reference to the date of addition/disposal.  
Depreciation and amortization methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

## 2.8 FINANCIAL INSTRUMENTS

### I. Financial Assets

#### a) Classification of financial assets

The Company classifies financial assets as subsequently measures at amortised cost, fair value through other comprehensive income or fair value through profit & loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

##### *i) Debt instrument at amortised cost:*

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

- The asset is held within a business model whose objectives is to hold assets for collecting contractual cash flow and
- Contractual terms of the asset give rise on specified dates to cash flow that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or cost that are an integral part of the EIR. The EIR. Amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. The category generally applies to trade and other receivable.

##### *ii) Debt instrument at fair value through other comprehensive income (FVOCI):*

Assets that are held for collection of contractual cash flow and selling the financial assets, where the assets' cash flow represents solely payments of principal and interest are measuring at FVOCI, movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue or foreign exchange gains and losses which are recognised in profit and loss. When the financial assets is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses) Interest income from these financial assets is included in other income using the EIR method. The company does not have any instruments classified as fair value through other comprehensive income (FVOCI).

##### *iii) Debt instrument measured at fair through profit and loss (FVTPL):*

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/ (losses) in the period in which it arises. Interest income from these financial assets is included in other income.

##### *iv) Equity investments:*

Investment in associates are accounted using equity method.

All other equity investments which are in scope of Ind-AS 109 are measured at fair value. Equity instrument which are held for trading are classified as at FVTPL. For all other equity investments, the Company decide to classify the same either as at fair value through other comprehensive income (FVOCI) or FVTPL. The company makes such election on an instrument-by- instrument basis. The classification is made on initial recognition and is irrevocable.

For equity investments classified as FVOCI, all fair value changes on the instruments, excluding dividend, are recognized in other comprehensive income (OCI). There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of such investment.

Equity investments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

Costs of certain unquoted equity instruments has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

#### b) Initial recognition and measurement:

All financial assets are recognised initially at fair value and for those instruments that are not subsequently measured at FVTPL, plus/minus transaction cost that are attributable to the acquisition of the financial assets.

Trade receivable are carried at original invoice price as the sales arrangements do not contain any MATERIAL financial component. Purchase or sales of financial assets that required delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the company commits to purchase or sell the assets.



c) **Derecognition of financial assets:**

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

- The rights to receive cash flows from the asset have expired, or
- The Company has neither transferred nor retained substantially all the risks and rewards all the assets, but has transferred control of the assets.

When the company has transferred its rights to receive cash flow from an asset or has entered into a pass-through arrangement, it evaluates whether it has transferred substantially all the risks and rewards of ownership. In such cases, the financial asset is derecognised. When it has neither transferred nor retained substantially all of the risks and rewards of the assets, nor transferred control of the assets, the Company continues to recognise the transferred asset to the extent of the company's continuing involvement. In the case, the company recognises and associated liability. The transferred asset and the associated liability are measured on a basis that reflect the rights and obligations that the company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and maximum amount of consideration that the company could be required to repay.

d) **Impairment of financial assets:**

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

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loan, debt security, deposits, and bank balance.

- Trade Receivables

The company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a MATERIAL financing component.

The application simplified approach does not require the company to track change in risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivable. The provision matrix based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, historically observed default rate updated and change in the forward looking estimates are analysed.

II. **Financial Liabilities and equity instruments**

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

a) **Equity instruments:**

An equity instruments is any contract the evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by an entity are recognised at the proceeds received, net of direct issue costs

b) **Financial liabilities :- Classification**

Financial liabilities are classified as either's at FVTPL' or other financial liabilities consists of derivative financial instruments, wherein the gain/losses arising from remeasurement of these Instruments of recognized in the statements of profit and loss. Other financial liability (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

c) **Initial recognition and measurement:**

All financial liability are recognised initially at fair value and for those instruments that are not Subsequently measured at

FVTPL, plus/minus transaction cost that are attributable to issue of these instruments.

d) **Derecognition:**

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

III. **Fair Value**

The Company determines the fair value of its financial instruments on the basis of the following hierarchy:-

- a) **Level 1 :** The fair value of financial instruments quoted in active markets is based on their quoted closing price at the balance sheet date. Examples include exchange traded commodity derivatives and other financial instruments in equity and debt securities which are listed in a recognised stock exchange
- b) **Level 2 :** The fair value of financial instruments that are not traded in active markets is determined by using valuation techniques using observable market data. Such valuations techniques include discounted cash flows, standard valuation models based on market parameters for interest rates, yield curves or foreign exchange rates, dealer quotes for similar instruments and use of comparable arm's length transactions. For example, the fair value of forward exchange contracts, currency swaps and interest rate swaps is determined by discounting estimated future cash flows using a risk-free interest rate





c) Level 3 : The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs).

## 2.9 INVENTORIES

Inventories are stated at the lower of cost and net realizable value.

Cost of Raw Material is determined on a First In First Out (FIFO) basis.

Packing materials are valued at cost.

Finished goods are valued at cost or net realizable value whichever is lower. Cost comprises direct materials and where applicable, direct labour costs, those overheads but excluding borrowing cost that have been incurred in bringing the inventories to their present location and condition. Cost is arrived on weighted average cost basis.

Work in Progress is valued at cost or net realizable value whichever is less. Cost comprises direct materials and appropriate portion of direct labour costs, manufacturing overheads but excluding borrowing cost that have been incurred in bringing the inventories to their present location and condition.

## 2.1 BORROWING COSTS

Borrowing Costs that are interest and other costs that the company incurs in connection with the borrowings of funds and is measured with reference to the effective interest rate applicable to the respective borrowing. Borrowing costs include interest cost measured at EIR and exchange difference arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets, wherever applicable, till the assets are ready for their intended use. Such capitalisation is done only when it is probable that the asset will result in future economic benefits and the costs can be measured reliably.

