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INDEPENDENT AUDITOR'S REPORT

To,
The Members of
Kraus Casuals Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Kraus Casuals Private Limited** (the "Company"), which comprise the Balance Sheet as at 31st March 2025, the Statement of Profit and Loss (including Other Comprehensive Income) for the period then ended from 22nd May 2024 to 31st March 2025, the Statement of Changes in Equity and the Statement of Cash Flows for the period then ended from 22nd May 2024 to 31st March 2025, and notes to the financial statements including a summary of the 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 Indian Accounting Standard ("Ind AS") prescribed under section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2025, its profit for the period, other comprehensive income, changes in equity and its cash flows for the period 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 Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises of the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon. The said reports are expected to be made available to us after the issue of our auditor's report.

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

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INDEPENDENT AUDITOR'S REPORT (Continued)

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

When we read the above said reports, if we conclude that there is 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.

Responsibilities of Management and Board of Directors for the financial statements

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

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

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

Auditor's Responsibilities for Audit of the Financial Statements

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

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

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

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INDEPENDENT AUDITOR'S REPORT (Continued)

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 respect to financial statements in place and the operating effectiveness of such controls.

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

- Conclude on the appropriateness of the managements' 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 ability of the Company 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 appliable, related safeguards.

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Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. 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 of the aforesaid financial statements.

   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, read with our comments stated in the paragraph 2(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this report are in agreement with the books of account.

   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31st March 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2025 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 2(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

   g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

   h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid / provided by the Company to its directors for the period ended 31st March 2025 is in accordance with the provisions of section 197 of the Act and which is subject to approval by the shareholders at the ensuing general meeting of the Company; and

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INDEPENDENT AUDITOR'S REPORT (Continued)

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

i. The Company does not have any pending litigations which would impact on its financial position in its financial statements.

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

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

iv. The Management has represented that, to the best of our knowledge and belief, as disclosed in the note 2.51 to the financial statements,

- no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

- no funds have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (iv) contain any material misstatement.

v. The Company has neither declared nor paid any dividend during the period and hence compliance with section 123 of the Companies Act 2013 does not arise.

vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account for the financial period ended 31st March 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the period for all relevant transactions recorded in the software except with respect audit trail feature in the accounting package was not enabled for 53 days since incorporation and inventory module did not have audit trail feature.

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INDEPENDENT AUDITOR'S REPORT (Continued)

Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

With respect to preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial period ended 31st March 2025, since the Company is incorporated in the current period.

For Jain & Trivedi
Chartered Accountants
Firm Registration No: 113496W

Satish Trivedi
Partner
Membership No.: 38317
UDIN: 25038317BMKWAC7596

Place: Mumbai
Dated: 12th May 2025

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No: 116560W / W100149

Prashant Daftary
Partner
Membership No.: 117080
UDIN: 25117080BMJBCY6013

Place: Mumbai
Dated: 12th May 2025

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Annexure A to the Independent Auditor's Report for the period ended 31st March 2025 (Referred to in paragraph 1 of the heading 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment (PPE) and relevant details of right to use assets.

(B) The Company has maintained proper records showing full particulars, including quantitative details and situation of intangible assets.

b) 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 a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified on a yearly basis. The Company has physically verified all the property, plant and equipments and right to use assets during the period. In our opinion, frequency of physical verification is reasonable having regard to the size of the Company and the nature of its assets. According to information and explanations given to us, no material discrepancies were noticed on such verification.

c) The Company does not own any immovable property other than properties where the Company is the lessee, and the lease agreements are duly executed in the favour of the Company. Thus, clause 3(i)(c) of the Order is not applicable.

d) The Company has not revalued any of its Property, Plant or Equipment (including Right of Use assets) and intangible assets during the period. Thus, clause 3(i)(d) of the Order is not applicable.

e) According to the information and explanation given to us as at 31st March 2025, no proceedings have been initiated during the period or are pending against the Company as on 31st March 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

(ii) a) The inventory (other than lying with third parties) has been physically verified by the management during the period. In respect of inventory lying with third parties, confirmations were obtained by the Company during the period. In our opinion, the frequency, coverage and procedure of such verification carried out by the management is reasonable and appropriate. As per the information and explanation given to us, discrepancies noticed on physical verification were not material (i.e. less than 10% in the aggregate for each class of inventory) and have been properly dealt with in the books of accounts.

b) The Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks or financial institutions at any point of time during the period on the basis of security of current assets. Accordingly, the requirement to report on clause (ii)(b) of the Order is not applicable to the Company.

(iii) The Company has not made any investments, provided any guarantee or security, granted any loans or advance in nature of loan, secured or unsecured, to companies, firms, limited liability partnerships or any other parties. Therefore, clause (iii) of the Order is not applicable to the Company.

(iv) According to the information and explanations given to us, the Company has not granted any loans, made investments, given any guarantee or provided security in connection with any loan for which compliance under section 186 is required. Further, as per the information and explanation given to

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us, there are no transactions during the period which are covered by section 185 of the Act. Therefore, question of ensuring compliance with section 185 and 186 of the Act does not arise.

(v) In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits. Therefore, question of reporting compliance with directive issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder does not arise. We have been informed that no order relating to Company has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

(vi) The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Therefore, the requirement of clause 3(vi) of the order is not applicable to the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of amounts deducted / accrued in the books of account, the Company has been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, duty of customs, duty of excise, goods and services tax, cess and any other statutory dues, as applicable to the Company, during the period with the appropriate authorities by the Company. There are no undisputed statutory dues payable in respect of above statutes, outstanding as at 31st March 2025 for a period of more than six months from the date they became payable.

(b) According to information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues as mentioned in clause (vii)(a) above, which are outstanding as at 31st March 2025. Therefore, our comment on disputed amounts which have not been deposited does not arise.

(viii) In my opinion, no transactions not recorded in the books of account have been surrendered or disclosed as income during the period in the tax assessment under the Income Tax Act, 1961. Therefore, clause 3(viii) of the Order is not applicable.

(ix) Based on our audit procedures and as per the information and explanations given to us by the management, we are of the opinion that

(a) The Company has not defaulted in repayment of loans and payment of interest thereon to any lender.

(b) The Company has not been declared as wilful defaulter by any bank or financial institution or other lender.

(c) According the information and explanations given to us, the Company has not obtained any term loans during the period and there are no outstanding term loans at the beginning of the period. Therefore clause 3(ix)(c) of the order is not applicable to the Company.

(d) The funds raised on a short-term basis have not been utilized for long-term purposes. Hence reporting under clause 3(ix)(d) of the order is not applicable to the Company.

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Annexure A to the Independent Auditor's Report for the period ended 31st March 2025 (Referred to in paragraph 1 of the heading 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(e) The company does not have any subsidiaries, joint ventures or associate companies. Therefore, clause (ix)(e) and (f) of the order is not applicable.

(x) (a) During the period, the Company has not raised money by way of initial public offer or further public offer [including debt instruments]. Hence reporting under clause 3(x)(a) of the order is not applicable to the Company.

(b) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has made private placement of shares during the period under review. The Company has complied with the requirements of Section 42 and section 62 of the Act and the amounts raised (wherever applicable) have been used by the Company for the purposes for which the funds were raised. Further, the Company has not made any preferential allotment of shares or convertible debentures (fully, partially or optionally convertible). (also see note 2.48 of the financial statements)

(xi) (a) During the course of our examination of the books of account and records of the Company, carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company, noticed or reported during the period, nor have we been informed of any such instance by the management

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

(c) As represented to us by the management, no whistle-blower complaints have been received by the Company during the period.

(xii) The Company is not a Nidhi company. Therefore, clause 3(xii) of the order is not applicable to the company.

(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) (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date, for the period under audit, in determining the nature, timing and extent of our audit procedures.

(xv) According to the information and explanations given to us, the Company has acquired the business of Oriental Trading Co. (in which directors & relatives of directors as on the date on succession were partners) under the succession of business which is covered as a non-cash transaction section 192 of the Act. Prior approval for the same was obtained in a general meeting of the Company. (also see note 2.48 of the financial statements)

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Annexure A to the Independent Auditor's Report for the period ended 31st March 2025 (Referred to in paragraph 1 of the heading 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(xvi) In our opinion and according to the information and explanations given to us,

(a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

(b) According to the information and explanation given to us, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clasue 3(xvi)(d) of the Order is not applicable.

(xvii) The Company has not incurred any cash losses in the current financial period. Therefore, clause 3(xvii) of the Order is not applicable to the Company.

(xviii) There has been no resignation of the statutory auditors during the period. Therefore, clause 3(xviii) of the Order is not applicable.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, nothing has come to our attention which causes us to believe that material uncertainty exists as on the date of the audit report and the company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) During the period, the Company is not required to spent any amounts towards Corporate Social Responsibility (CSR). Accordingly, reporting under clause 3(xx)(a) and (b) of the Order is not applicable to the Company for the period.

(xxi) The Company is not a Holding Company and hence Consolidated Financial Statements are not applicable to the Company. Therefore, clause 3(xxi) of the Order is not applicable to the Company.

For Jain & Trivedi
Chartered Accountants
Firm Registration No: 113496W

JAIN & TRIVEDI MUMBAI Chartered Accountants

Satish Trivedi
Partner
Membership No.: 38317
UDIN: 25038317BMKWAC7596

Place: Mumbai
Dated: 12th May 2025

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No: 116560W / W100149

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Prashant Daftary
Partner
Membership No.: 117080
UDIN: 25117080BMJBCY6013

Place: Mumbai
Dated: 12th May 2025

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Annexure B To the Independent Auditor's Report for the period ended 31st March 2025 (Referred to in paragraph 2(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

Opinion

We have audited the internal financial controls with reference to financial statements of **Kraus Casuals Private Limited** ("the Company") as of 31st March 2025 in conjunction with our audit of the financial statement of the Company for the period ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March 2025, based on the internal control 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 ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI').

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls with reference to financial statements

The Company's management is responsible for establishing and maintaining internal financial controls based on internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the '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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, 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 ICAI. 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error.

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Annexure B To the Independent Auditor's Report for the period ended 31st March 2025 (Referred to in paragraph 2(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Meaning of Internal Financial Controls with reference to financial statements

The Company's internal financial control 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. The Company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statement in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For Jain & Trivedi Chartered Accountants Firm Registration No: 113496W	**For N. A. Shah Associates LLP** Chartered Accountants Firm Registration No: 116560W / W100149
JAIN & TRIVEDI MUMBAI Chartered Accountants	N. A. SHAH ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS
Satish Trivedi **Partner** Membership No.: 38317 UDIN: 25038317BMKWAC7596	**Prashant Daftary** **Partner** Membership No.: 117080 UDIN: 25117080BMJBCY6013
Place: Mumbai Dated: 12th May 2025	Place: Mumbai Dated: 12th May 2025

KRAUS CASUALS PRIVATE LIMITED

BALANCE SHEET AS ON 31st MARCH 2025

Corporate Identification Number: U14101MH2024PTC425636

(Rs. in lakhs except as otherwise stated)

