

Vadilal Industries (USA) Inc.

Agreed upon procedures for review of Consolidated Financial Statement
Schedules

March 31, 2024

KNAV CPA LLP

Certified Public Accountants
One Lake Side Commons, Suite 850
990 Hammond Drive NE, Atlanta, GA 30328, USA



America Counts on CPAs

Independent Accountant's Report on Applying Agreed-Upon Procedures

Board of Directors
Vadilal Industries (USA) Inc.

We have performed the procedures enumerated below, for Vadilal Industries (USA) Inc. ("Vadilal" or "the Company") as agreed in our addendum and engagement letter dated April 01, 2024, solely to assist you in review of the consolidated financial statements schedules required for the purpose of preparation of consolidated financial statements of Vadilal Industries Limited (the "Holding Company") as at and for the year ended March 31, 2024.

Scope of the agreed upon procedures ("AUP"):

To review the grouping of account balances and the arithmetical accuracy of the consolidated financial statement schedules presented in Annexure 1, prepared by the management of the Company for the purpose of preparation of consolidated financial statements of the Holding Company. The scope of the AUP does not include the performance of any other procedures including:

- Review of the consolidated financial statements schedule presented as of and for the year ended March 31, 2023.
- Review of source data used to prepare consolidated financial statements schedules.
- Completeness of consolidated financial statements schedule required for the purpose of preparation of consolidated financial statements of the Holding Company.

The procedures performed by us, and the associated findings are as follows:

Procedures performed:

Our scope of work on these agreed upon procedures was limited to the review the grouping and the arithmetical accuracy of consolidated financial statements schedules prepared by the management of the Company required for the purpose of preparation of consolidated financial statements of the Holding Company. We have reviewed the grouping of account balances and the arithmetical accuracy of the consolidated financial statements schedules presented. We have not verified the completeness of the consolidated financial statements schedules required for the purpose of preparation of consolidated financial statements of the Holding Company.

We were engaged by the Company to perform the agreed-upon procedures engagement and we conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described above either for the purpose for which this report has been requested or for any other purposes.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the consolidated financial statements schedules of the Company. Accordingly,



we do not express such an opinion. Had we performed additional procedures; other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the management of the Company and is not intended to be and should not be used by anyone other than these specified parties. Further, we do not accept or assume any liability or any duty of care for any other purpose for which or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

KNAV CPA LLP

Atlanta, Georgia

May 21, 2024

KNAV CPA LLP

Certified Public Accountants

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2024-155-US

Annexure 1 - Consolidated Financial Statements Schedules

Annexure A - Consolidated Balance Sheet Schedule

(All amounts in United States Dollars, unless otherwise stated)

	Note no.	As at	
		March 31, 2024	March 31, 2023
I. ASSETS			
Non-current assets			
(a) Property, plant and equipment	1a	2,642,542	2,608,769
(b) Capital work-in-progress	1b	99,801	99,801
(c) Goodwill		89,475	89,475
(d) Intangible assets	1c	144,166	170,221
(e) Right-of-use assets	1d	9,841,119	9,404,759
(f) Other financial assets	2	150,442	124,905
(g) Other non-current assets		1,592,440	379,221
Total non-current assets		14,559,985	12,877,151
(2) Current Assets			
(a) Inventories	3	5,324,185	4,717,055
(b) Financial assets			
(i) Investments		1,221,764	-
(ii) Trade receivables	4	5,190,873	5,391,599
(iii) Cash & cash equivalents	5	5,057,703	3,043,026
(c) Current tax assets (net)	6	1,692,009	316,334
(d) Other current assets	7	1,419,107	840,359
Total Current Assets		19,905,640	14,308,373
Total Assets		34,465,625	27,185,524
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital		225,000	225,000
(b) Other equity		20,094,576	13,842,099
Total Equity		20,319,576	14,067,099
(2) Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	8a	543,814	711,150
(ii) Lease liabilities	8b	9,592,093	8,973,196
(b) Deferred tax liabilities (net)	9	286,502	471,916
Total non-current liabilities		10,422,409	10,156,262
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	10a	160,521	191,930
(ii) Lease liabilities	8b	1,024,297	850,220
(iii) Trade payables	10b	2,312,368	1,543,775
(b) Other current liabilities	11	226,454	376,239
Total current liabilities		3,723,640	2,962,163
Total liabilities		14,146,050	13,118,424
Total equity and liabilities		34,465,625	27,185,524