Capitalisation of borrowing cost is suspended and charged to statement when active development is interrupted.

Capitalisation of borrowing costs commences when all the following conditions are satisfied:

- i. Expenditure for the acquisition, construction or production of a qualifying asset is being incurred;
- ii. Borrowing costs are being incurred; and
- iii. Activities that are necessary to prepare the asset for its intended use are in progress.

A qualifying asset is one which necessarily takes substantial period to get ready for intended use. All other borrowing costs are charged to revenue account.

## 2.11 EMPLOYEE BENEFITS

### a) Short term employee benefit obligations

Liabilities for wages, salaries, compensated absences including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related services are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are to be settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

### b) Post-employment obligations

The Company operates the following post-employment schemes:

- A. Defined benefit plans such as Gratuity; and
- B. Defined contribution plan such as Provident Fund

#### Gratuity Obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligations is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the

fair value of plan assets. This cost is included in employee benefit expenses in the statement of profit and loss.

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

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

#### Defined Contribution Plans



The Company pays provident fund contributions to publicly administered funds as per the local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expenses when they are due. Contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payment is available.

#### Share Based Payments

Employees of the Company receive remuneration in the form of share-based payments in consideration of the services rendered. Under the equity settled share based payment, the fair value on the grant date of the awards given to employees is recognised as 'employee benefit expenses' with a corresponding increase in equity over the vesting period. The fair value of the options at the grant date is calculated by an independent valuer basis Black Scholes model. At the end of each reporting period, apart from the non-market vesting condition, the expense is reviewed and adjusted to reflect changes to the level of options expected to vest. When the options are exercised, the Company issues fresh equity shares.

For cash-settled share-based payments, the fair value of the amount payable to employees is recognised as 'employee benefit expenses' with a corresponding increase in liabilities, over the period of non-market vesting conditions getting fulfilled. The liability is remeasured at each reporting period up to, and including the settlement date, with changes in fair value recognised in employee benefits expenses

#### c) Other long term employee benefit obligations

##### i) Compensated absences

The liabilities for earned leave is not expected to be settled wholly within 12 months after the end of the period in which employees render the related service. Therefore they are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of reporting period using the projected unit credit method. The benefits are discounted using the market yield at the end of reporting period that have terms approximating to the terms of related obligation. Remeasurement as a result of experience adjustments and changes in actuarial assumptions are recognised in the other comprehensive income.

## 2.12 ACCOUNTING FOR TAXES ON INCOME

#### a) Income Taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in Deferred Tax Assets and Liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period i.e. as per the provisions of the Income Tax Act, 1961, as amended from time to time. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on the rates and tax laws enacted or substantively enacted, at the reporting date in the country where the Company operates and generates taxable income. Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Current tax assets and liabilities are offset only if, the Company :

- i) has legally enforceable right to set off the recognised amounts; and
- ii) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### b) Deferred Taxes

Deferred tax is recognised in respect of temporary differences between the carrying amounts of the assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purpose .

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences only if it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantially enacted at the reporting date.

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

Current and Deferred Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Any tax credit available is recognised as Deferred Tax to the extent that it is probable that future taxable profit will be available against which the unused tax credits can be utilised. The said asset is created by way of credit to the Statement of Profit and Loss and shown under the head deferred tax asset.



The carrying amount of Deferred Tax Assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the Deferred Tax Asset to be utilised. Unrecognised Deferred Tax Assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are offset only if, the Company :

- i) has legally enforceable right to set off the recognised amounts; and
- ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

## 2.13 PROVISIONS, CONTINGENT LIABILITIES and CONTINGENT ASSETS

### a) Provisions

Provisions are recognised 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 recognised 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 not recognised for future operating losses.

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. The increase in the provision due to the passage of time is recognised as interest expense.

### b) Contingent Liability

Contingent liabilities are not provided for and if material, are disclosed by way of notes to accounts. Contingent Liability is i. A present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation;

- ii. A present obligation arising from the past events, when no reliable estimate is possible;
- iii. A possible obligation arising from the past events, unless the probability of outflow of resources is remote.

### c) Contingent Asset

Contingent asset is not recognised in the financial statements. A contingent asset is disclosed, where an inflow of economic benefits is probable

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

## 2.14 EARNING PER SHARE

### a) Basic Earnings Per Share

Basic Earnings Per Share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the company's earnings per share is the net profit for the period after deducting preference dividends, if any, and any attributable distribution tax thereto for the period.

## 2.15 CASH AND CASH EQUIVALENTS

Cash Flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing Cash Flows. The cash flows from operating, investing and financing activities of the Company are segregated.

Cash and cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments net of bank overdrafts which are repayable on demand as these form an integral part of the Company's cash management.

## 2.16 DIVIDEND

The Company recognises a liability for dividends to equity holders of the Company when the dividend is authorised and the dividend is no longer at the discretion of the Company. As per the corporate laws in India, a dividend is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

## 2.17 ROUNDING OFF

All amounts disclosed in the financial statements and notes have been rounded off to the nearest rupees, unless otherwise stated.

## 2.18 EVENTS OCCURRING AFTER THE REPORTING DATE

Adjusting events (that provides evidence of condition that existed at the balance sheet date) occurring after the balance sheet date are recognized in the financial statements. Material non adjusting events (that are inductive of conditions that arose subsequent to the balance sheet date) occurring after the balance sheet date that represents material change and commitment affecting the financial position are disclosed in the Directors' Report.

## 2.19 EXCEPTIONAL ITEMS

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.



## 2.2 OPERATING CYCLE

All assets and liabilities have been classified as current or non-current as per each Company's normal operating cycle and other criteria set out in the Schedule III to the Act.