Particulars	Note	As at 31st March 2025
ASSETS		
1) Non-Current Assets		
a) Property, Plant and Equipment	2.1.a	197.39
b) Right of Use Asset	2.1.c	1,007.37
c) Other Intangible Assets	2.1.b	13,052.97
d) Goodwill		11,874.98
e) Financial Assets		
Other Financial Assets	2.2	142.76
f) Non-Current Tax Asset (Net)	2.3	14.46
g) Other Non-Current Assets	2.4	0.21
		26,290.14
2) Current Assets		
a) Inventories	2.5	5,272.55
b) Financial Assets		
i) Trade Receivables	2.6	7,944.06
ii) Cash & Cash Equivalents	2.7	6.24
iii) Loans	2.8	0.87
iv) Other Financial Assets	2.9	8.30
c) Other Current Assets	2.10	303.76
		13,535.78
TOTAL ASSETS		**39,825.92**
EQUITY & LIABILITIES		
Equity		
a) Equity Share Capital	2.11	33,301.00
b) Other Equity	2.12	641.18
		33,942.18
Liabilities		
1) Non-Current Liabilities		
a) Financial Liabilities		
Lease Liabilities	2.13	733.52
b) Provisions	2.14	64.60
c) Deferred Tax Liability(Net)	2.15	281.00
		1,079.12
2) Current Liabilities		
a) Financial Liabilities		
i) Borrowings	2.16	687.69
ii) Lease Liabilities	2.17	284.97
iii) Trade Payables	2.18	
- total outstanding dues to micro and small enterprises		241.92
- total outstanding dues to creditors other than micro and small enterprises		2,368.72
iv) Other financial liabilities	2.19	328.29
b) Other Current Liabilities	2.20	580.29
c) Provisions	2.21	312.74
		4,804.62
TOTAL EQUITY AND LIABILITIES		**39,825.92**
Material accounting policies and notes on accounts	1 & 2	

The notes referred to above form integral part of Financial Statements

As per our audit report of even date

For and on behalf of

Jain & Trivedi
Chartered Accountants
Registration No. 113496W

Satish Trivedi
Satish Trivedi
Partner
Membership No. 38317

N.A. Shah Associates LLP
Chartered Accountants
Registration No. 116560W / W100149

Prashant Daftary
Partner
Membership No. 117080

Place: Mumbai
Date: 12th May 2025

For and on behalf of the Board of Directors
of Kraus Casuals Private Ltd

Ravi Punjabi
Managing Director
Din No. 09016025

HP.
Hemant Jain
Director
Din No. 00029822

Akansha Jain
Chief Financial Officer

K.A. Sawant
Kiran Sawant
Company Secretary

Place: Mumbai
Date: 12th May 2025

JAIN & TRIVEDI ★ MUMBAI ★ Chartered Accountants

N A SHAH ASSOCIATES LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

KRAUS CASUALS PRIVATE LIMITED ★ MUMBAI

KRAUS CASUALS PRIVATE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 22nd MAY 2024 TO 31st MARCH 2025

(Rs. in lakhs except as otherwise stated)

Particulars	Note	For the period 22nd May 2024 To 31st March 2025
INCOME		
Revenue from Operations	2.22	16,242.52
Other Income	2.23	8.40
		16,250.92
EXPENDITURE		
Cost of Material Consumed	2.24	7,142.89
Changes in inventories of Finished goods, Stock in trade & Work in progress	2.25	(1,266.37)
Employee Benefit Expenses	2.26	2,823.46
Finance Cost	2.27	75.51
Depreciation and Amortization Expenses	2.1	1,869.82
Manufacturing and Operating Expenses	2.28	3,396.71
Administrative and Other Expenses	2.29	320.41
Selling and Distribution Expenses	2.30	628.58
		14,991.01
Net Profit Before Tax		**1,259.91**
Tax Expense		
Current Tax		-
Deferred Tax	2.15	317.09
Net Profit for the Period		**942.82**
Other Comprehensive Income (OCI)		
Items that will not be reclassified to Profit and Loss		
Effect [gain / (loss)] of measuring equity instruments at fair value through OCI		-
Remeasurement gain /(loss) on net defined benefit liability		-
Income tax relating to items that will not be reclassified to profit and loss		-
Total Other Comprehensive income		-
Total Comprehensive Income for the period (Comprising Profit and Other comprehensive Income for the period)		**942.82**
Earnings per Share - Basic and Diluted (Face Value of Rs. 10 each fully paid up)		**0.29**
Weighted Average Number of Shares used in computing Earnings per Share -Basic and Diluted		**33,00,51,096**
Material accounting policies and notes on accounts	1&2	

The notes referred to above form integral part of Statement of Profit and Loss

As per our audit report of even date

For and on behalf of

Jain & Trivedi
Chartered Accountants
Registration No. : 113496W

Satish Trivedi
Partner
Membership No. : 38317

N.A. Shah Associates LLP
Chartered Accountants
Registration No. : 116560W / W100149

Prashant Daftary
Partner
Membership No. : 117080

Place: Mumbai
Date: 12th May 2025

For and on behalf of the Board of Directors
of Kraus Casuals Private Ltd

Ravi Punjabi
Managing Director
Din No : 09016025

Hemant P Jain
Director
Din No : 00029822

Akansha Jain
Chief Financial Officer

Kiran Sawant
Company Secretary

Place: Mumbai
Date: 12th May 2025

KRAUS CASUALS PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE PERIOD ENDED 31st MARCH 2025

(Rs. in lakhs except as otherwise stated)

Particulars	For the period 22nd May 2024 To 31st March 2025	
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax as per Statement of Profit and Loss		1,259.91
Adjustments for		
Depreciation/ Amortization on plant property and equipment and intangible asset	1,869.82	
(Gain)/Loss on Sale / discard of Property plant & equipment (Tangible Assets) (Net)	0.22	
Sundry Balance (written back)/written off (Net)	(1.34)	
Bad Debts	1.46	
Finance costs	75.51	
Allowance for expected credit loss, Advances and Deposits (Net)	37.12	
Interest Income	(5.68)	
		3,237.02
Changes in Current & Non-current Assets and Liabilities		
(Increase)/Decrease in Trade Receivable and Other Assets	89.67	
(Increase)/Decrease in Inventories	(1,047.14)	
Increase/(Decrease) in Trade Payables, Liabilities and Provisions	(3,329.20)	
		(4,286.67)
Net Cash generated/(used in) Operating Activities		(1,049.65)
Less Income Tax paid (Net of Refund)		14.46
Net Cash generated/(used in) Operating Activities		(1,064.11)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property Plant & Equipment (including Capital Advances)		(107.78)
Sale of Property Plant & Equipment		24.00
Maturity of Bank Deposit others		7.16
Net Cash generated /(used in) Investing Activities		(76.62)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds of Loan		350.03
(Repayment) of Loan		(350.03)
Issue of share capital		1,001.00
Expenses towards increase in authorised capital		(301.64)
Cash received in BTA		1.93
Interest and Finance Charges		(10.52)
Payment of Lease liability (including interest of Rs 64.98 lakhs)		(231.49)
Net Cash generated/(used in) Financing Activities		459.28
Net Increase/ (Decrease) in Cash & Cash Equivalents		(681.45)
CASH AND CASH EQUIVALENTS - OPENING		-
CASH AND CASH EQUIVALENTS - CLOSING		(681.45)
Note:		
i. Components of Cash and Cash Equivalent		
Cash and Cash Equivalent as on date		6.24
less. Cash Credit		(687.69)
Total Cash and Cash Equivalent		(681.45)
Material accounting policies and notes on accounts 1&2		

The notes referred to above form integral part of cash flow statement

ii Refer note 2.54 for disclosures relating to Ind AS 7

iii Equity Capital issued against succession of business from Oriental Trading Company is considered as non-cash transaction for the purpose of Cash flow statement (also refer note 2.48)

As per our audit report of even date
For and on behalf of
Jain & Trivedi
Chartered Accountants
Registration No. 113496W

N.A. Shah Associates LLP
Chartered Accountants
Registration No. 116560W / W100149

For and on behalf of the Board of Directors
of Kraus Casuals Private Ltd

Satish Trivedi
Partner
Membership No. 38[illegible]

Prashant Daftary
Partner
Membership No. 117080

Ravi Punjabi
Managing Director
Din No 09016025

Hemant P Jain
Director
Din No 00029822

Akansha Jain
Chief Financial Officer

Kiran Sawant
Company Secretary

Place Mumbai
Date 12th May 2025

Place Mumbai
Date 12th May 2025

KRAUS CASUALS PRIVATE LIMITED

STATEMENT OF CHANGE IN EQUITY FOR THE PERIOD ENDED 31st MARCH 2025

(Rs. in lakhs except as otherwise stated)

A) EQUITY SHARE CAPITAL	As at 31st March 2025
Balance at the beginning of the period	-
Changes in Equity Share capital during the period*	33,301.00
Balance at the end of the period	**33,301.00**

B) OTHER EQUITY	Retained Earnings	Equity Instruments through OCI
Balance at the beginning of the period(I)	-	-
Profit for the period	942.82	-
Expenses towards increase in authorised capital	(301.64)	-
Total Comprehensive income for the period (II)	**641.18**	-
Balance as at 31st March 2025 (III) = (I) + (II)	**641.18**	-

*Refer note 2.11.3

JAIN & TRIVEDI MUMBAI Chartered Accountants

N. A. SHAH ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

KRAUS CASUALS PRIVATE LIMITED MUMBAI

(Amount ₹ in lakhs except as otherwise stated)

Company Overview and Material Accounting Policies:

A. Corporate Information:

Kraus Casuals Private Limited ("the Company") was incorporated on 22nd May 2024 as a Private Limited Company under the Companies Act, 2013 having its registered office at G2, Elite House, Punjab Foundry Industrial Estate, Near Classic Studio, Mira-Bhayandar Road, Kashimira, Mira Road-East, Dist.- Thane, Maharashtra - 401104.

The Company is engaged in the business of manufacturing and marketing of apparels.

The Company on 30th June 2024 acquired the business of Oriental Trading Company (OTC) on a going concern basis in accordance with the terms specified in the Business Transfer Agreement.

Kewal Kiran Clothing Limited (KKCL) has acquired stake in the Company through primary infusion and secondary purchase of shares for consideration of Rs.16,651 lakhs. Consequently, as per the terms of the Share Purchase and Subscription Agreement (SSPA), the Company has become a subsidiary of the KKCL effective from 18th July 2024.

The financial statements of the Company for the period then ended from 22nd May to 31st March, 2025 were approved and adopted by board of directors of the Company in their meeting dated 12th May 2025.

B. Statement of Compliance and Basis of Preparation:

(i) Compliance with Ind AS:

The financial statements are prepared in accordance with Indian Accounting Standards ("Ind AS") as notified under the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter, read with Section 133 of the Companies Act, 2013 ("the Act") and presentation requirements of Division II of Schedule III of the Act and the relevant provisions of the Companies Act, 2013 ("the Act").

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

(ii) Basis of Preparation and presentation:

Basis of Preparation:

The financial statements have been prepared on a historical cost basis, except the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities (Refer accounting policy regarding financial instruments).
- Employee's Defined Benefit Plan as per actuarial valuation.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Functional and Presentation Currency:

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian Rupees and all values are rounded to the nearest Lakh (INR 00,000), except otherwise indicated.

JAIN & TRIVEDI MUMBAI Chartered Accountants

H.A. SHAH ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

KRAUS CASUALS PRIVATE LIMITED MUMBAI

(Amount ₹ in lakhs except as otherwise stated)

C. Summary of Material Accounting Policies:

1.1 Classification of Assets and Liabilities into Current/Non-Current:

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

The Company has ascertained its operating cycle as twelve months for the purpose of Current/ Non-Current classification of its Assets and Liabilities.
For the purpose of Balance Sheet,

An asset is classified as current if:

a) It is expected to be realised, or is intended to be sold or consumed, in the normal operating cycle; or
b) It is held primarily for the purpose of trading; or
c) It is expected to realise the asset within twelve months after the reporting period; or
d) The asset is a cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current if:

a) It is expected to be settled in the normal operating cycle; or
b) It is held primarily for the purpose of trading; or
c) It is due to be settled within twelve months after the reporting period; or
d) The Company does not have an unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could result in its settlement by the issue of equity instruments at the option of the counterparty does not affect this classification.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities as the case may be.