Annexure B - Consolidated Income Statement Schedule

(All amounts in United States Dollars, unless otherwise stated)

	Note no.	For the year ended	
		March 31, 2024	March 31, 2023
Revenue from operations	12	38,333,800	35,054,269
Other income	13	244,517	377,938
Total income		38,578,317	35,432,207
Expenses:			
Cost of materials consumed	14	506,683	437,932
Purchase of stock-in-trade	15	19,004,457	19,942,105
Changes in inventories of finished goods and stock-in-trade	16	(605,704)	(1,439,114)
Employee benefits expense	17	5,670,496	4,358,345
Finance costs	18	474,146	365,517
Depreciation and amortization expenses		1,412,334	1,178,254
Other expenses	19	5,663,961	5,970,581
Total expense		32,126,373	30,813,621
Profit before tax		6,451,944	4,618,587
Tax expenses			
(a) Current tax expense	20	384,882	1,072,821
(b) Deferred tax (benefit) expense		(185,415)	312,755
Total tax expenses		199,467	1,385,576
Profit for the year		6,252,477	3,233,010
Other Comprehensive Income		-	-
Total Comprehensive Income for the Year		6,252,477	3,233,010
Earnings Per Share (Face Value of ` 10 each)			
- Basic and Diluted		250.10	129.32

Annexure C - Consolidated Statement of Cash Flow Schedule

(All amounts in United States Dollars, unless otherwise stated)

	For the year ended	
	March 31, 2024	March 31, 2023
Cash flows from operating activities		
Profit before tax	6,451,944	4,618,587
Adjustments for:		
Depreciation and amortization	1,412,334	1,178,254
Allowance for expected credit loss	39,500	67,860
Interest income	(141,319)	(243)
Finance cost	474,146	365,517
Provision for slow-moving and obsolete inventory	34,969	11,091
Operating profit before working capital changes	8,271,574	6,241,066
Changes in working capital:		
Accounts receivable	161,226	(1,361,800)
Inventories	(642,098)	(1,501,248)
Other current assets	(578,749)	(550,199)
Other financial asset	(25,537)	23,574
Trade payables	768,595	492,762
Other current liabilities	(155,370)	27,175
Cash generated from operations	7,799,641	3,371,330
Income taxes paid (net of refunds)	(1,760,557)	(3,334,664)
Net cash generated from operating activities	6,039,084	36,666
Cash flows from investing activities		
Capital expenditure on property, plant and equipment	(1,419,313)	(2,085,638)
Payment for business acquisition, net of cash acquired	-	(240,110)
Interest received	141,319	243
Purchase of short-term investments	(1,221,764)	-
Net cash used in investing activities	(2,499,758)	(2,325,505)
Cash flows from financing activities		
Repayment of borrowings	(198,744)	(130,945)
Proceeds from borrowings	-	785,213
Repayment of lease liabilities	(857,346)	(640,729)
Interest paid	(468,560)	(211,070)
Net cash used in by financing activities	(1,524,650)	(197,531)
Net increase/(decrease) in cash and cash equivalents	2,014,677	(2,486,370)
Cash and cash equivalents at the beginning of the period	3,043,026	5,529,396
Cash and cash equivalents at the end of the period	5,057,703	3,043,026

Disclosure under Para 44A as set out in Ind AS 7 on cash flow statements under Companies (Indian Accounting Standards) Rules, 2015 (as amended).

Particulars of liabilities arising from financing activity	As at March 31, 2023	Net cash Flows	As at March 31, 2024
Non-current borrowings	711,149	(167,336)	543,814
Current borrowings	191,930	(31,408)	160,521
Interest accrued on borrowings	37,907	27,566	65,473
Total	940,986	(171,178)	769,808

Particulars of liabilities arising from financing activity	As at March 31, 2022	Net cash Flows	As at March 31, 2023
Non-current borrowings	199,519	511,630	711,149
Current borrowings	49,292	142,637	191,930
Interest accrued on borrowings	14,074	23,832	37,907
Total	262,885	678,099	940,986

- 1) The above cash flow has been prepared under Indirect Method set out in Indian Accounting Standard (Ind AS 7) Statement of Cashflow.
- 2) Previous year figures have been regrouped wherever necessary to make them comparable with current year figures.
- 3) Figures in bracket represent outflow.