## 2.21 SEGMENT REPORTING

The Company is primarily engaged in the business of manufacturing Neoprene Fabrics. Performance is measured based on the management accounts as included in the internal management reports that are reviewed by the Company's Chairman and Managing Director. Accordingly, there is no separate reportable segments.

## 2.22 LEASES

### As a lessee:

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 includes 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 useful life of the asset or the balance lease term of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

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 in the country of domicile of the leases. 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.

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

## 2.23 STANDARDS ISSUED BUT NOT YET EFFECTIVE

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2024.



Skytech Textiles Private Limited  
Notes forming part of the Financial Statements for the period ended March 31, 2024  
(All amount in Rupees lakhs, unless otherwise stated)

NOTE 3: PROPERTY, PLANT & EQUIPMENTS

| Sr no. | PARTICULARS           | GROSS BLOCK         |              |           | DEPRECIATION        |                     |             |           | NET BLOCK           |                     |
|--------|-----------------------|---------------------|--------------|-----------|---------------------|---------------------|-------------|-----------|---------------------|---------------------|
|        |                       | AS ON<br>12.06.2023 | ADDITION     | DELETIONS | AS ON<br>31.03.2024 | AS ON<br>12.06.2023 | ADDITION    | DELETIONS | AS ON<br>31.03.2024 | AS ON<br>31.03.2024 |
| (A)    | Plant & Machinery     | -                   | 47           | -         | 47                  | -                   | 0.15        | -         | 0.15                | 46.98               |
| (B)    | Furniture and Fixture | -                   | 1.10         | -         | 1.10                | -                   | 0.01        | -         | 0.01                | 1.09                |
|        | <b>TOTAL</b>          | -                   | <b>48.23</b> | -         | <b>48.23</b>        | -                   | <b>0.16</b> | -         | <b>0.16</b>         | <b>48.07</b>        |



**Skytech Textiles Private Limited**Notes forming part of the Financial Statements for the period ended March 31, 2024  
(All amount in Rupees lakhs, unless otherwise stated)**NOTE 4: INCOME TAX****A. COMPONENTS OF INCOME TAX EXPENSE**

| Particulars  | As at<br>March 31, 2024 |
|--|-------------------------|
| <b>I. Tax expense recognised in statement of profit &amp; loss</b> |                         |
| <b>Current Tax</b>   |                         |
| Current year   | -                       |
| (Excess) / Short Provision of Earlier Years                        | -                       |
| <b>Sub-Total</b>   | -                       |
| <b>Deferred tax charge/ (credit)</b>                               |                         |
| Origination and reversal of temporary difference                   | -1.73                   |
| <b>Sub-Total</b>   | (1.73)                  |
| <b>Total</b>   | (1.73)                  |
| <b>II. Tax on other comprehensive income</b>                       |                         |
| <b>Items that will not be reclassified to Profit and Loss</b>      |                         |
| Remeasurement of the Defined Benefit Plans                         | -                       |
| <b>Total</b>   | -                       |

**B. RECONCILIATION OF EFFECTIVE TAX RATES**

| Particulars   | As at<br>March 31, 2024 |
|---|-------------------------|
| Profit/(loss) before tax                                    | (11.17)                 |
| Enacted Income Tax Rate in India                            | 17.16%                  |
| Income Tax expense calculated at enacted corporate tax rate | (1.92)                  |
| Other adjustments   | 0.19                    |
| <b>Net tax expense</b>                                      | (1.73)                  |
| <b>Tax expense recognised in P&amp;L</b>                    | (1.73)                  |



C. MOVEMENT IN DEFERRED TAX ASSETS/(LIABILITIES)

| Particular   | Recognised in profit and loss | Recognised in other comprehensive |
|--|-------------------------------|-----------------------------------|
| Property, plant and equipment  | (0.59)                        | -                                 |
| Foreign Exchange fluctuation with respect to foreign currency Payables | -                             | -                                 |
| Other items giving rise to temporary differences                       | -                             | -                                 |
| Preliminary Expenses   | (0.08)                        | -                                 |
| Unabsorbed Depreciation  | 2.40                          | -                                 |
| <b>Deferred tax assets/ (liabilities)</b>                              | <b>1.73</b>                   | <b>-</b>                          |

D. DEFERRED TAX ASSETS

| Particulars                                    | As at March 31, 2024 |
|--|----------------------|
| <b>Deferred Tax Assets</b>                     |                      |
| Unabsorbed Depreciation                        | 2.40                 |
| Preliminary Expenses                           | (0.08)               |
| <b>Total</b>                                   | <b>2.32</b>          |
| <b>Deferred Tax Liabilities</b>                |                      |
| Property, Plant and Equipment                  | 0.59                 |
| <b>Total</b>                                   | <b>0.59</b>          |
| <b>NET DEFERRED TAX ASSETS / (LIABILITIES)</b> | <b>1.73</b>          |



Skytech Textiles Private Limited  
Notes forming part of the Financial Statements for the period ended March 31, 2024  
(All amount in Rupees lakhs, unless otherwise stated)

**NOTE 5: INVENTORIES**

| Particulars  | As at<br>March 31, 2024 |
|--|-------------------------|
| <b>Inventories (Valued at lower of cost or net realisable value)</b> |                         |
| Finished Goods   | 35.70                   |
| Raw Materials  | 23.90                   |
| Goods in Transit   | 2.25                    |
|  | <b>61.85</b>            |