1.2 Property, Plant and Equipment (PPE):

The cost of PPE acquired in a business combination is their fair value at the date of acquisition. Historical cost includes expenditure that is directly attributable to the acquisition of the items. The initial cost of PPE comprises its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing an asset to working condition and location for its intended use, including relevant borrowing costs and any expected costs of decommissioning. Following initial recognition, items of PPE are carried at its cost less accumulated depreciation and accumulated impairment losses, if any. Gross carrying amount of all PPE are measured using cost model. PPE are eliminated from financial statement either on disposal or when retired from active use. Capital work-in-progress comprises of cost incurred on property, plant and equipment under construction / acquisition that are not yet ready for their intended use at the Balance Sheet Date, if any.

Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with these, will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are recognised in the Statement of Profit and Loss when incurred.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE. Material items such as spare parts, stand-by equipment and service equipment are classified as PPE when they meet the definition of PPE as specified in Ind AS 16 – Property, Plant and Equipment.

JAIN & TRIVEDI MUMBAI Chartered Accountants

N A SHAH ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

KRAUS CASUALS PRIVATE LIMITED MUMBAI

(Amount ₹ in lakhs except as otherwise stated)

Property, plant and equipment are eliminated from financial statement either on disposal or when retired from active use. Assets held for disposal are stated at net realizable value. Losses arising in case of retirement of property, plant and equipment and gains or losses arising from disposal of property, plant and equipment are recognized in the statement of profit and loss in the year of occurrence.

1.3 Expenditure during construction period:

Expenditure / Income during construction period (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) is included under Capital Work-in-Progress and the same is allocated to the respective PPE on the completion of their construction.

Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under "Other non-current Assets".

1.4 Depreciation:

a) Depreciation on the property, plant and equipment (other than freehold land and capital work in progress) is provided on a straight-line method (SLM) over their useful lives which is in consonance of useful life mentioned in Schedule II to the Act except certain class of assets specified in table (i) below, based on internal assessment estimated by the management of the Company, where the useful life is lower than as mentioned in said Schedule II.

Assets where useful life is lower than useful life mentioned in Schedule II:

Assets	Estimated useful life depreciated on SLM basis
Furniture & fittings at retail stores	5 years or lease arrangements expiring whichever lower
Individual assets whose cost does not exceed ₹ 5,000	Fully depreciated in the year of purchase

b) T
he range of useful lives of the property, plant and equipment not covered in table above and are in accordance with Schedule II are as follows:

Particulars	Useful life
Other Plant and Machinery	15 years
Computers	3 years
Furniture & fittings (other than retail)	10 years
Office Equipments	5 years

c) In case of assets purchased, sold or discarded during the year, depreciation on such assets is calculated on pro-rata basis from the date of such addition or as the case may be, up to the date on which such asset has been sold or discarded.

d) Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted prospectively.

1.5 Intangible Assets and Amortisation:

a) Intangible assets are recognized only if it is probable that the future economic benefits attributable to asset will flow to the Company and the cost of asset can be measured reliably. Intangible assets are stated at cost of acquisition/development less accumulated amortization and accumulated impairment loss if any. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

JAIN & TRIVEDI MUMBAI Chartered Accountants

H A SHAH ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

KRAUS CASUALS PRIVATE LIMITED MUMBAI

(Amount ₹ in lakhs except as otherwise stated)

b) Subsequent expenditure related to item of intangible asset are added to its carrying amount when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

c) Cost of an intangible asset includes purchase price including non - refundable taxes and duties, borrowing cost directly attributable to the qualifying asset and any directly attributable expenditure on making the asset ready for its intended use.

d) Intangible assets under development comprises of cost incurred on intangible assets under development that are not yet ready for their intended use as at the Balance Sheet date.

e) Class of intangible assets and their estimated useful lives/ licence period as applicable are as under:

Assets	Estimated useful life amortized on SLM basis
Computer software	3 years
Beneficial Lease Rights	5 years
Brand & Trademark	7 years
Manufacturing Arrangement	7 years

f) Amortisation methods and useful lives are reviewed at each financial year end and adjusted prospectively.

g) In case of assets purchased during the year, amortization on such assets is calculated on pro-rata basis from the date of such addition.

1.6 Impairment of Non-Financial Assets:

At the end of each reporting period, the Company reviews the carrying amounts of non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

JAIN & TRIVEDI MUMBAI Chartered Accountants

H A SHAH ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

KRAUS CASUALS PRIVATE LIMITED MUMBAI

1.7 Inventories:

The inventories (including traded goods) are valued at lower of cost and net realizable value after providing for cost of obsolescence wherever considered necessary. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

The cost comprises of costs of purchase, duties and taxes (other than those subsequently recoverable), conversion cost and other costs incurred in bringing the inventories to their present location and condition. Since the Company is in fashion industry with diverse designs / styles, the cost of inventory is determined on the basis of specific identification method (as the same is considered as more suitable). Proceeds in respect of sale of raw materials/ stores are credited to the respective heads. Obsolete and defective inventory are duly provided for, basis the management estimates, refer note – 2.5.

1.8 Borrowing Costs:

Borrowing costs that are directly attributable to the acquisition, construction or development of a qualifying asset are capitalized as part of the cost of the respective asset till such time the asset is ready for its intended use. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest, amortization of discounts and exchange difference arising from foreign currency borrowings to the extent they are treated as an adjustment to the borrowing cost and other costs that an entity incurs in connection with the borrowing of funds.

1.9 Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost.

Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

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

Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

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

1.10 Revenue Recognition:

Revenue is recognised upon transfer of control of promised products and services to customers, when there are no longer any unfulfilled obligations, in an amount that reflects the consideration which the Company expects to receive in exchange for those products and services.

H A SHAH ASSOCIATES LLP CHARTERED ACCOUNTANTS MUMBAI

KRAUS CASUALS PRIVATE LIMITED MUMBAI

JAIN & TRIVEDI Chartered Accountants MUMBAI

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 allowances, trade, volume & other discounts/rebates or schemes offered by the Company as part of the contract and any taxes or duties collected on behalf of the government such as goods and services tax, etc. 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 significant reversal when uncertainty relating to its recognition is resolved.

a) Sale of goods:

Sales of goods are recognised at a point in time upon transfer of control of promised products to customers, which coincides with the dispatch or delivery of goods or upon formal customer acceptance as per the relevant terms of the contract and when there are no unfulfilled performance obligations in an amount that reflects the consideration the Company expect to receive in exchange for those products.

Accumulated experience and judgement are used to estimate and provide for turnover discounts, expected cash discounts, other eligible discounts, expected returns and incentives.

b) Assets and liabilities arising from right to return:

The Company has contracts with customers which entitles them the unconditional right to return.

Right to return assets:

A right of return gives the company a contractual right to recover the goods from a customer (right to return asset), if the customer exercises its option to return the goods and obtain a refund. The asset is measured at the carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods.

Refund liabilities:

A refund liability is the obligation to refund part or all of the consideration received (or receivable) from the customer. The Company has therefore recognised refund liabilities in respect of customer's right to return. The liability is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimate of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period. The Company has presented its right to return assets and refund liabilities under other current assets and other current liabilities, respectively.

c) Other income:

Interest income in respect of deposits which are measured at cost is recorded using effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability.

1.11 Government grants:

Government grants are recognised when there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Export incentives principally comprises of Duty Drawback and rebate on state & central taxes and levies (RoSTCL) based on guidelines formulated for the respective scheme by the government authorities. Export incentives related to operations provided by government are recognized as income on accrual basis in Statement of Profit and Loss only to the extent that realisation/utilisation is certain.

1.12 Trade receivables:

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If the receivable is expected to be collected within a period of 12 months or less from the reporting date (or in the normal operating cycle of the business, if longer), they are classified as current assets, otherwise as non-current assets.

Trade receivables are measured at their transaction price unless it contains a significant financing component or pricing adjustments embedded in the contract. In case a financing component exits the consideration for the goods and service is adjusted for the time value of company.

Loss allowance for expected life time credit loss is recognised on initial recognition.

1.13 Leases:

a) As a Lessee:

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

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

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

Right-of-use assets are depreciated on a straight-line basis over the lease term. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets.

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 these leases. Lease liabilities are remeasured 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 have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

b) Short-term leases and leases of low value assets:

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are

N.A. SHAH ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

KRAUS CASUALS PRIVATE LIMITED MUMBAI

JAIN & TRIVEDI MUMBAI Chartered Accountants

considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight line basis over the lease term.

1.14 Employees' Benefits:

a) Short term employee benefits:

All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss in the period in which the employee renders the related service.

b) Post-employment benefits:

i) Defined contribution plan:

The defined contribution plan is post-employment benefit plan under which the Company contributes fixed contribution to a government administered fund and will have no obligation to pay further contribution. The Company's defined contribution plan comprises of Provident Fund, Employee State Insurance Scheme, Employee Pension Scheme, National Pension Scheme and Labour Welfare Fund. The Company's contribution to defined contribution plans are recognized in the Statement of Profit and Loss in the period in which employee renders the related service.

If the contribution payable to the scheme for service received before the Balance Sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the Balance Sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to a reduction in future payment or a cash refund.

ii) Defined benefit plan:

The Company's obligation towards gratuity liability is unfunded and recorded on the basis of actuarial valuation certificate provided by the actuary. The present value of the defined benefit obligations is calculated on the basis of actuarial valuation using the projected unit credit method. The rate used to discount defined benefit obligation is determined by reference to market yields at the Balance Sheet date on Indian Government Bonds for the estimated term of obligations.

The current service cost of the defined benefit plan, recognised in the Statement of Profit and Loss as employee benefits expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognised in statement of profit and loss in the period of a plan amendment.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and fair value of plan assets. This cost is included in employee benefit expense in Statement of Profit and Loss.

Re-measurement gains or losses arising from experience adjustments changes in actuarial assumptions is reflected immediately in the Balance Sheet with a charge or credit recognized in Other Comprehensive Income (OCI) in the period in which they occur. Re-measurement recognized in OCI is reflected immediately in retained earnings and will not be reclassified to Statement of Profit and Loss in the subsequent period. Re-measurements comprises of (a) actuarial gains and losses, (b) the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability) and (c) the return on plan assets (excluding amounts included in net interest on the net defined benefit liability).

1.15 Income Taxes:

a) Tax expenses comprise of current tax, deferred tax charge or credit and adjustments of taxes for earlier years. In respect of amounts adjusted against securities premium or retained earnings or other reserves,

N A SHAH ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

KRAUS CASUALS PRIVATE LIMITED MUMBAI

JAIN & TRIVEDI MUMBAI Chartered Accountants

(Amount ₹ in lakhs except as otherwise stated)

the corresponding tax effect is also adjusted against the securities premium or retained earnings or other reserves, as the case may be, as per the announcement of Institute of Chartered Accountant of India.

b) Current Tax is measured on the basis of estimated taxable income for the current accounting period in with the applicable tax rates and the provisions of the Income-tax Act, 1961 and other applicable tax laws.

c) Deferred tax is provided, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date.

The Company has adopted the amendments with respect to Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to Ind AS 12) from 1st April 2023. The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting differences – e.g., leases and decommissioning liabilities. For leases and decommissioning liabilities, an entity is required to recognise the associated deferred tax assets and liabilities from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, an entity applies the amendments to transactions that occur on or after the beginning of the earliest period presented.

Tax relating to items recognised directly in equity or OCI is recognised in equity or OCI and not in the Statement of Profit and Loss. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable.

1.16 Earnings per Share:

Basic earnings per share (EPS) are calculated by dividing the net profit or loss (after tax) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue and share split if any.

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

1.17 Foreign Currency Transactions:

a) Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.

b) As at balance sheet date, foreign currency monetary items are translated at closing exchange rate. Foreign currency non-monetary items carried at fair value are translated at the rates prevailing at the date when the fair value was determined. Foreign currency non-monetary items measured in terms of historical cost are translated using the exchange rate as at the date of initial transactions.