Annexure D – Consolidated Statement of Changes in Equity Schedule

Equity Share Capital

Particulars	As at March 31, 2024	As at March 31, 2023
Balance as at the beginning of the year	250,000	250,000
Changes in equity share capital during the year	-	-
Balance as at the end of the year	250,000	250,000

Other Equity

Particulars	Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	Revaluation Surplus	Exchange difference on translating foreign operations	Items of other comprehensive income	Total
Balances as at April 01, 2022	-	-	-	10,609,089	-	-	-	10,609,089
Profit for the year	-	-	-	3,233,010	-	-	-	3,233,010
Balances as at March 31, 2023	-	-	-	13,842,099	-	-	-	13,842,099
Profit for the year	-	-	-	6,252,477	-	-	-	6,252,477
Balances as at March 31, 2024	-	-	-	20,094,576	-	-	-	20,094,576

Annexure E – Other Financial Statement Schedule

Note – 1a: Property, Plant and Equipment

Particulars	Building	Leasehold building improvements	Plant & machinery	Furniture & fixtures	Office equipment	Computer & peripherals	Vehicles	Total
Property, plant and equipment:								
As at March 31, 2022	-	-	926,778	32,695	33,078	10,281	-	1,002,832
Additions	7,500	318,910	1,925,304		45,228	1833		2,298,775
Addition due to acquisition of KKC	-	-	66,937		-	-	-	66,937
Deductions	-	-	481,710	31,208	7,266	-	-	520,184
As at March 31, 2023	7,500	318,910	2,437,309	1,487	71,040	12,114	-	2,848,360
Additions	-	16,491	96,309		26,442	8031	73,571	220,844
Addition due to acquisition of KKC	-	-	-	-	-	-	-	-
Deductions	-	-	21,994	-	-	-	-	21,994
As at Mar 31, 2024	7,500	335,401	2,511,624	1,487	97,482	20,145	73,571	3,047,210
Accumulated Depreciation and Impairment:								
As at March 31, 2022	-	-	173,449	1,574	18,634	6,757	-	200,414
Depreciation charge for the year	1,183	13,733	89,605	1,864	6,758	2215		115,358
Addition due to acquisition of KKC	-	-	55,139	-	-	-	-	55,139
Deductions	-	-	123,438	2,867	5,015	-	-	131,320
As at March 31, 2023	1,183	13,733	194,756	571	20,377	8,973	-	239,591
Depreciation charge for the year	4,746	28,694	119,737	141	14,925	2621	1,456	172,320
Addition due to acquisition of KKC								-
Deductions			7,245					7,245
As at Mar 31, 2024	5,929	42,427	307,248	712	35,302	11,594	1,456	404,666
Net carrying value:								
As at March 31, 2024	1,571	292,974	2,204,377	775	62,178	8,552	72,115	2,642,542
As at March 31, 2023	6,316	305,176	2,242,554	916	50,664	3,141	-	2,608,769

Note – 1b: Capital work in progress

Particulars	Amount
As at March 31, 2022	-
Additions	99,801
Deductions	-
As at March 31, 2023	99,801
Additions	-
Deductions	-
As at March 31, 2024	99,801

CWIP aging schedule as at March 31, 2024

Capital work in progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	99,801			99,801
Projects temporarily suspended	-	-	-	-	-
TOTAL	-	99,801	-	-	99,801

- Capital work in progress whose costs has exceeded compared to its original budget: None (As at March 31, 2023 : None).
- Project in progress for more than one year includes overdue projects pending for installation which is in progress. The same are expected to be installed in F.Y.2024-25.