**NOTE 6: FINANCIAL ASSETS - TRADE RECEIVABLES**

| Particulars                                 | As at<br>March 31, 2024 |
|---|-------------------------|
| Unsecured, considered good                  | 1.75                    |
| Less: Allowances for expected credit losses | -                       |
|   | 1.75                    |
| Trade receivables - Credit Impaired         | -                       |
| Less: Allowances for expected credit losses | -                       |
|   | -                       |
| <b>TOTAL</b>                                | <b>1.75</b>             |





| NOTE 7: FINANCIAL ASSETS - CASH & CASH EQUIVALENTS |                         |
|--|-------------------------|
| Particulars  | As at<br>March 31, 2024 |
| Balances with banks in current accounts            | 5.56                    |
| <b>TOTAL</b>                                       | <b>5.56</b>             |
| NOTE 8: FINANCIAL ASSETS - OTHER                   |                         |
| Particulars  | As at<br>March 31, 2024 |
| Security Deposit                                   | 8.19                    |
| <b>TOTAL</b>                                       | <b>8.19</b>             |
| NOTE 9: OTHER CURRENT ASSETS                       |                         |
| Particulars  | As at<br>March 31, 2024 |
| <b>Advances Other than capital advances</b>        |                         |
| Advances to suppliers/expenses                     | 0.15                    |
| <b>Others</b>                                      |                         |
| Prepaid Expenses                                   | 0.01                    |
| Balance with Government Authorities                | 17.09                   |
| <b>TOTAL</b>                                       | <b>17.25</b>            |



Skytech Textiles Private Limited  
Notes forming part of the Financial Statements for the period ended March 31, 2024  
(All amount in Rupees lakhs, unless otherwise stated)

NOTE 10: EQUITY SHARE CAPITAL

| Particulars   | As at March 31, 2024 |               |
|---|----------------------|---------------|
|   | No. of Shares        | Amount        |
| <b>Authorised</b>   |                      |               |
| 10,00,000 Equity Shares of Rs. 10/- each                  |                      | 100.00        |
| <b>TOTAL AUTHORIZED SHARE CAPITAL</b>                     |                      | <b>100.00</b> |
| <b>Issued, Subscribed &amp; Paid Up</b>                   |                      |               |
| 10,000 Equity Shares of Rs. 10/- each fully paid up       |                      | 1.00          |
| <b>TOTAL ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL</b> |                      | <b>1.00</b>   |

a) Reconciliation of the number of equity shares for the period ended:

| Particulars                              | As at March 31, 2024 |             |
|--|----------------------|-------------|
|  | No. of Shares        | Amount      |
| Shares at the beginning                  | -                    | -           |
| Add: Issued during the year              | 10,000               | 1.00        |
| Less: Shares bought back during the year | -                    | -           |
| <b>Shares at the end</b>                 | <b>10,000</b>        | <b>1.00</b> |

b) Rights, Preferences and restrictions attached to shares

The company has one class of equity shares having a face value Rs. 10/- per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders will be entitled to receive any of the remaining asset of the company in proportion to the number of equity shares held by the shareholders, after distribution of all the preferential amounts. However no such preferential amount exist currently.

c) Details of Shares held by shareholders holding more than 5% of the aggregate shares in the company

| Name of the Shareholder                    | As at March 31, 2024 |        |
|--|----------------------|--------|
|  | No. of Shares        | %      |
| Equity shares of Rs.10 each fully paid up: |                      |        |
| Sky Industries Ltd                         | 9,998                | 99.98% |

d) Details of Shares held by Promoters as at the end of the year

| Promoter name              | As at March 31, 2024 |                   |
|----------------------------|----------------------|-------------------|
|                            | No. of Shares        | % of Total Shares |
| Sky Industries Ltd         | 9,998                | 99.98%            |
| Mr Shailesh Suryakant Shah | 1                    | 0.01%             |
| Mr Sharad Suryakant Shah   | 1                    | 0.01%             |
| <b>Total</b>               | <b>10,000</b>        | <b>100%</b>       |



Skytech Textiles Private Limited  
 Notes forming part of the Financial Statements for the period ended March 31, 2024  
 (All amount in Rupees lakhs, unless otherwise stated)

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED MARCH 31, 2024

As at 31st March 2024

| Promoter Name              | No. of shares at the beginning of the year | Change during the year | No. of shares at the end of the year | % of Total Shares | % change during the year |
|----------------------------|--|------------------------|--------------------------------------|-------------------|--------------------------|
| Sky Industries Ltd         | -  | 9,998                  | 9,998                                | 99.98             | 99.98                    |
| Mr Shailesh Suryakant Shah | -  | 1                      | 1                                    | 0.01              | 0.01                     |
| Mr Sharad Suryakant Shah   | -  | 1                      | 1                                    | 0.01              | 0.01                     |
| <b>Total</b>               | -  | <b>10,000</b>          | <b>10,000</b>                        | <b>100.00</b>     | <b>100.00</b>            |

NOTE 11: OTHER EQUITY

| Particulars                    | Retained Earnings | Total          |
|--------------------------------|-------------------|----------------|
| Profit / (Loss) for the period | - (9.44)          | (9.44)         |
| Preliminary expenses           | (2.30)            | (2.30)         |
| <b>As at March 31, 2024</b>    | <b>(11.75)</b>    | <b>(11.75)</b> |



Skytech Textiles Private Limited

Notes forming part of the Financial Statements for the period ended March 31, 2024

(All amount in Rupees lakhs, unless otherwise stated)

NOTE 12: FINANCIAL LIABILITIES (LONG TERM BORROWINGS)

| Particulars              | As at<br>March 31, 2024 |
|--------------------------|-------------------------|
| <b>UNSECURED :</b>       |                         |
| Loans from related party | 42.53                   |
| <b>TOTAL</b>             | <b>42.53</b>            |

Note :

i. The Unsecured long term borrowings taken include loans from related party carrying interest @10% p.a.