H.A. SHAH ASSOCIATES MUMBAI CHARTERED ACCOU

KRAUS CASUALS PRIVATE LIMITED MUMBAI

JAIN & TRIVEDI MUMBAI Chartered Accountants

(Amount ₹ in lakhs except as otherwise stated)

c) Exchange difference arising on settlement or translation of foreign currency monetary items are recognized as income or expense in the year in which they arise except to the extent exchange differences are regarded as an adjustment to interest cost on those foreign currency borrowings.

d) As per Appendix B to Ind AS 21, when an entity has received or paid advance contribution in a foreign currency, transaction rate as on the date of receipt of advance is considered for recognition of related asset, expenses or income.

1.18 Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets:

Initial recognition and measurement:

The Company recognizes a financial asset in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial assets are recognized initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. Where the fair value of a financial asset at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognized as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input). In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognized as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price (see second para of note 1.14 on trade receivables).

Subsequent measurement:

For subsequent measurement, the Company classifies a financial asset in accordance with the below criteria:

- The Company's business model for managing the financial asset and
- The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Company classifies its financial assets into the following categories:

a) **Financial assets measured at amortized cost:**

A financial asset is measured at the amortized cost if both the following conditions are met:

i) The Company's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and

ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Company. Such financial assets are subsequently measured at amortized cost using the effective interest method. Under the effective interest method, the future cash receipts are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial asset over the relevant period of the financial asset to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as

N A SHAH ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

KRAUS CASUALS PRIVATE LIMITED MUMBAI

JAIN & TRIVEDI MUMBAI Chartered Accountants

interest income over the relevant period of the financial asset. The same is included under other income in the Statement of Profit and Loss.

The amortized cost of a financial asset is also adjusted for loss allowance, if any.

b) Financial assets measured at fair value through other comprehensive income (FVTOCI):
A financial asset is measured at FVTOCI if both of the following conditions are met:

i) The Company's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and
ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company, through an irrevocable election at initial recognition, has measured certain investments in equity instruments at FVTOCI. The Company has made such election on an instrument by instrument basis. These equity instruments are neither held for trading nor are contingent consideration recognized under a business combination. Pursuant to such irrevocable election, subsequent changes in the fair value of such equity instruments are recognized in OCI. However, the Company recognizes dividend income from such instruments in the Statement of Profit and Loss when the right to receive payment is established, it is probable that the economic benefits will flow to the Company and the amount can be measured reliably.
On derecognition of such financial assets, cumulative gain or loss previously recognized in OCI is not reclassified from the equity to Statement of Profit and Loss. However, the Company may transfer such cumulative gain or loss into retained earnings within equity.

c) Financial assets measured at fair value through profit or loss (FVTPL):
A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above. This is a residual category applied to all other investments of the Company excluding investments in subsidiary and joint venture. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss.

Derecognition :

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized (i.e. removed from the Company's Balance Sheet) when any of the following occurs:

a) The contractual rights to cash flows from the financial asset expires;

b) The Company transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;

c) The Company retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);

d) The Company neither transfers nor retains substantially all risk and rewards of ownership and does not retain control over the financial asset.

In cases where Company has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Company continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Company also recognizes an associated liability. The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

N A SHAH ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

KRAUS CASUALS PRIVATE LIMITED MUMBAI

JAIN & TRIVEDI MUMBAI Chartered Accountants

On derecognition of a financial asset, (except as mentioned in (ii) under classification above for financial assets measured at FVTOCI), the difference between the carrying amount and the consideration received is recognized in the Statement of Profit and Loss.

Impairment of financial assets:
The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

a) Trade receivables

b) Financial assets measured at amortized cost (other than trade receivables)

In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance.

In case of other assets (listed as (ii) above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition.

If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognizing impairment loss allowance based on 12-month ECL.
ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

As a practical expedient, the Company uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss under the head 'Other expenses'.

Financial Liabilities:

Classification as debt or equity:
Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

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

N A SHAH ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

KRAUS CASUALS PRIVATE LIMITED MUMBAI

JAIN & TRIVEDI MUMBAI Chartered Accountants

(Amount ₹ in lakhs except as otherwise stated)

Initial recognition and measurement:
The Company recognizes a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial liabilities are recognized initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial liability.

Where the fair value of a financial liability at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognized as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognized as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial liability.

Subsequent measurement:
All financial liabilities of the Company are subsequently measured at amortized cost using the effective interest method.

Under the effective interest method, the future cash payments are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial liability over the relevant period of the financial liability to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest expense over the relevant period of the financial liability. The same is included under finance cost in the Statement of Profit and Loss.

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 a new liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in the Statement of Profit and Loss.

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

1.19 Fair Value Measurement:
The Company measures financial instruments, such as investments and derivatives at fair values at each Balance Sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or

N A SHAH ASSOCIATES LLP CHARTERED ACCOUNTANTS MUMBAI

KRAUS CASUALS PRIVATE LIMITED MUMBAI

JAIN & TRIVEDI Chartered Accountants MUMBAI

(Amount ₹ in lakhs except as otherwise stated)

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

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use, or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, categorize the use of relevant observable inputs and categorize the use of unobservable inputs.

All assets and liabilities (for which fair value is measured or disclosed in the financial statements) are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amount approximates fair value due to the short maturity of these instruments. For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

1.20 Cash Flow Statement and Cash and Cash Equivalents:

Cash and cash equivalents include cash in hand, bank balances, deposits with banks (other than on lien) and all short term highly liquid investments / mutual funds (with zero exit load at the time of investment) that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value. Cash flows are reported using the indirect method, where by net 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 are segregated.

1.21 Operating Segment:

Operating segments have been identified taking into account the nature of the products / services, geographical locations, nature of risks and returns, internal organization structure and internal financial reporting system. The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole. These operating results are regularly reviewed by the company's Chief Operating Decision Maker ("CODM").

1.22 Business Combinations and Goodwill

In accordance with Ind AS 103, Company accounts for the business combinations using the acquisition method when control is transferred to the Company, unless it is covered by the Appendix C of Ind AS 103. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Any impairment loss for goodwill is recognised in the Statement of

H.A. SHAH ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

KRAUS CASUALS PRIVATE LIMITED MUMBAI

JAIN & TRIVEDI MUMBAI Chartered Accountants

Profit and Loss. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combinations as resulting in a bargain purchase; otherwise, the gain is recognised directly in equity as capital reserve. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

If a business combination is achieved in stages, any previously held equity interest in the acquiree is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Company (referred as common control business combinations) are accounted for using the pooling of interest method except in case control is transitory. The assets and liabilities acquired are recognised at their carrying amounts. The identity of the reserves is preserved, and they appear in financial statements of the Company in the same form in which they appeared in the consolidated financial statements of the transferor entity. The difference, if any, between the consideration and the amount of share capital of the acquired entity is transferred to capital reserve.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On an acquisition-by-acquisition basis, the Company recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Transaction costs that the Company incurs in connection with a business combination are expensed as incurred.

1.23 Critical accounting judgements and key sources of estimation uncertainty:

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Critical judgements and estimates in applying accounting policies:

a) **Refund liability:** Refer note no. 1.10(b)

b) **Provision for inventories:**
The Company provides for obsolescence on slow moving & non-moving inventory based on policy, past experience, current trend and future expectations of finished goods and raw materials depending on the category of goods.

c) **Determining the lease term of contracts with renewal as a Lessee:**

M.A. SHAH ASSOCIATES LLP CHARTERED ACCOUNTANTS MUMBAI
KRAUS CASUALS PRIVATE LIMITED MUMBAI
JAIN & TRIVEDI Chartered Accountants MUMBAI

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals).

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. Any subsequent change in certainty of exercising option to extend lease term could impact the carrying value of right of use asset and lease liability significantly.

d) **Estimation of provisions and contingencies:**
Provisions are liabilities of uncertain amount or timing recognized where a legal or constructive obligation exists at the balance sheet date, as a result of a past event, where the amount of the obligation can be reliably estimated and where the outflow of economic benefit is probable. Contingent liabilities are possible obligations that may arise from past event whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not fully within the control of the Company. The Company exercises judgment and estimates in recognizing the provisions and assessing the exposure to contingent liabilities relating to pending litigations. Judgment is necessary in assessing the likelihood of the success of the pending claim and to quantify the possible range of financial settlement. Due to this inherent uncertainty in the evaluation process, actual losses may be different from originally estimated provision.

e) **Impairment testing for Goodwill**
The Company tests goodwill for impairment at each year end. The impairment testing is done based on various factors including the management expectation of the business going forward and various other assumptions. For the purpose of impairment testing, the Company has obtained an independent valuation report.

1.24 New standard issued / modified but not effective as at reporting date

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

For the period ended March 31, 2025, MCA has notified Ind AS – 117 Insurance Contracts and amendments to Ind AS 116 – Leases, relating to sale and leaseback transactions, applicable to the Company w.e.f. April 1, 2024. The Company has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its financial statements.

N.A. SHAH ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

KRAUS CASUALS PRIVATE LIMITED MUMBAI

JAIN & TRIVEDI MUMBAI Chartered Accountants

KRAUS CASUALS PRIVATE LIMITED

NOTES TO ACCOUNTS FOR THE PERIOD ENDED 31st MARCH 2025

2.1 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS :

(Rs. in lakhs except as otherwise stated)

Sr. No.	Description of the Block of Assets	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK
		Balance acquired upon succession of business (refer note 2.1.2)	Additions	Deductions/ Discarded	As at 31/03/2025	Balance acquired upon succession of business (refer note 2.1.2)	Depreciation	Deductions/ Discarded	As at 31/03/2025	As at 31/03/2025
a	**Property Plant & Equipment (Tangible Assets)**									
1	Furnitures & Fixtures	165 10	52 45	27 21	190 34	-	55 83	2 99	52 84	137.50
2	Plant and Machinery	3 52	-	-	3 52	-	0 59	-	0 59	2.93
3	Computer	12 68	24 78	-	37 46	-	11 12	-	11 12	26.34
4	Office Equipments	32 93	5 53	-	38 46	-	7 84	-	7 84	30.62
	Total of Property Plant & equipment (a)	**214.23**	**82.76**	**27.21**	**269.78**	-	**75.38**	**2.99**	**72.39**	**197.39**
b	**Intangible Assets (other than internally generated)**									
1	Beneficial Lease Rights	169 00	-	-	169 00	-	25 37	-	25 37	143.63
2	Brand & Trademark	3,180	-	-	3,180 00	-	341 13	-	341 13	2,838.87
3	Manufacturing Arrangement	11,258.00	-	-	11,258.00	-	1,207 68	-	1,207 68	10,050.32
4	Softwares	0.44	25 02	-	25 46	-	5.31	-	5 31	20.15
	Total of Intangible Assets (b)	**14,607.44**	**25.02**	-	**14,632.46**	-	**1,579.49**	-	**1,579.49**	**13,052.97**
c	**Right of Use Assets**									
	Building	-	1,222 32	-	1,222 32	-	214 95	-	214 95	1,007.37
	Total of Right of Use Assets (c)	-	**1,222.32**	-	**1,222.32**	-	**214.95**	-	**214.95**	**1,007.37**
	Grand total (a+b+c)	**14,821.67**	**1,330.10**	**27.21**	**16,124.56**	-	**1,869.82**	**2.99**	**1,866.83**	**14,257.73**

2 1 1 The company does not have any proceedings initiated or pending against it, for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder

2 1 2 During the period, the Company acquired the business of Oriental Trading Company (a partnership firm) as a going concern pursuant to a Business Transfer Agreement (BTA), through succession (also refer note 2 48)

2 1 3 The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or investment property during the current period.