(Amount in USD)

Note – 1c: Intangible assets

	Software & development cost	Word Mark	Goodwill	Total
Cost or deemed cost				
As at March 31, 2022	14,835	-		14,835
Additions	-	175,740	89,475	265,215
Deductions	-	-	-	-
As at March 31, 2023	14,835	175,740	89,475	280,050
Additions	-	-	-	-
Deductions	-	-	-	-
As at Mar 31, 2024	14,835	175,740	89,475	280,050
Amortisation:				
As at March 31, 2022	11,460	-		11,460
Depreciation charge for the year	1,938	6,956		8,894
Deductions	-	-	-	-
As at March 31, 2023	13,398	6,956		20,354
Depreciation charge for the year	931	25,124		26,055
Deductions	-	-	-	-
As at Mar 31, 2024	14,329	32,080	-	46,409
Net Carrying Amount:				
As at March 31, 2024	506	143,660	89,475	233,641
As at March 31, 2023	1,437	168,784	89,475	259,696

The Impairment test has been performed by using discounted cash flow method for the Goodwill and other Intangible Assets. it has been determined that the recoverable amount exceeds the carrying value of these assets. As a result, no impairment has been recognized.

Note – 1d: Right of use assets

	Amount (in USD)
Cost or Fair Value	
As at March 31, 2022	2,095,753
Additions	9,120,633
Deductions	859,406
As at March 31, 2023	10,356,980
Additions	1,650,317
Deductions	-
As at March 31, 2024	12,007,297
Accumulated depreciation and impairment	
As at March 31, 2022	193,620
Additions	1,054,001
Deductions	295,400
As at March 31, 2023	952,221
Additions	1,213,958
Deductions	-
As at March 31, 2024	2,166,179
Net carrying amount	
As at March 31, 2024	9,841,118
As at March 31, 2023	9,404,759

In accordance with the stock purchase agreement, effective as of June 10, 2022, Vadilal Industries (USA) Inc. acquired 100% of the issued and outstanding stock of Krishna Krupa Corporation. The primary reason for the acquisition was to expand the Company's market position and accelerate growth. The purchase consideration was for USD 250,000.

The purchase price allocation was recorded as follows:

Particulars	Amount in USD
Advance recoverable in cash or kind	9,004
Inventories	15,600
Less: other trade payable	9,890
Net working capital	14,714
Net fixed assets	12,200
Total tangible assets acquired	26,914
Wordmark	1,75,740
Total intangible assets acquired	1,75,740
Deferred tax liability on identifiable intangible asset	(52,019)
Net assets acquired	1,50,635
Residual goodwill	89,475
Fair value of assets acquired	2,40,110
Cash	9,890
Total purchase price	2,50,000

Note -2: NON-CURRENT OTHER FINANCIAL ASSETS

Particulars	As at March 31, 2024	As at March 31, 2023
Rent deposit	49,761	56,224
Security deposit	91,633	59,633
Other deposits	9,048	9,048
Total	150,442	124,905

Note -3: INVENTORIES

Particulars	As at March 31, 2024	As at March 31, 2023
(Amount in USD)		
(At lower of Cost or Net Realisable Value)		
Raw materials	195,497	126,003
Finished goods	4,045,612	4,553,198
Finished goods-in-transit	1,148,258	69,410
Stores and spares	1,917	575
Provision for slow-moving and obsolete inventory	(67,099)	(32,131)
Total	5,324,185	4,717,055

Inventories provisions are accounted, considering the nature of inventory usage, ageing and net realisable value. Write-down of inventories amounted to USD 67,099 as at March 31, 2024 (as at March 31, 2023 USD 32,131). These write-downs are recognised as an expense in the statement of profit & loss.