NOTE 13: FINANCIAL LIABILITIES (SHORT TERM BORROWINGS)

| Particulars         | As at<br>March 31, 2024 |
|---------------------|-------------------------|
| <b>UNSECURED :</b>  |                         |
| Loan from Directors | 0.19                    |
| <b>TOTAL</b>        | <b>0.19</b>             |

NOTE 14: FINANCIAL LIABILITIES - TRADE PAYABLES

| Particulars   | As at<br>March 31, 2024 |
|---|-------------------------|
| Due to Micro, Small and Medium Enterprises (Refer Note Below) | 1.16                    |
| Due to Others   | 109.02                  |
| <b>TOTAL</b>  | <b>110.17</b>           |

Note:

Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2023-24, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act.



| Particulars   | As at<br>March 31, 2024 |
|---|-------------------------|
| (i) Principal and interest amount remaining unpaid  | 1.16                    |
| (ii) Interest due thereon remaining unpaid  | -                       |
| (iii) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day                              | -                       |
| (iv) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006 | -                       |
| (v) Interest accrued and remaining unpaid   | -                       |
| (vi) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises  | -                       |
| <b>Total</b>  | <b>1.16</b>             |

**NOTE 15: OTHER CURRENT LIABILITIES**

| Particulars           | As at<br>March 31, 2024 |
|-----------------------|-------------------------|
| Statutory Liabilities | 1.36                    |
| Other Payables        | 0.58                    |
| <b>TOTAL</b>          | <b>1.95</b>             |

**NOTE 16: PROVISIONS (CURRENT)**

| Particulars      | As at<br>March 31, 2024 |
|------------------|-------------------------|
| Other Provisions | 0.30                    |
| <b>TOTAL</b>     | <b>0.30</b>             |



Skytech Textiles Private Limited  
Notes forming part of the Financial Statements for the period ended March 31, 2024  
(All amount in Rupees lakhs, unless otherwise stated)

**NOTE 17: REVENUE FROM OPERATIONS**

| Particulars                           | For the period ended<br>March 31, 2024 |
|---------------------------------------|--|
| Revenue from Contracts with Customers |  |
| Sale of Goods                         | 14.45                                  |
| <b>Total Sale</b>                     | <b>14.45</b>                           |

**Notes:**

i. There are no adjustments to the contracted price with the customers. Accordingly, revenue from contracts with customers as recognised above is the same as contracted price.

ii. The entire revenue is recognised at a point in time.



| NOTE 18: COST OF MATERIALS CONSUMED                                  |                                       |
|--|---------------------------------------|
| Particulars  | For the period ended<br>March 31,2024 |
| Raw materials and packing materials consumed                         |                                       |
| Opening Stock  | -                                     |
| Add : Purchases  | 28.36                                 |
| Less: Closing stock  | -                                     |
| Raw materials  | (23.90)                               |
| <b>TOTAL</b>   | <b>4.47</b>                           |
| NOTE 19: PURCHASE OF TRADING STOCK                                   |                                       |
| Particulars  | For the period ended<br>March 31,2024 |
| Add : Purchases  | 41.20                                 |
| Add : Stock in transit   | -                                     |
| <b>TOTAL</b>   | <b>41.20</b>                          |
| NOTE 20: CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK IN TRADE |                                       |
| Particulars  | For the period ended<br>March 31,2024 |
| Finished Goods Opening Stock   |                                       |
| Less : Finished goods closing stock                                  | (35.70)                               |
| <b>TOTAL</b>   | <b>(35.70)</b>                        |
| NOTE 21: EMPLOYEE BENEFIT EXPENSE                                    |                                       |
| Particulars  | For the period ended<br>March 31,2024 |
| Directors Remuneration   | 6.98                                  |
| Contribution to provident and other funds                            | 0.07                                  |
| Staff Welfare Expense  | 0.01                                  |
| <b>TOTAL</b>   | <b>7.07</b>                           |
| NOTE 22: FINANCE COST  |                                       |
| Particulars  | For the period ended<br>March 31,2024 |
| Interest Expenses  |                                       |
| On Borrowing   | 1.09                                  |
| Bank and Other Financial Charges                                     | 0.02                                  |
| <b>TOTAL</b>   | <b>1.11</b>                           |



| NOTE 23: DEPRECIATION AND AMORTIZATION EXPENSE |                                       |
|--|---------------------------------------|
| Particulars                                    | For the period ended<br>March 31,2024 |
| Depreciation on property, plant and equipment  | 0.16                                  |
| <b>TOTAL</b>                                   | <b>0.16</b>                           |
| NOTE 24: OTHER EXPENSES                        |                                       |
| Particulars                                    | For the period ended<br>March 31,2024 |
| Transport Charges                              | 0.33                                  |
| Freight, clearing and forwarding charges       | 5.41                                  |
| Rent, Rates and Taxes                          | 0.19                                  |
| Legal Expense                                  | 0.22                                  |
| Repairs and Maintenance                        | 0.29                                  |
| Net loss on foreign currency transaction       |                                       |
| Payment to Auditors                            |                                       |
| Statutory Audit                                | 0.30                                  |
| Printing and Stationary                        | 0.24                                  |
| Testing Expenses                               | 0.16                                  |
| Miscellaneous Expenses                         | 0.19                                  |
| <b>TOTAL</b>                                   | <b>7.32</b>                           |





|  |  |
|--|--|
| Skytech Textiles Private Limited   |  |
| Notes forming part of the Financial Statements for the period ended March 31, 2024 |  |
| (All amount in Rupees lakhs, unless otherwise stated)                              |  |

**NOTE 25: CONTINGENT LIABILITIES AND COMMITMENTS**

Contingent Liabilities for year is Rs. NIL

**NOTE 26: EARNINGS PER SHARE**

(Rs. In Lakhs except share data)

| Particulars  | As at<br>March 31, 2024 |
|--|-------------------------|
| Profit after tax available for equity shareholders as per Statement of Profit & Loss | (9.44)                  |
| Weighted Average No. of Equity Shares for of Face Value Rs. 10/- each                | 8,005                   |
| <b>Earnings Per Share - Basic &amp; Diluted</b>                                      | <b>(117.96)</b>         |

**CAPITAL MANAGEMENT**

The Company's objective for Capital Management is to maximize shareholder value and support the growth of the Company and to optimize capital structure to reduce the cost of capital. The Company determines the capital requirement based on long term and strategic investment and capital expenditure plans. The funding requirements are met through a mix of equity and operating cash flows generated. The relevant quantitative information on the aforesaid parameters are disclosed in these financial statements.