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KRAUS CASUALS PRIVATE LIMITED * MUMBAI

KRAUS CASUALS PRIVATE LIMITED

NOTES ON ACCOUNTS FOR THE PERIOD ENDED 31st MARCH 2025

(Rs. in lakhs except as otherwise stated)

Particulars	Note	As at 31st March 2025
OTHER NON CURRENT FINANCIAL ASSETS	2.2	
(Unsecured considered good)		
Security deposits		143.33
Less Allowance for expected credit loss		(0 57)
		142.76
NON CURRENT TAX ASSET (NET)	2.3	
Non current tax assets (net of tax provision)		14 46
		14.46
OTHER NON CURRENT ASSETS	2.4	
(Unsecured considered good)		
Prepaid expenses		0 21
		0.21
INVENTORIES	2.5	
(At lower of cost and net realisable value)		
Finished goods		3,211.89
Work-in-progress		311.62
Raw material		1,454 78
Packing material & accessories		294 26
		5,272.55
The Company follows appropriate accounting policy for writing down the value of Inventories towards slow moving, non-moving and surplus inventories Write down of Inventories (Net of reversals) for the period Rs 78 75 lakhs., this is included as part of cost of materials consumed and changes in inventory of finished goods, work in progress and stock in trade in statement of profit and loss Inventory values shown above are net of the write down	2.5.1	
TRADE RECEIVABLES	2.6	
a) Trade receivables considered good - secured (Refer note 2 6 3)		35 00
b) Trade receivables considered good - unsecured		8,089 00
c) Trade receivables which has significant increase in credit risks		-
d) Trade receivables - credit impaired		-
Less Allowance for bad and doubtful debts and expected credit loss		(179 94)
		7,944.06
There are no trade or other receivables which are due from directors or other officers of the Company either severally or jointly with any other person Also, there are no trade or other receivables which are due from firms or private companies, in which any director is a partner, a director or a member	2.6.1	
For trade receivable ageing (refer note no 2 41(b))	2.6.2	
Secured against the security deposit received from customers	2.6.3	
CASH & CASH EQUIVALENT	2.7	
Cash on hand		3 84
Balances with banks		
In current accounts		2 40
		6.24
LOANS	2.8	
(Unsecured considered good)		
(carried at amortised cost, except otherwise stated)		
Loan to employee		0 87
		0.87

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KRAUS CASUALS PRIVATE LIMITED MUMBAI

JAIN & TRIVEDI Chartered Accountants MUMBAI

KRAUS CASUALS PRIVATE LIMITED

NOTES ON ACCOUNTS FOR THE PERIOD ENDED 31st MARCH 2025

(Rs. in lakhs except as otherwise stated)

Particulars	Note	As at 31st March 2025
OTHER CURRENT FINANCIAL ASSETS	2.9	
(Unsecured, considered good)		
Export incentive receivable (refer note 2.9.1)		8.04
Advance to employee		0.26
		8.30
As the Company is rightfully entitled to receive export incentives, the same is classified as financial asset in accordance with ITFG clarification issued by the Institute of Chartered Accountants of India	2.9.1	
OTHER CURRENT ASSETS	2.10	
(Unsecured, Considered Good)		
Prepaid expenses		18.61
Right to return assets		276.18
Advance to suppliers		8.97
		303.76

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KRAUS CASUALS PRIVATE LIMITED MUMBAI

JAIN & TRIVEDI Chartered Accountants MUMBAI

KRAUS CASUALS PRIVATE LIMITED

NOTES ON ACCOUNTS FOR THE PERIOD ENDED 31st MARCH 2025

(Rs. in lakhs except as otherwise stated)

Particulars	Note	As at 31st March 2025
EQUITY SHARE CAPITAL	2.11	
Authorized Capital		
3,350,000,000 Equity shares of Rs.10 each		33,500.00
Issued, subscribed and Paid up :		
333,010,000 Equity shares of Rs 10 each, fully paid up		33,301.00
		33,301.00

2.11.1 The Company has only one class of shares referred to as equity shares having a par value of Rs 10/-. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rs. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend. The remittance of dividend outside India is governed by Indian law on foreign exchange and is subject to applicable distribution taxes.

2.11.2 In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, there are no preferential amounts inter-se equity shareholders. The distribution will be in proportion to the number of equity shares held by the shareholders (After due adjustment in case shares are not fully paid up).

Reconciliation of the shares outstanding at the beginning and at the end of the period — 2.11.3

Particulars	31st March 2025	
	No. of shares	**Amount**
Shares outstanding at the beginning of the period	-	-
Add: Share issued during the period	1,00,10,000	1,001
Add: Share issued pursuant to succession of business (refer note 2.11.6	32,30,00,000	32,300
Shares outstanding at the end of the period	33,30,10,000	33,301.00

Shares held by holding company as at 31st March 2025 — 2.11.4

Particulars	31st March 2025	
	No. of Shares held	**% of holding**
Kewal Kiran Clothing Limited	16,65,05,000	50.00%

Details of the shareholders holding more than 5% shares in the Company — 2.11.5

Name of Shareholder	31st March 2025	
	No. of Shares held	**% of holding**
Kewal Kiran Clothing Limited (Holding company)	16,65,05,000	50.00%
Ravi A. Punjabi	8,32,52,500	25.00%
Sunil A. Punjabi	4,14,59,745	12.45%
Sushil L. Punjabi	4,14,59,745	12.45%

2.11.6 Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date

32,30,00,000 equity shares of Rs. 10/- each have been alloted as fully paid up pursuant to succession of business

2.11.7 Aggregate number and class of shares allotted as fully paid up by way of bonus shares, and aggregate number and class of shares bought back during the period of five years immediately preceding the date as at which the Balance Sheet is prepared: NIL

2.11.8 For shares held by promoters as defined in the Companies Act, 2013 at the end of the period, refer note 2.45

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KRAUS CASUALS PRIVATE LIMITED MUMBAI

JAIN & TRIVEDI Chartered Accountants MUMBAI

KRAUS CASUALS PRIVATE LIMITED

NOTES ON ACCOUNTS FOR THE PERIOD ENDED 31st MARCH 2025

(Rs. in lakhs except as otherwise stated)

Particulars	Note	As at 31st March 2025
OTHER EQUITY	2.12	
Retained earnings		
Balance at the beginning of the period		-
Add Profit for the period		942.82
Less Expenses towards increase in share capital		(301.64)
		641.18
Retained earnings. Retained earnings are the profits the Company has earned till date, less any transfer to General Reserve, dividends or other distributions paid to the shareholders. The reserve can be utilised in accordance with the provisions of the Companies Act, 2013	2.12.1	
LEASE LIABILITIES	2.13	
(Long term)		
Lease liabilities		733.52
		733.52
PROVISIONS	2.14	
(Long term)		
Provision for gratuity		64.60
		64.60
DEFERRED TAX LIABILITY	2.15	
Deferred tax liability (Also refer note 2.39(d) & 2.39(e))		281.00
		281.00
Deferred Tax Assets:		
Provision for assets		45.43
Lease liabilities		256.33
Others		179.72
Deferred Tax Liability		
PPE (including right of use assets)		(762.48)
Deferred Tax Assets/(Liabilities)		**(281.00)**
BORROWINGS	2.16	
Unsecured Loan		
Cash credit facility from bank		687.69
		687.69
a) The Company has not been declared wilful defaulter by any bank or financial institutions or government or any government authority	2.16.1	
b) The Company does not have any charges or satisfaction of charges which is yet to be registered with Registrar of Companies beyond the statutory period	2.16.2	
LEASE LIABILITIES	2.17	
(Short term including current maturity of long term lease liability)		
Lease liabilities		284.97
		284.97

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KRAUS CASUALS PRIVATE LIMITED MUMBAI

JAIN & TRIVEDI Chartered Accountants MUMBAI

KRAUS CASUALS PRIVATE LIMITED

NOTES ON ACCOUNTS FOR THE PERIOD ENDED 31st MARCH 2025

(Rs. in lakhs except as otherwise stated)

Particulars	Note	As at 31st March 2025
TRADE PAYABLES	2.18	
a) Micro and Small Enterprises		
Materials & services		241.92
b) Other than Micro and Small Enterprises		
Materials		1,674.38
Expenses		694.34
		2,610.64
Disclosure u/s 22 of Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act)	2.18.1	
a) Principal amount remaining unpaid to micro and small enterprises (trade payable)		241.92
b) Principal amount remaining unpaid to micro and small enterprises (creditors for capital goods)		-
c) interest amount remaining unpaid to micro and small enterprises		-
d) Principal amount paid beyond due date		-
e) Amount of Interest paid u/s 16 of MSMED Act		-
f) Amount of Interest due and remaining unpaid		-
g) Amount of Interest accrued and remaining unpaid		-
h) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the above Act.		-
Above information is disclosed to the extent available with the Company		
For trade payable ageing schedule for the year ended, refer note 2.41(c)(ii)	2.18.2	
OTHER CURRENT FINANCIAL LIABILITIES	2.19	
Other liabilities		
Security and other deposits		68.42
Salary and wages payable		259.87
		328.29
OTHER CURRENT LIABILITIES	2.20	
Other payables		
Refund liability		484.52
Statutory liabilities		94.26
Advance from customers		1.51
		580.29
PROVISIONS	2.21	
(Short Term)		
Provision for gratuity		0.08
Provision for expenses payable		43.99
Other provisions (including schemes, incentives, defective claims and discount expenses)		268.67
		312.74

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KRAUS CASUALS PRIVATE LIMITED MUMBAI

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KRAUS CASUALS PRIVATE LIMITED

NOTES TO ACCOUNTS FOR THE PERIOD 22nd MAY 2024 TO 31st MARCH 2025

(Rs. in lakhs except as otherwise stated)

Particulars	Note	For the period 22nd May 2024 To 31st March 2025
		-
REVENUE FROM OPERATIONS	2.22	
A. Sales Income		
Sales of Apparel		16,228.55
		16,228.55
B. Other Operating Income		
Export Incentives		12.05
Miscellaneous Operating Income		1.92
		13.97
Total Revenue from Operations		16,242.52
Refer note 2.55 for disclosures relating to Ind AS 115.	2.22.1	
OTHER INCOME	2.23	
Interest income		
On financial asset measured at amortised cost		5.68
Sundry balances written back		1.34
Exchange Rate Fluctuation (Net)		1.38
		8.40
COST OF MATERIAL CONSUMED	2.24	
a. Raw Material Consumed:		
Balance acquired upon succession of business (refer note 2.48)		1,382.95
Add: Purchases		6,925.09
Less: Closing stock		1,454.78
		6,853.26
b. Packing Material, Accessories and others		
Balance acquired upon succession of business (refer note 2.48)		309.14
Add: Purchases		274.75
Less: Closing stock		294.26
		289.63
		7,142.89
CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN TRADE AND WORK IN PROGRESS	2.25	
Balance acquired upon succession of business (refer note 2.48)		
Work - in- Progress		221.87
Finished goods		2,311.45
		2,533.32
Closing Stock		
Work - in- Progress		311.62
Finished goods		3,488.07
		3,799.69
		(1,266.37)

KRAUS CASUALS PRIVATE LIMITED MUMBAI

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N A SHAH ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

KRAUS CASUALS PRIVATE LIMITED

NOTES TO ACCOUNTS FOR THE PERIOD 22nd MAY 2024 TO 31st MARCH 2025

(Rs. in lakhs except as otherwise stated)