Note – 4: TRADE RECEIVABLES

Particulars	As at March 31, 2024	As at March 31, 2023
Trade receivables – considered good – Secured		
Trade receivables considered good – Unsecured	5,190,873	5,391,599
Trade receivables with significant increase in credit risk	-	-
Trade receivables – credit impaired	383,575	344,075
Less: Expected credit loss allowance	(383,575)	(344,075)
Total	5,190,873	5,391,599

Particulars	As at March 31, 2024	As at March 31, 2023
<u>Break-up of trade receivables</u>		
Trade receivables from other than related parties	4,971,461	4,793,827
Receivables from related parties	219,412	597,772
Total	5,190,873	5,391,599

Trade Receivable Ageing Schedule as on March 31, 2024:

(Amount in USD)

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	104,851	4,671,949	286,536	127,538	-	-	5,190,873
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables – credit impaired	9,220	52,289	156,644	24,092	77,390	63,940	383,575
(iv) Disputed trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
	114,071	4,724,238	443,180	151,629	77,390	63,940	5,574,448
Less: Expected credit loss allowances	9,220	52,289	156,644	24,092	77,390	63,940	383,575
TOTAL	104,851	4,671,949	286,536	127,538	-	-	5,190,873
Less: VII. Balance to be knocked off	-	137,360	82,053	-	-	-	219,413
NET TOTAL	104,851	4,534,589	204,483	127,538	-	-	4,971,460

Trade Receivable Ageing Schedule as on March 31, 2023:

(Amount in USD)

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good		49,21,323	4,00,855	41,297	9,323	18,801	53,91,599
(ii) Undisputed trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade Receivables – credit impaired	-	1,13,542	1,10,375	81,874	38,284	-	3,44,075
(iv) Disputed trade Receivables–considered good	-	-	-	-	-	-	-
(v) Disputed trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade Receivables – credit impaired	-	-	-	-	-	-	-
	-	50,34,865	5,11,230	1,23,171	47,607	18,801	57,35,674
Less: Expected credit loss allowances	-	1,13,542	1,10,375	81,874	38,284	-	3,44,075
Advance received. from customer	-	-	-	-	-	-	-
TOTAL							53,91,599
Less: VIL Balance to be knocked off	-	3,33,906	2,42,926	20,940	-	-	5,97,772
Net total	-	-3,33,906	-2,42,926	-20,940	-	-	47,93,827

Notes

- The credit period ranges from 0 days to 60 days.
- Before accepting any new customer, the Company assesses the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers are reviewed annually. There are no customers who represent more than 5% of the total balance of trade receivable.
- In determining the allowances for doubtful trade receivables, Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

Movement in expected credit loss allowance:

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	(344,075)	(533,600)
Add: Allowance for the year	(39,500)	189,525
Less: Reversal of provision due to recovery		
Balance at the end of the year	(383,575)	(344,075)

Note – 5: CASH AND CASH EQUIVALENTS

(Amount in USD)

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with banks:		
In current accounts	2,315,424	3,036,658
Investment in fixed deposit (Within 3 Months Maturity)	2,737,209	-
Cash on hand	5,070	6,368
Total	5,057,703	3,043,026

Note: There are no restrictions with regards to Cash and Cash Equivalents

Note – 6: TAX ASSETS

Particulars	(Amount in USD)	
	As at March 31, 2024	As at March 31, 2023
Current		
Taxes receivable (net of provision)	1,692,009	316,334
Total	1,692,009	316,334

Note – 7: OTHER ASSETS - CURRENT

Particulars	(Amount in USD)	
	As at March 31, 2024	As at March 31, 2023
Prepaid expenses	32,719	150,000
Balances with Govt. Authorities	45,121	528
Total (A)	77,840	150,528
Advances for Goods & Expenses		
Considered Good	1,341,267	689,831
Considered Doubtful	-	-
Less: Impairment Allowances	-	-
Total (B)	1,341,267	689,831
Total (A + B)	1,419,107	840,359

Note – 8a: BORROWINGS

Terms of repayment and Effective Rate of Interest of all Non-Current Loans:

Particulars	(Amount in USD)			
	As at March 31, 2024	As at March 31, 2023	Interest rate	Terms of repayment
Term Loans from bank:				
Bank of America	-	41,128	4.70%	48 monthly instalments of \$4,240.88, starting from Feb 21, 2020
*Bank of America - SBA Loan	150,000	160,000	3.75%	329 monthly instalments of \$731, still not started
Bank of America	554,335	701,951	4.25%	60 monthly instalments of \$14,549.64, starting from Sep 05, 2022

*Of the SBA loan of USD 160,000, USD 10,000 is transferred to other current liabilities since it is already waived of by the Government however the proof for the same is not available from the government, but Bank of America has sent the letter for the same hence its reclassified into Other current liability.