The company monitors capital on the basis of the following gearing ratio :

| Particulars                            | As at<br>March 31, 2024 |
|--|-------------------------|
| Interest bearing financial liabilities | 42.53                   |
| Interest free financial liabilities    | 42.53                   |
| Less : Cash and Cash Equivalents       | 5.56                    |
| <b>Adjusted Net Debt</b>               | <b>36.98</b>            |
| Total Equity                           | (10.75)                 |
| <b>Adjusted Equity</b>                 | <b>(10.75)</b>          |
| <b>Net Debt to Equity Ratio</b>        | <b>(3.44)</b>           |



Skytech Textiles Private Limited

Notes forming part of the Financial Statements for the period ended March 31, 2024

(All amount in Rupees lakhs, unless otherwise stated)

**NOTE 27: FINANCIAL INSTRUMENTS - CLASSIFICATION AND FAIR VALUE MEASUREMENT**

**(a) Financial instruments by category**

The carrying value of financial instruments by categories as at year end is as follows:

| Particulars             | As at<br>March 31, 2024 |
|-------------------------|-------------------------|
| <b>Financial Assets</b> |                         |
| <b>Amortised Cost</b>   |                         |
| Trade Receivables       | 1.75                    |
| Cash & Cash Equivalents | 5.56                    |
| <b>Total</b>            | <b>7.31</b>             |

**Financial Liabilities**

| Particulars                 | As at<br>March 31, 2024 |
|-----------------------------|-------------------------|
| <b>Amortised Cost</b>       |                         |
| Borrowings                  | 42.72                   |
| Trade Payable               | 110.17                  |
| Other Financial Liabilities |                         |
| <b>Total</b>                | <b>152.90</b>           |

Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.



**NOTE 28: FINANCIAL RISK MANAGEMENT**

The Company has a formal Risk Management (RM) framework, which has grown and refined over a period of time as the businesses are becoming more complex and increasingly facing various challenges across the globe. The Company has put in place a risk management framework in line with its vision, mission and business strategy. The details of different types of risk and management policy to address these risks are listed below:

**(a) Market Risk:-**

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs

**(a)(i) Market Risk - Price Risk**

The Company is not exposed to the any price risk based item. Deposit is made in fixed rate instrument. In view of this it is not susceptible to market price risk, arising from changes in interest rates or market yields which may impact the return and value of the investments.

**(a)(ii) Market Risk - Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates (if applicable).

Interest rate sensitivity

Since the long term debt obligations carry fixed interest rates, no risk is anticipated on account of interest rate changes.



**Fair value sensitivity analysis for fixed rate instruments**

The company doesn't account for any fixed rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

**(a)(iii) Market Risk - Currency Risk**

The company is having import and exports as well. Accordingly the company is exposed to currency risk on account of its trade payables and trade receivables in foreign currency. The functional currency of the company is Indian Rupees. The Company follows a natural hedge driven currency risk mitigation policy to the extent possible. The exposed Foreign currency is not substantial to the operation of company.

**Exposure to Currency risk**

The summary quantitative data about the Company's exposure to currency risk are reported to management of the company are as follows:

| Particulars                  | Foreign Currency | As at March 31, 2024 |
|------------------------------|------------------|----------------------|
| <b>Financial Assets</b>      |                  |                      |
| Trade and other receivables  | USD              | -                    |
| <b>Financial Liabilities</b> |                  |                      |
| Trade and other payables     | USD              |                      |

**Sensitivity analysis to currency risk**

A reasonably possible strengthening / (weakening) of the Indian Rupee against foreign currency at March 31 would have affected the measurement of financial instruments denominated in US dollars and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

| Particulars      | Profit or loss |           | Equity, Net of Tax |           |
|------------------|----------------|-----------|--------------------|-----------|
|                  | Strengthening  | Weakening | Strengthening      | Weakening |
| 31st March, 2024 |                |           |                    |           |
| 3% Movement USD  | -              | -         | -                  | -         |
| <b>Total</b>     | -              | -         | -                  | -         |

**(b) 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 carrying amount of Financial Assets represents the maximum credit exposure.

**Trade Receivables**

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, industry information, business intelligence and in some cases bank references.

Trade Receivables of the Company are typically unsecured, except to the extent of the security deposits received from the customers or financial guarantees provided by the market organizers in the business. Credit Risk is managed through credit approvals and periodic monitoring of the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company performs ongoing credit evaluations of its customers' financial condition and monitors the creditworthiness of its customers to which it grants credit terms in the normal course of business.



The following table gives details in respect of percentage of revenue generated from top three customers of the Company wherein revenue for each of them exceeds 10 percent of Company's revenue from operations.

| Particulars                | No of Customers | Year ended March 31, 2024 |         |
|----------------------------|-----------------|---------------------------|---------|
|                            |                 | Rs in lakhs               | %       |
| Revenue from top customers | 1               |                           | 100.00% |

**Other Financial Assets**

The company maintains exposure in Cash and Cash equivalents and Bank deposits with banks, Equity Shares of co-operative banks. The Company has diversified portfolio of investment with various number of counterparties which has goods credit ratings, goods reputation and hence the risk is reduced. Individual risk limits set for each counterparty based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by the Company.

**Expected credit loss on financial assets other than trade receivable:**

With regards to all financial assets with contractual cash flows other than trade receivable, management believes these to be high quality assets with negligible credit risk. The management believes that the parties from whom these financial assets are recoverable, have strong capacity to meet the obligations and where the risk of default is negligible and accordingly no provision for expected credit loss has been provided on such financial assets. Break up of financial assets other than trade receivables have been disclosed on balance sheet

The Company's maximum exposure to credit risk as at 31st March, 2024, is the carrying value of each class of financial assets.