Particulars	Note	For the period 22nd May 2024 To 31st March 2025
		Audited
EMPLOYEE BENEFIT EXPENSES	2.26	
Salary, Wages and Allowances		2,415.33
Contribution to Provident and other Funds		214.47
Bonus and Ex-gratia		122.38
Gratuity (refer note 2.32)		64.68
Staff Welfare		6.60
		2,823.46
FINANCE COSTS	2.27	
Bank Charges		1.27
Finance Charges		4.63
Interest on Working Capital Loan		4.63
Other Interest*		64.98
		75.51
* includes interest expenses on lease liabilities of Rs. 64.98 lakhs		
MANUFACTURING AND OPERATING EXPENSES	2.28	
Processing Charges		3,396.71
		3,396.71
ADMINISTRATIVE & OTHER EXPENSES	2.29	
Rent, Rates and Taxes		17.97
Communication Expenses		7.25
Insurance Premium(net of recoveries)		9.69
Legal and Professional Fees		90.03
Printing and Stationery		9.80
Auditors Remuneration		12.00
Conveyance Expenses		17.43
Electricity Expenses		20.34
Repairs & Maintenance		30.42
Directors Sitting Fees		4.80
General Office Expenses		61.88
Bad Debts (Net of allowances)		1.46
Allowance for expected credit loss		37.12
Loss on sale/discard of Property Plant & Equipment (Net)		0.22
		320.41

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KRAUS CASUALS PRIVATE LIMITED MUMBAI

JAIN & TRIVEDI Chartered Accountants MUMBAI

KRAUS CASUALS PRIVATE LIMITED

NOTES TO ACCOUNTS FOR THE PERIOD 22nd MAY 2024 TO 31st MARCH 2025

(Rs. in lakhs except as otherwise stated)

Particulars	Note	For the period 22nd May 2024 To 31st March 2025
		Audited
SELLING & DISTRIBUTION EXPENSES	2.30	
Advertisement and Publicity Expenses		135.32
Sales Promotion Expenses		10.85
Clearing and forwarding charges on Sales		363.69
Commission on Sales		118.72
		628.58
AUDITORS REMUNERATION		
As Auditors	2.31	12.00
For Taxation matters		-
For Management Services		-
For Others matters		-
For Reimbursement of Expenses		-
Total		**12.00**

N.A. SHAH ASSOCIATES LLP CHARTERED ACCOUNTANTS MUMBAI

KRAUS CASUALS PRIVATE LIMITED MUMBAI

JAIN & TRIVEDI MUMBAI Chartered Accountants

(Amount ₹ in lakhs except as otherwise stated)

2.32 Employee Benefits:

a) Defined benefit gratuity plan (unfunded):

The Company provides gratuity benefits to its employees as per the statute. Present value of gratuity obligation (Non-Funded) based on actuarial valuation done by an independent valuer using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The following table sets out for the status of gratuity plan:

Disclosure in respect of gratuity liability

Reconciliation of Defined Benefit Obligation (DBO):	As at 31st March, 2025
Present value of DBO at start of the year	-
Interest Cost	-
Current Service Cost	64.68
Past Service Cost	-
Benefit Paid	-
Re-measurements:	
a. Actuarial Loss/(Gain) from changes in demographic assumptions	-
b. Actuarial Loss/(Gain) from changes in financial assumptions	-
c. Actuarial Loss/(Gain) from experience over the past period	-
Present value of DBO at end of the year	64.68

Reconciliation of Fair Value of Plan Assets:	As at 31st March, 2025
Fair Value of Plan Assets at the beginning of the year	-
Interest Income on Plan Assets	-
Contributions by Employer	-
Benefit Paid	-
Re-measurements:	-
a. Actuarial (Loss)/Gain from changes in financial assumptions	-
b. Return on plan assets excluding amount included in net interest on the net defined benefit liability/(asset)	-
c. Re-measurements on Plan Assets Gain/ (Loss)	-
Fair Value of Plan Assets at the end of the year	-
Actual Return on Plan Assets	-

Amount recognized in the Balance Sheet:	As at 31st March, 2025
Present value of DBO at the end of the year	64.68
Fair Value of Plan Assets at the end of the year	-
Net Asset / (Liability) in the Balance Sheet	(64.68)

N.A. SHAH ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

KRAUS CASUALS PRIVATE LIMITED MUMBAI

JAIN & TRIVEDI MUMBAI Chartered Accountants

(Amount ₹ in lakhs except as otherwise stated)

Gratuity recognized in the Statement of Profit and Loss	For the period ended 31st March, 2025
Current Service Cost	64.68
Past Service Cost	-
Net Interest on net defined benefit liability/ (asset)	-
Expense Recognized in Statement of Profit and Loss	**64.68**

Principal Assumption used in determining Gratuity liability	For the period ended 31st March, 2025
Discount Rate	6.5% p.a.
Interest rate for net interest on net DBO	NA
Withdrawal Rate	10% p.a.
Salary Escalation	10% p.a.
Mortality Table	IALM 2012-14 Ult
Expected average remaining working life	8.5 Years
Retirement Age	60 years

Movement in Other Comprehensive Income	As at 31st March, 2025
Balance at start of year (loss)/gain	-
Re-measurements on DBO	
a. Actuarial (Loss)/Gain from changes in demographic assumptions	-
b. Actuarial (Loss)/Gain from changes in financial assumptions	-
c. Actuarial (Loss)/Gain from experience over the past period	-
Re-measurements on Plan Assets	
a. Actuarial (Loss)/Gain from changes in financial assumptions	-
b. Return on Plan assets, excluding amount included in net interest on the net defined benefit liability/(asset)	-
c. Re-measurements on Plan Assets Gain/ (Loss)	-
Balance at end of year (loss)/gain	-

Movement in Surplus/ (Deficit)	As at 31st March, 2025
Surplus/ (Deficit) at start of year	-
Movement during the year	
Current Service Cost	(64.68)
Past Service Cost	-
Net Interest on net DBO	-
Actuarial gain/ (loss)	-
Contributions	-
Surplus/ (Deficit) at end of year	**(64.68)**

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KRAUS CASUALS PRIVATE LIMITED MUMBAI

JAIN & TRIVEDI MUMBAI Chartered Accountants

(Amount ₹ in lakhs except as otherwise stated)

Other disclosures	As at 31st March, 2025
Defined benefit obligation	64.68
Plan assets	-
Surplus/(deficit)	(64.68)
Experience adjustments on plan liabilities – loss/ (gain)	-
Experience adjustments on plan Assets – (loss)/ gain*	-

* Information is disclosed to the extent available

Sensitivity Analysis	As at 31st March, 2025	
	Increases 1%	Decreases 1%
	Change in DBO (Amount)	
Salary Growth Rate	9.50	(8.02)
Discount Rate	(8.19)	9.94
Withdrawal Rate	(4.30)	4.80

Maturity profile:

The average expected remaining life time of the plan members is 8.5 years as at the date of valuation. This represents the weighted average of the expected remaining lifetime of all plan participants.

The sensitivity analysis above has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the method (Projected Unit Credit Method) used to calculate the liability recognized in the balance sheet has been applied. The methods and types of assumptions used in preparing the preparing the sensitivity analysis did not change compared with the previous period.

b) **Disclosure in respect of leave entitlement liability:**
Leave entitlement is short term benefit which is recognized as an expense at the un-discounted amount in the year in which the related service is rendered and disclosed under other financial liabilities.

c) **Defined Contribution Plans:**
The Company contributes towards Employees Provident Fund, Employees State Insurance, National Pension Scheme and Labour Welfare Fund. The aggregate amount contributed and charged to Statement of Profit and Loss is ₹ 214.47 lakhs, also refer note 2.26.

2.33 Related Party Disclosure:

Disclosures as per Ind AS 24 – 'Related Party Disclosures' are given below:

a) Related Parties where i) control exists and ii) where significant influence exists (with whom transaction have taken place during the year).

Holding Company:

Kewal Kiran Clothing Limited (w.e.f. 18th July 2024)

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KRAUS CASUALS PRIVATE LIMITED MUMBAI

JAIN & TRIVEDI Chartered Accountants MUMBAI

(Amount ₹ in lakhs except as otherwise stated)

Directors and Key Management Personnel (KMP):

Ravi A. Punjabi	Managing Director (w.e.f. 22nd May 2024)
Hemant P. Jain	Nominee Director (w.e.f. 18th July 2024)
Pankaj K. Jain	Nominee Director (w.e.f. 18th July 2024)
Sushil L. Punjabi	Director (from 22nd May 2024 to 25th October 2024)
Laxmi S. Punjabi	Director (from 22nd May 2024 to 04th June 2024)
Drushti R. Desai	Independent Director (w.e.f. 25th October 2024)
Ushma A. Sule	Independent Director (w.e.f. 18th July 2024)
Akansha Jain	Chief Financial Officer (w.e.f. 25th October 2024)
Kiran Sawant	Company Secretary (w.e.f. 8th February 2025)

Close Members / Other concerns of Key Management Personnel (In cases where transactions are there):

Atmaram Punjabi
Sunil Punjabi

b) The transactions with related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest-free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. The below transactions are as per approval of Audit Committee. The Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Nature of Transaction	Enterprises Where KMP & their close members have significant influence	Holding Company	Close Members/ Other Concerns of Key Management Personnel	Directors and Key Management Personnel	Employee Funds
Managerial Remuneration	-	-	-	73.23	-
Sitting Fees Paid	-	-	-	4.80	-
Loan Taken	-	-	151.48	198.58	-
Loan Repaid	-	-	151.48	198.58	-

Outstanding Balances	As at 31st March, 2025
Trade and Salary Payable	
Key Management Personnel	6.41

c) Disclosure in respect of material transactions with related parties during the year:

Nature of Transaction	Nature of relationship	Name of the related party	Amount
Managerial Remuneration (Salary)	Key Management Personnel	Ravi A. Punjabi	57.66
		Akansha Jain	11.71
		Kiran Sawant	3.86
Sitting fees	Directors	Drushti R. Desai	2.40
		Ushma A. Sule	2.40

KRAUS CASUALS PRIVATE LIMITED MUMBAI
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JAIN & TRIVEDI MUMBAI Chartered Accountants

(Amount ₹ in lakhs except as otherwise stated)

Nature of Transaction	Nature of relationship	Name of the related party	Amount
Loan Taken	Key Management Personnel	Ravi A. Punjabi	111.08
		Sushil L. Punjabi	87.50
	Close Members of Key Management Personnel	Atmaram J. Punjabi	44.34
		Sunil A. Punjabi	107.14
Loan Repaid	Key Management Personnel	Ravi A. Punjabi	111.08
		Sushil L. Punjabi	87.50
	Close Members of Key Management Personnel	Atmaram J. Punjabi	44.34
		Sunil A. Punjabi	107.14

Note:

i) During the period, the Company acquired the business of Oriental Trading Company (a partnership firm) as a going concern pursuant to a Business Transfer Agreement (BTA), through succession. The consideration for the acquisition was discharged by way of issuance of equity shares of the Company. (also refer note 2.48)

ii) The above transactions exclude reimbursement of expenses.

iii) In case of KMP under the Companies Act, 2013, managerial remuneration excludes gratuity provision as it is determined on actuarial basis for the Company as a whole.

d) Compensation to KMP of the Company:

Nature of Benefits#	For the period ended 31st March, 2025
Short-term employee benefits (including Sitting Fees)	78.03
Post-employment gratuity and medical	-
Other long-term benefits	-
Share-based payment transactions	-
Termination Benefits	-
Total	**78.03**

The aforesaid amounts exclude gratuity provision as it is determined on actuarial basis for the Company as a whole.

e) Loans or Advances in the nature of loans granted to promoters, directors, KMPs and the related parties:

Type of Borrower	For the period ended 31st March, 2025	% of Total Loans & Advances
Promoters	-	-
Directors	-	-
KMP	-	-
Related Parties	-	-
Total	-	-

2.34 Leases - Ind AS 116:

As Lessee:

The Company's lease asset primarily consists of leases for shop premises and factory building.