Borrowing interest - 2023-24:

Particulars	(Amount in USD)			
	< 1 year	1-5 years	More than 5 years	Total
Term loans from bank	-	-	-	-
Bank of America	-	-	-	-
Bank of America - SBA Loan	5,449	20,496	58,815	84,761
Bank of America	20,582.	21,617	-	42,200

Borrowing interest - 2022-23:

Particulars	(Amount in USD)			
	< 1 year	1-5 years	More than 5 years	Total
Term Loans from bank				-
Bank of America	902			902.34
Bank of America - SBA Loan	5,586	21,032	63,728	90,347
Bank of America	26,979	42,200		69,179

Security Clause for Non-Current Borrowing and Current Borrowing separately:

- a) **Term loan:** During the year ended March 31, 2020, the Company availed a term loan amounting to \$185,000 at an interest rate of 4.7% per annum for business operations. The term loan has a term of 4 years ending on January 21, 2024, and is secured against the inventory. Interest expense for the year ended March 31, 2023, on the term loan, amounted to \$3,206 (March 31, 2022: \$5,421). The loan is prepaid by the company in FY2023-24.
- b) **Equipment loan:** During the year ended March 31, 2023, the Company availed an equipment loan amounting to \$785,212 at an interest rate of 4.25% per annum. The equipment loan has a term of 5 years ending on August 05, 2027, and is secured against the equipment. Interest expense for the year ended March 31, 2024, on the equipment loan, amounted to \$20,582.17 (March 31, 2023: \$20,625).
- c) **SBA loan:** During the year ended March 31, 2021, the U.S. Small Business Administration (“SBA”) authorized, under Section 7(b) of the Small Business Act, granted a business loan to the Company amounting to \$160,000. From January 01, 2023, SBA has started to deduct monthly interest of \$731. The loan will be entirely repaid by February 17, 2050. The interest rate agreed is at 3.75 % per annum. Term loan in Vadilal Industries (USA) Inc. from US Small Business Administration is secured against tangible and intangible assets of the Vadilal Industries (USA) Inc.

Note – 8b: LEASE LIABILITIES

Particulars	(Amount in USD)	
	As at March 31, 2024	As at March 31, 2023
Non-current lease liabilities	9,592,092	8,973,196
Current lease liabilities	1,024,297	850,220
Total	10,616,389	9,823,416

Note 9: DEFERRED TAX LIABILITY (NET)

Particulars	(Amount in USD)	
	As at March 31, 2024	As at March 31, 2023
Deferred tax liabilities	(286,502)	(471,916)
Deferred tax assets	-	-
Total	(286,502)	(471,916)

Movement in Deferred Tax Liabilities and Assets:

Particulars	(Amount in USD)		
	As at April 1, 2023	Charge/(Credit) in statement of Profit and Loss	As at March 31, 2024
Lease liability under Ind AS 116	29,20,095	(3,58,101)	25,61,994
Property, plant, and equipment	(519793)	52,511	(4,67,282)
Intangible Assets	(231)	409	178
Lease asset under Ind AS 116	(2,804,423)	429,521	(23,74,902)
Provision for Doubtful Debts	(16,860)	45,041	28,181
Identified Intangibles (Wordmark)	(50,704)	16,035	(34,669)
TOTAL	(471,916)	1,85,416	(286,500)

Note – 10a: BORROWINGS

Particulars	(Amount in USD)	
	As at March 31, 2024	As at March 31, 2023
Current		
Secured-at amortised Cost	-	-
Working Capital Loans from Banks	-	-
Current Maturities of long-term borrowings From Banks	160,521	191,930
Current Maturities of long-term borrowings For Vehicle Loan	-	-
Total	160,521	191,930

Note – 10b: TRADE PAYABLES

Particulars	(Amount in USD)	
	As at March 31, 2024	As at March 31, 2023
Due to Micro and Small Enterprises - Refer Note (A)		
Due to Others	1,202,208	1,280,616
Total Trade Payable	1,202,208	1,280,616
Provision For Exp.	325,720	263,159
Employee Salary Dues	784,440	280,738
Total	2,312,368	1,824,512