**(c) Liquidity Risk**

Liquidity Risk is the risk that the Company will face in meeting its obligation associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach in managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements is retained as Cash and Cash Equivalents (to the extent required).

**Exposure to Liquidity Risk**

The responsibility of liquidity risk management rest with board of directors which are appropriate risk management framework for short , medium and long term liquidity measures with adequate cash flows and banking facilities.

The following table shows the maturity analysis of the Company's Financial Liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet Date

The table below summarises the maturity profile of the Company's financial liabilities:

| Particulars          | As at March 31, 2024 |                     |
|----------------------|----------------------|---------------------|
|                      | Less than 12 months  | More than 12 months |
| Long Term Borrowings |                      |                     |
| Trade Payables       |                      |                     |
| <b>TOTAL</b>         |                      |                     |



**NOTE 29: RELATED PARTY**

List of related parties and Relationship

- A Enterprises having control :-**  
**Person exercising significant influence**  
1 Sky Industries Limited
- B Key Managerial Personnel and their relatives:**  
**a. Executive Directors :**  
1 Mr. Shailesh Shah  
2 Mr. Sharad Shah  
3 Mr. Maikal Raorani  
4 Mr. Vaibhav Desai

**C Transaction with Related Parties**

**i. Transaction during the year**

| Particulars              | Holding Companies, Associates and Joint Venture | Key Management Personnel | Entities in which Key Management Personnel or its relatives are interested / Relative of Key Management | Total         |
|--------------------------|---|--------------------------|---|---------------|
|                          | 31-Mar-24                                       | 31-Mar-24                | 31-Mar-24   | 31-Mar-24     |
| <b>SALE OF GOODS</b>     |   |                          |   |               |
| Sky Industries Limited   | 3.47  | -                        | -   | 3.47          |
| <b>Total</b>             | <b>3.47</b>                                     | <b>-</b>                 | <b>-</b>  | <b>3.47</b>   |
| <b>PURCHASE OF GOODS</b> |   |                          |   |               |
| Sky Industries Limited   | 107.24  |                          |   | 107.24        |
| <b>Total</b>             | <b>107.24</b>                                   |                          |   | <b>107.24</b> |
| <b>REMUNERATION</b>      |   |                          |   |               |
| Vaibhav Jay Desai        | 6.98  |                          | -   | 6.98          |
| <b>Total</b>             | <b>6.98</b>                                     | <b>-</b>                 | <b>-</b>  | <b>6.98</b>   |
| <b>LOAN TAKEN</b>        |   |                          |   |               |
| Sky Industries Limited   | 41.55   |                          | -   | 41.55         |
| <b>Total</b>             | <b>41.55</b>                                    | <b>-</b>                 | <b>-</b>  | <b>41.55</b>  |
| <b>INTEREST EXPENSE</b>  |   |                          |   |               |
| Sky Industries Limited   | 1.09  |                          | -   | 1.09          |
| <b>Total</b>             | <b>1.09</b>                                     | <b>-</b>                 | <b>-</b>  | <b>1.09</b>   |
| <b>ISSUE OF SHARES</b>   |   |                          |   |               |
| Sky Industries Limited   | 0.9998  |                          |   |               |
| Mr. Shailesh Shah        | 0.0001  |                          |   |               |
| Mr. Sharad Shah          | 0.0001  |                          |   |               |
| <b>Total</b>             | <b>1.00</b>                                     |                          |   |               |



ii. Outstanding balances as on reporting date

| Particulars              | Holding Companies, Associates and Joint Venture | Key Management Personnel | Entities in which Key Management Personnel or its relatives are interested / Relative of Key Management | Total          |
|--------------------------|---|--------------------------|---|----------------|
|                          | 31-Mar-24                                       | 31-Mar-24                | 31-Mar-24   | 31-Mar-24      |
| <b>TRADE RECEIVABLES</b> |   |                          |   |                |
| Sky Industries Limited   | 3.47  |                          |   | 3.47           |
| <b>LOAN TAKEN</b>        |   |                          |   |                |
| Sky Industries Limited   | -42.53  |                          |   | -42.53         |
| <b>TRADE PAYABLES</b>    |   |                          |   |                |
| Sky Industries Limited   | -107.19   |                          |   | -107.19        |
|                          | <b>-146.25</b>                                  |                          |   | <b>-146.25</b> |

**Notes**

- i. Related Parties has been identified by the management and relied upon by the auditors.
- ii. Related party transactions reported are excluding GST which the company is eligible for credit. However, outstanding balances reported at the year end is inclusive of GST component wherever applicable
- iii. Amounts reported are excluding reimbursement of expenses to Key Management Personnel (KMP)
- iv. \* Provision for contribution to gratuity fund which are made based on actuarial valuation on overall company basis are not included in remuneration to Key Management Personnel.