Following is the information pertaining to leases:

(Amount ₹ in lakhs except as otherwise stated)

Particulars	For the period ended 31st March, 2025
(a) Depreciation Charge for Right to Use Asset	214.95
(b) Interest Expense on Lease Liability	64.98
(c) Expense relating to short term leases accounted in profit & loss	17.97
(d) Total Cash Outflow for Leases for the year	231.49
(e) Additions to Right to use Assets	1222.32
(f) Carrying Amount of Right to use Assets at year end	1,007.37
(g) Lease Liability at year end	1,018.49

Table showing contractual maturities of lease liabilities on undiscounted basis:

Due	As at 31st March, 2025
Due not later than one year	370.96
Due later than one year but not later than five years	847.11
More than 5 years	-
Total	**1,218.07**

2.35 Disclosure regarding Derivative Instrument and Unhedged Foreign Currency Exposure:

There are no open derivatives / forward exchange contracts as at year end. In the current period there are no outstanding liabilities/ receivables denominated in foreign currency.

2.36 Provisions:

Disclosure as per Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets are given below:

Particulars	Other Provisions (including schemes, incentives, defective claims and discount expenses)
	For the period ended 31st March, 2025
Opening Balance	-
Balance acquired upon succession of business (Refer note no. 2.48)	279.37
Addition	1,735.15
Utilization	1,745.85
Reversal	-
Closing Balance	**268.67**

The above Provision has been grouped under the head 'Current Provisions' in Note 2.26.

The timing of the outflow is dependent on various aspects / fulfillment of conditions and occurrence of events. Such provisions are made based on the past experience and assessment of rates and taxes. However, it is most likely that outflow is expected to be within a period of one year from the date of Balance Sheet.

JAIN & TRIVEDI MUMBAI Chartered Accountants

KRAUS CASUALS PRIVATE LIMITED MUMBAI

H.A. SHAH ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

(Amount ₹ in lakhs except as otherwise stated)

2.37 Contingent Liabilities:

There are no contingent liabilities as at 31st March 2025.

2.38 Estimated amount of contracts remaining to be executed on:

Capital Commitment:

There are no contracts remaining to be executed on capital account and not provided for (net of advances) as at 31st March 2025.

2.39 Income Taxes (Ind AS 12):

a) Income tax expense in the statement of profit and loss consists of:

Particulars	For the period ended 31st March, 2025
Current income tax:	
In respect of the current year	-
In respect of the prior years - Short/(Excess)	-
Deferred tax:	
In respect of the current year - Charge/(Credit)	317.09
Income tax expense recognized in the statement of profit or loss	**317.09**

b) Income tax recognized in other comprehensive income:

Particulars	For the period ended 31st March, 2025
Deferred tax arising on income and expense recognized in OCI	
a) Re-measurement of the net defined benefit plan	-
b) Financial assets at fair value	-
Income tax expense recognized in other comprehensive income	-

c) Reconciliation of Effective Tax Rate:

Particulars	As at 31st March, 2025
Applicable tax rate (%)	25.168%
Profit before tax	1,259.91
Current tax expenses on Profit before tax as per applicable tax rate	317.09
Other Items	-
Total income tax expense/(credit)	**317.09**
The effective tax rate	25.19%
Excess Provision for Taxes of Earlier Years	-
Income tax expense recognized in the statement of profit or loss	**317.09**

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

JAIN & TRIVEDI MUMBAI Chartered Accountants

KRAUS CASUALS PRIVATE LIMITED MUMBAI

H.A. SHAH ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

(Amount ₹ in lakhs except as otherwise stated)

d) Deferred tax note:

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

Particulars	Balance Sheet	Statement of Profit & Loss
	As at 31st March, 2025	For the period ended 31st March, 2025
Deferred Tax Assets:		
Provision for Assets	45.43	(9.34)
Lease Liabilities	256.33	(256.33)
Others	179.72	(179.72)
Total (A)	**481.48**	**(445.39)**
Deferred Tax Liability:		
PPE (including right of use assets)	(762.48)	762.48
Total (B)	**(762.48)**	**762.48**
Deferred Tax Asset / (Liabilities) (A-B)	**(281.00)**	**317.09**

e) Reconciliation of deferred tax assets/(liabilities) (net):

Particulars	For the period ended 31st March, 2025
Balance acquired upon succession of business (Refer note no. 2.48)	**36.09**
Tax income/(expense) recognised in profit or loss	(317.09)
Tax income/(expense) recognised in other comprehensive income	-
Closing Balance	**(281.00)**

2.40 Fair Value Measurement:

The management assessed that cash and bank balances, trade receivables, trade payables, cash credits and other financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

a) Categories of Financial Instruments:

Particulars	FVTPL	FVOCI	Amortised Cost	Total	Carrying Amount
As at 31st March, 2025:-					
Financial Assets:					
Trade receivables	-	-	7,944.06	**7,944.06**	**7,944.06**
Cash and bank balances	-	-	6.24	**6.24**	**6.24**
Other financial assets	-	-	151.93	**151.93**	**151.93**
Total	-	-	**8,102.23**	**8,102.23**	**8,102.23**
Financial Liabilities:					
Cash Credits/Working Capital Borrowing	-	-	687.69	**687.69**	**687.69**

JAIN & TRIVEDI MUMBAI Chartered Accountants

KRAUS CASUALS PRIVATE LIMITED MUMBAI

H A SHAH ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

(Amount ₹ in lakhs except as otherwise stated)

Trade payables	-	-	2,610.64	**2,610.64**	**2,610.64**
Other financial liabilities	-	-	1,346.78	**1,346.78**	**1,346.78**
Total	-	-	**4,645.11**	**4,645.11**	**4,645.11**

2.40.1 Financial Instrument measured at Amortised Cost:

The carrying amount of financial assets and financial liabilities measured at amortised cost in the Financial Statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

2.41 Financial risk management objectives and policies:

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, investments and cash & cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

a) Market Risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: (i) interest rate risk and (ii) currency risk. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and borrowings. The sensitivity analysis in the following sections relate to the position as at 31st March, 2025.

The analysis excludes the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31st March, 2025.

i) 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's exposure to the risk of changes in market interest rates relates primarily to the Company's short term debt obligations with floating interest rates. The Company has sufficient amount of liquid investments to mitigate the interest risk on its short term debt obligations.

Interest rate sensitivity:

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings taken at floating rates. With all other variables held constant, the Company's profit / (loss) before tax is affected through the impact on floating rate borrowings, as follows:

JAIN & TRIVEDI MUMBAI Chartered Accountants

KRAUS CASUALS PRIVATE LIMITED MUMBAI

N.A. SHAH ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

(Amount ₹ in lakhs except as otherwise stated)

Basis Points	As at 31st March, 2025	
	Increase by 50 basis point	Decrease by 50 basis point
Effect on profit before tax (Amount in Rs.)	(3.44)	3.44

b) Credit risk:

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables). Also refer note 2.43(b) for details regarding customer concentration.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

i) Actual or expected significant adverse changes in business,

ii) Actual or expected significant changes in the operating results of the counterparty,

iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,

iv) Significant increase in credit risk on other financial instruments of the same counterparty,

v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Financial assets are written off when there are no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company.

Assets in the nature of Investment, security deposits, loans and advances are measured using 12 months expected credit losses (ECL). Balances with Banks is subject to low credit risk due to good credit rating assigned to these banks. Trade receivables are measured using lifetime expected credit losses.

For trade receivables, as a practical expedient, the Company computes credit loss allowance based on a provision matrix. The provision matrix is prepared on the basis of expected default rates based on industry experience over the expected life of trade receivables and is adjusted for forward-looking estimates. The provision matrix at the end of the reporting period is given below.

Financial Assets for which loss allowances is measured using the Expected Credit Losses (ECL):

The Ageing analysis of Account receivables has been considered from the date the invoice falls due:

Ageing	Expected Credit Loss rate	As at 31st March, 2025#	Lifetime expected credit loss
0-180 days	1.50%	7,982.20	119.73
181 days to 270 days	15.00%	10.20	1.53
beyond 270 days	100.00%	58.68	58.68
Total			**179.94**

Estimated carrying amount at default (Outstanding less security received)

Trade receivables ageing schedule for the period ended as on 31st March, 2025:

JAIN & TRIVEDI MUMBAI Chartered Accountants
KRAUS CASUALS PRIVATE LIMITED MUMBAI
SHAH ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

(Amount ₹ in lakhs except as otherwise stated)

As at 31st March, 2025	Not Due (Amount)	Less than 6 months (Amount)	6 months to 1 years (Amount)	1 to 2 years (Amount)	2 to 3 years (Amount)	More than 3 Years (Amount)	Total (Amount)
Undisputed Trade receivables – considered good	6,148.28	1,904.16	71.56	-	-	-	8,124.00
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables considered good	-	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	**6,148.28**	**1,904.16**	**71.56**	-	-	-	**8,124.00**
Less :	(92.22)	(29.04)	(58.68)	-	-	-	(179.94)

(Amount ₹ in lakhs except as otherwise stated)

Allowance for bad and doubtful debts and expected credit loss						
Net Total	6,056.06	1,875.12	12.88	-	-	7,944.06

The following table summarizes the changes in loss allowances measured using lifetime expected credit loss model and provision is made after considering credit notes/recoveries anticipated:

Movement in ECL in Trade Receivables:

Provisions	As at 31st March, 2025
Opening Provision	-
Add: Balance acquired upon succession of business (Refer note 2.48)	143.40
Add: Additional allowance made	36.54
Closing provisions	**179.94**

No Significant changes in estimation techniques or assumptions were made during the year.

Movement in ECL in Other Assets:

Provisions	As at 31st March, 2025
Opening Provision	-
Add:- Additional allowance made	0.57
Less:- Allowance utilised against bad debts	-
Closing provisions	**0.57**

c) **Liquidity risk:**

The Company's principal source of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company believes that the working capital is sufficient to meet its current requirements.

As on 31st March, 2025, the Company had net working capital of ₹ 8,753.91 lakhs including cash and bank balance of ₹ 6.24 lakhs.

i) **Maturity patterns of the Financial Liabilities of the Company at the reporting date based on contractual undiscounted payment:**

As at 31st March, 2025	<1 year (Amount)	1 to 5 years (Amount)	>5 Years (Amount)	Total (Amount)
Borrowings	687.86	-	-	**687.69**
Trade payables	2,610.64	-	-	**2,610.64**
Lease Liability (ROU)	370.96	847.11	-	**1,218.07**
Other financial liabilities	328.29	-	-	**328.29**

JAIN & TRIVEDI MUMBAI Chartered Accountants
KRAUS CASUALS PRIVATE LIMITED MUMBAI
H.A. SHAH ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

(Amount ₹ in lakhs except as otherwise stated)

Total	**3,998.75**	**847.11**	**-**	**4,844.69**

ii) Trade Payables ageing schedule for the period ended as on 31st March, 2025:

As at 31st March, 2025	Outstanding for following periods from due date of payment				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
MSME	241.92	-	-	-	**241.92**
Others	2,367.33	1.39	-	-	**2,368.72**
Disputed Dues – MSME	-	-	-	-	-
Disputed Dues – Others	-	-	-	-	-

A. The table below summarises the maturity profile of the Company's financial assets based on contractual undiscounted receipt:

As at 31st March, 2025	< 1 year	1 - 5 years	> 5 years	Total
Investments Current and Non-Current	-	-	-	-
Trade receivables (current)	7,944.06	-	-	**7,944.06**
Cash and Cash equivalent	6.24	-	-	**6.24**
Other financial assets	9.17	142.76	-	**151.93**

The Company is not exposed to significant liquidity risk based on past performance and current expectations. The company believes that the cash and cash equivalents, cash generated from operations and available un-drawn credit facilities, will satisfy its working capital needs, capital expenditure, investment requirements, commitments and other liquidity requirements associated with its existing operations, through at least the next twelve months.