Skytech Textiles Private Limited  
Notes forming part of the Financial Statements for the period ended March 31, 2024  
(All amount in Rupees lakhs, unless otherwise stated)

| CALCULATION OF DEFERRED TAX LIABILITY - 31st Mar 2024 |                 |          |            |      |       |
|---|-----------------|----------|------------|------|-------|
| Particulars   | Accounting Base | Tax Base | Difference | DTL  | DTA   |
| <b>Assets</b>   |                 |          |            |      |       |
| Property, Plant and Equipment                         | 48              | 45       | 3          | 0.59 | -     |
|   |                 |          | -          | -    | -     |
| Carry Forward loss                                    |                 | 13.98    | 13.98      | -    | 2.40  |
|   |                 | -        | -          | -    | -     |
| Preliminary Expenses                                  |                 | -0.46    | 0.46       | 0.08 | -     |
|   |                 |          |            | 0.67 | 2.40  |
| Net DTL / (DTA) as on 31.03.2024                      |                 |          |            |      | -1.73 |
| Deferred Tax Exp / (Income)                           |                 |          |            |      | -1.73 |





Trade Receivable Ageing Schedule:  
As at 31st March 2024

| Particulars  | Current but not due | Outstanding for following periods from due date of payment |           |           |                   | Total       |
|--|---------------------|--|-----------|-----------|-------------------|-------------|
|  |                     | 6 months – 1 year  | 1-2 years | 2-3 years | More than 3 years |             |
| As at 31st March 2024  |                     |  |           |           |                   |             |
| Undisputed Trade Receivables – considered good                             | 1.75                | -  | -         | -         | -                 | -           |
| Undisputed Trade Receivables – which have MATERIAL increase in credit risk | -                   | -  | -         | -         | -                 | -           |
| Undisputed Trade receivable – credit impaired                              | -                   | -  | -         | -         | -                 | -           |
| Disputed Trade receivables – considered good                               | -                   | -  | -         | -         | -                 | -           |
| Disputed Trade receivables – which have MATERIAL increase in credit risk   | -                   | -  | -         | -         | -                 | 1.75        |
| Disputed Trade receivables – credit impaired                               | -                   | -  | -         | -         | -                 | -           |
| <b>TOTAL</b>   | <b>1.75</b>         | -  | -         | -         | -                 | <b>1.75</b> |
| Less: Allowances for Doubtful trade Receivables                            | -                   | -  | -         | -         | -                 | -           |
| <b>Total Trade Receivables</b>   |                     |  |           |           |                   | <b>1.75</b> |

Trade Payables Ageing Schedule:  
As at 31st March 2024

| Particulars  | Outstanding for following periods from due date of payment |             |             |                   |               |
|--|--|-------------|-------------|-------------------|---------------|
|  | Less than 1 year   | 1-2 years   | 2-3 years   | More than 3 years | Total         |
| Total outstanding dues of micro enterprises and small enterprises                      | 1.16   | -           | -           | -                 | 1.16          |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 109.02   | -           | -           | -                 | 109.02        |
| Disputed dues of micro enterprises and small enterprises                               | -  | -           | -           | -                 | -             |
| Disputed dues of creditors other than micro enterprises and small enterprises          | -  | -           | -           | -                 | -             |
|  | <b>110.17</b>  | <b>0.00</b> | <b>0.00</b> | <b>0.00</b>       | <b>110.17</b> |



**Skytech Textiles Private Limited**

**Notes forming part of the Financial Statements for the period ended March 31, 2024**

(All amount in Rupees lakhs, unless otherwise stated)

**30 SEGMENT REPORTING**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker regularly monitors and reviews the operating results of the whole Company as one segment i.e. "manufacture and trading of narrow fabrics".

Thus, as defined in Ind AS 108 'Operating Segments', the Company's entire business falls under this one operational segment and hence the necessary information has already been disclosed in the balance sheet and the statement of profit and loss.

31 The Company has not given any loans or guarantees covered under the provisions of Section 186 of the Companies Act, 2013. The details of the investments made by Company are given in the respective notes to the financial statements.

32 Balances of Trade Receivables, Trade Payables, Advances and Deposits received / given, from / to customers are subject to confirmation and subsequent reconciliation .

**33 Other Statutory Information**

- (i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company do not have any transactions with companies struck off.
- (iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company.
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company.
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vii) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961



Skytech Textiles Private Limited  
Notes forming part of the Financial Statements for the period ended March 31, 2024  
(All amount in Rupees lakhs, unless otherwise stated)


NOTE 34: Ratio analysis

| Ratio                                      | Numerator  | Denominator   | 31-Mar-24 |
|--|--|---|-----------|
| Current ratio (in Times)                   | Current Assets   | Current Liabilities   | 0.84      |
| Debt- Equity Ratio (in Times)              | Total Debt   | Shareholder's Equity  | -3.96     |
| Debt Service Coverage ratio (in Times)     | Earnings for debt service = Net profit after taxes + Non-cash operating expenses | Debt service = Interest & Lease Payments + Principal Repayments             | NIL       |
| Return on Equity ratio (%)                 | Net Profits after taxes – Preference Dividend                                    | Average Shareholder's Equity  | -88%      |
| Trade Receivable Turnover Ratio (in Times) | Net credit sales = Gross credit sales - sales return                             | Average Trade Receivable  | 8.25      |
| Trade Payable Turnover Ratio (in Times)    | Net credit purchases = Gross credit purchases - purchase return                  | Average Trade Payables  | 65187.06  |
| Net Capital Turnover Ratio (in Times)      | Net sales = Total sales - sales return   | Working capital = Current assets – Current liabilities                      | -0.80     |
| Net Profit ratio (%)                       | Net Profit   | Net sales = Total sales - sales return                                      | -65.37%   |
| Return on Capital Employed (%)             | Earnings before interest and taxes   | Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax liability | -35.15%   |

|                              |      |
|------------------------------|------|
| CORPORATE INFORMATION        | 1    |
| MATERIAL ACCOUNTING POLICIES | 2    |
| NOTES ON ACCOUNTS            | 3-34 |

As per our report attached of even date.

For CGCA & Associates LLP  
Chartered Accountants  
Firm Reg. No. 123393W / W100755

  
Champak K. Dedhia  
Partner

Membership No. 101769  
UDIN : 24101769BKAJPF1273  
Mumbai, 20th May, 2024



For and on behalf of the Board of Directors  
CIN:U13119MH2023PTC404956

Shailesh Shah  
Director  
DIN: 00006154

Sharad Shah  
Director  
DIN: 00006114



  
Maikal Roarani  
Director  
DIN: 00037831