The note below sets out details of the undrawn facilities that will be available for future operating facilities and to settle capital commitments of the Company:

Particulars	As at 31st March, 2025
i) Secured cash credit facility	
- Amount used	-
- Amount unused	-
Total	-
ii) Unsecured cash credit facility	
- Amount used	677.86
- Amount unused	1,822.14
Total	**2,500.00**
iii) Total facilities	
- Amount used	677.86
- Amount unused	1,822.14
Total	**2,500.00**

JAIN & TRIVEDI MUMBAI Chartered Accountants

KRAUS CASUALS PRIVATE LIMITED MUMBAI

H A SHAH ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

(Amount ₹ in lakhs except as otherwise stated)

2.42 Capital Management:

a) Risk Management:

For the purposes of the Company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders. The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders.

The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The Company monitors capital using Net debt-equity ratio, which is Net debt (i.e. total debt less cash & cash equivalents and current investments) divided by total equity:

Particulars	As at 31st March, 2025
Net Debt*	1,699.94
Total Equity	33,301.00
Net Debt to Equity Ratio (%)	5.1%

*Total Debt includes lease liabilities

2.43 Operating Segment:

a. The Company is engaged in the business of manufacturing and marketing of apparels. As defined in Ind AS 108 'Operating Segments', the Chief Operating Decision Maker evaluates the Company's performance related to Apparels business and allocates resources based on an analysis of various performance indicators.

b. The substantial business of the company is from LFS and consequently there is customer concentration with few large store operators.

2.44 Relation with Struck off Companies:

There is no transaction with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

2.45 Share held by Promoters:

As at 31st March, 2025:

Sr. No	Promoter name	As at 31st March, 2025	
		No. of Shares	% of total shares
1	Ravi A. Punjabi	8,32,52,500	25.00%
2	Sushil L. Punjabi	4,14,59,745	12.45%

JAIN & TRIVEDI MUMBAI Chartered Accountants

N.A. SHAH ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

(Amount ₹ in lakhs except as otherwise stated)

4	Sunil A. Punjabi	4,14,59,745	12.45%
5	Atmaram J. Punjabi	3,33,010	0.10%
	Total	**33,30,10,000**	**100%**

2.46 Analytical Ratios:

Sr. No.	Ratio	Numerator	Denominator	As at 31st March, 2025
1	Current ratio (times)	Current Assets	Current Liabilities	2.82
2	Debt Equity Ratio (times)	Total Debts[1]	Shareholders' Equity	0.05
3	Debt Service Coverage Ratio (times)	Earnings Available for Debt service[2]	Debt Service[3]	3.45
4	Return on Equity Ratio (%)	PAT	Average Shareholders' Equity	3%
5	Inventory Turnover Ratio (times)	Sales	Average Inventory	3.32
6	Debtors Turnover Ratio (times)	Sales	Avg. Accounts Receivables	2.01
7	Creditor Turnover Ratios (times)	Purchase	Avg. Trade Payables	1.88
8	Net Capital Turnover Ratio (times)	Sales	Working Capital	1.86
9	Net Profit Ratio (%)	Net Profit after tax	Sales	6%
10	Return on Capital Employed (%)	EBIT	Capital Employed[4]	12%

Notes: -

1. Total Debts includes Lease Liability.
2. PBT + Finance Cost + Depreciation +/- Non-cash adjustments
3. Finance Cost and Lease Payments+ Short-term Borrowings
4. Capital Employed means Tangible Net Worth + Total Debt + Lease Liability + Deferred Tax Liability.
5. Disclosure of return on investment (%) has not been given in absence of investment in respect of current period ended 31st March 2025.
6. Since the Company is incorporated in current period, ration for the previous year and variances are not applicable.
7. For the purpose of computing the average, opening balances are considered Nil.

2.47 Earning Per Share:

Particulars	2024-25
Net Profit available for Equity Shareholders as per statement of profit and loss	**942.82**
Weighted average number of equity shares for basic and diluted EPS (in Numbers)	33,00,51,096
Basic and Diluted Earning per share	0.29
Face Value Per Equity Share	**₹ 10 each**

(Amount ₹ in lakhs except as otherwise stated)

2.48 Business Combination

Acquisition of business of Oriental Trading Company

The Company acquired the business of Oriental Trading Company (OTC), a partnership firm, on a going concern basis through succession of business in accordance with the Business Transfer Agreement (BTA). The consideration paid to the erstwhile partners of the OTC has been allocated in accordance with purchase price allocation report issued by independent registered valuer and excess of the consideration over the fair value of the net assets acquired has been recognised as goodwill by the Company in accordance with the requirement of Ind AS 103 'Business Combination'.

Fair value of identifiable assets acquired and liabilities assumed as on the date of acquisition is as below:

Particulars	Amount
Assets	
Property, Plant and Equipments	214.23
Brand & Trademark	3,180.00
Manufacturing Arrangement	11,258.00
Beneficial Lease Rights	169.00
Other Intangible Assets	0.44
Other Non-Current Financial Assets	115.12
Other Current Financial Assets	121.04
Other Current Assets	9.80
Inventories	4,225.41
Trade Receivable	8,319.73
Cash	1.93
Deferred Tax Assets	36.09
Total Assets (A)	**27,650.79**
Liabilities	
Other Financial Liabilities	13.00
Other Current Liabilities	0.37
Provisions	2,450.07
Trade Payables	4,762.33
Total Liabilities (B)	**7,225.77**
Identifiable net assets at fair value (C= A-B)	**20,425.02**
Purchase consideration paid by way of issuing equity shares (D)	**32,300.00**
Goodwill# (D-C)	**11,874.98**

#Goodwill is not tax deductible.

2.49 Disclosures as required by Ind AS 103 for goodwill

a) Movement of Goodwill:

Particulars	For the period ended 31st March 2025
Balance at the beginning of the Year	-
Add: Goodwill on acquisition of a business	11,874.98

(Amount ₹ in lakhs except as otherwise stated)

Less: Impairment of Goodwill {refer point (c) below}	-
Balance at end of the year	**11,874.98**

b) Goodwill was created in for the period ended 31st March 2025 on acquisition of business of Oriental Trading Company, on a going concern basis through succession of business.

c) Impairment test for goodwill as follows:

The Company tests goodwill for impairment annually. During the period ended 31st March 2025, the management of the Company has tested carrying amount of Goodwill for impairment and according to such impairment test, there is no provision for impairment in current period. The impairment testing is done based on various factors including the management expectation of the business going forward and various other assumptions. (fair value report obtained from registered valuer).

Key assumptions used in projections are:

- Earnings before interest, taxes and Depreciation & Amortization (EBITDA) margins,
- Growth rate,
- Discount rates etc.

EBITDA margins: The margins are after considering various factors like market share, fashion or trend etc.

Growth rate: The growth rates used are in line with long-term average growth rates of the respective industry and are consistent with the internal/external sources of information. These assumptions based on past experience, market estimates and management judgements,

Discount rates: Discount rates reflects the current market assessment of the risks specific to a Cash Generating Unit (CGU) and estimated based on weighted average cost of capital for respective CGU/group CGU.

The above projections is significantly higher than the carrying value of goodwill, hence sensitivity in projections data will not affect impairment test result materially.

Management of the Company has also performed sensitivity analysis on the above key assumptions to determine value in use.

2.50 Compliance with approved scheme(s) of arrangements:

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

2.51 Utilisation of Borrowed funds and Share premium:

a) During the year, the Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall: (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries); or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

b) During the year, the Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (i) directly or indirectly issued or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries): or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

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KRAUS CASUALS PRIVATE LIMITED MUMBAI
H A SHAH ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

(Amount ₹ in lakhs except as otherwise stated)

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

2.52 Additional information as required by para 5 of General Instructions for preparation of Statement of Profit and Loss (other than already disclosed above) are either Nil or Not Applicable.

2.53 Disclosures for 'Statement of Cash Flows' as per Ind AS 7:

a) Reconciliation of liabilities from financing activities for the period ended 31st March, 2025:

Particulars	As at 31st March, 2025	Cash flows (net)	Impact of Ind AS 116
Short term borrowings	-	(-)	-
Lease Liability (impact of Ind AS 116)	1,018.49	(231.49)	1,249.98
Total	**1,018.49**	**(231.49)**	**1,249.98**

b) The Company has accounted for lease liabilities and fair value changes in accordance with Ind AS 116 implemented during the previous year. Detail break-up of above non-cash element is given below:

Particulars	For the period ended 31st March, 2025
Finance cost on lease liabilities	-
Addition during the year	1,249.98
Total	**1,249.98**

2.54 Contracts with Customer (Ind AS 115):

a) Right to return assets and refund liabilities:

Particulars	As at 31st March, 2025
Right to return assets	276.18
Refund liabilities	484.52

b) Contract balances:

Particulars	As at 31st March, 2025
Contract assets:	
Trade Receivables	7,944.05
Contract Liabilities:	
Advances from customers	1.51

c) Reconciliation of revenue as recognised in the Statement of Profit and Loss with the contracted price:

Particulars	For the period ended 31st March, 2025
Revenue as per contracted price	**20,606.26**
Less:	
Sales return (including refund liability)	2,628.37
Discount, incentive etc.	1,735.37

JAIN & TRIVEDI MUMBAI Chartered Accountants

KRAUS CASUALS PRIVATE LIMITED MUMBAI

H.A. SHAH ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

(Amount ₹ in lakhs except as otherwise stated)

Revenue as per the Statement of Profit and Loss	**16,242.52**

d) Disclosure of disaggregated revenue recognised in the Statement of Profit and Loss:

Particulars	For the period ended 31st March, 2025
Sales of Apparel and Lifestyle Accessories/Products	16,228.55
Other Operating Income {refer note 2.22(B)}	13.97
Total	**16,242.52**

e) Disclosure of disaggregated revenue recognised in the Statement of Profit and Loss based on geographical region:

Particulars	For the period ended 31st March, 2025
Revenue from customers outside India	161.11
Revenue from customers within India	16,081.41
Revenue as per the Statement of Profit and Loss	**16,242.52**

f) The amounts receivable from customers become due after expiry of credit period which on an average ranges around from 30 to 60 days. There is no significant financing component in any transaction with the customers.

g) The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration and sale of service contracts are measured as per output method.

h) Refer note 2.43(b) for details regarding customer concentration.

2.55 As per the requirements of rule 3(1) of the Companies (Accounts) Rules 2014, the Company uses such accounting software for maintaining its books of account that have a feature of recording audit trail (edit log) of each and every transaction creating an edit log of each change made in the books of account along with the date when such changes were made within such accounting software. This feature of recording audit trail has operated throughout the period and was not tampered with during the period, for all relevant transactions recorded in the software except with respect audit trail feature in the accounting package was not enabled for 53 days since incorporation and inventory module did not have audit trail feature. With respect to preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial period ended 31st March 2025, since the Company is incorporated in the current period.

JAIN & TRIVEDI MUMBAI Chartered Accountants

KRAUS CASUALS PRIVATE LIMITED MUMBAI

N.A. SHAH ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

(Amount ₹ in lakhs except as otherwise stated)

2.56 The Company has been incorporated on 22nd May 2024. Accordingly, disclosure of corresponding figures is previous period/ year is not applicable.

As per our Report of even date attached
For and on behalf of

Jain & Trivedi
Chartered Accountants
Registration No.:
113496W

Satish Trivedi
Partner
Membership No. : 38317

JAIN & TRIVEDI
MUMBAI
Chartered Accountants

N.A. Shah Associates LLP
Chartered Accountants
Registration No.:
116560W/W100149

Prashant Daftary
Partner
Membership No. : 117080

N A SHAH ASSOCIATES LLP
MUMBAI
CHARTERED ACCOUNTANTS

Place: Mumbai
Date: 12th May, 2025

For and on behalf of the Board of Directors of
Kraus Casuals Private Limited

Ravi Punjabi
Managing Director
Din No : 09016025

Hemant P Jain
Director
Din No :00029822

Akansha Jain
Chief Financial Officer

Kiran Sawant
Company Secretary

Place: Mumbai
Date: 12th May, 2025

KRAUS CASUALS PRIVATE LIMITED
MUMBAI