Trade Payables ageing schedule as on March 31, 2024

Particulars	(Amount in USD)					
	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	4,88,193	15,23,143	3,01,032	-	-	23,12,368
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	4,88,193	15,23,143	3,01,032	-	-	2,312,368
Less: Inter Company Balance to be knocked off	-	-	-	-	-	-
Total	4,88,193	15,23,143	3,01,032	-	-	2,312,368

Note – 11: OTHER CURRENT LIABILITIES

Particulars	(Amount in USD)	
	As at March 31, 2024	As at March 31, 2023
Machine Deposit	13,015	14,015
SBA Loan	10,000	-
Statutory dues payable	56,433	8,551
Advance received from customers	136,108	36,863
Interest accrued but not due	-	9,844
Custom Duty Payable	-	26,228
Creditors for capital goods	10,897	-
Total	226,454	95,501

Note – 12: REVENUE FROM CONTRACTS

Particulars	(Amount in USD)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Sale of Products		
Finished goods	3,833,800	3,505,269
Revenue from Operations	38,333,800	3,505,269

The following table presents revenue disaggregated by the timing of recognition:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
At a point in time	38,333,800	35,054,269
Total	38,333,800	35,054,269

Revenue disaggregated by geography based on the Company's locations: (Amount in USD)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
United States of America	34,778,675	34,778,675
Canada	1,423,495	275,594
Total	38,333,800	35,054,269

Note – 13: OTHER INCOME

(Amount in USD)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Business support services rendered. rendered (Refer note to Transaction with Related parties)	12,628	47,704
Insurance claim received	-	-
Provision written back	69,086	276,561
Rental income	-	6,876
Interest Income	141,319	
Miscellaneous income	21,484	46,797
Total	244,517	377,938

Note – 14: COST OF MATERIAL CONSUMED

(Amount in USD)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Inventory at the beginning of the year	195,414	149,009
Add: Purchase	506,766	484,338
Less: Inventory at the end of the year	195,497	195,414
Total	506,683	437,933

Note – 15: PURCHASE OF TRADED GOODS

(Amount in USD)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Ice-cream	4,760,554	5,674,382
Processed Food	5,447,718	7,438,082
Dairy Products	3,145,082	3,853,184
Bakery	413,546	771,865
Distribution Brand	1,646,067	1,877,290
Outsourced Product	2,472,326	327,302
Others	1,119,164	-
Total	19,004,457	19,942,105

Note – 16: CHANGE IN INVENTORIES OF FINISHED GOODS AND STOCK IN TRADE

(Amount in USD)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Inventories at beginning of the year:		
Finished Goods	45,21,067	30,77,889
Raw Material	56,592	1,13,930
Packing Material	69,411	35,079
Stores & Spares	-	-
Stock Maintenance Material	575	-
Provision for slow moving	(67,099)	(32,131)
Total	4,717,055	3,226,898
Inventories at end of the year		
Finished Goods	5,193,870	4,622,608
Raw Material	99,793	56,592
Packing Material	95,704	69,411
Stores & Spares	1,907	-
Stock Maintenance Material	-	575
ASP Material	10	-
Provision for slow moving	(67,099)	(32,131)
Total	5,324,185	4,717,055

Note – 17: EMPLOYEE BENEFIT EXPENSES

(Amount in USD)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salary, Wages, Allowances and Bonus	5,518,820	4,356,106
Staff Welfare Expenses	151,675	2,239
Total	5,670,495	4,358,345

Note -18: FINANCE COSTS

(Amount in USD)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Bank Charges	12,671	31,736
Bank Commission Charges	14,471	-
Interest Others	27,248	31,181
Interest on Finance Lease	419,756	255,013
Total	474,146	317,931

Note – 19: OTHER EXPENSES

(Amount in USD)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Job Charges -Labour	2,33,168	2,16,476
Business Support Services	2,62,675	2,65,579
Miscellaneous Casual Temporary Salary	16,673	-
Electricity Expenses	3,11,261	1,19,805
Testing Charges	5,110	2,77,172
Conveyance Exp	2,62,212	2,257
Office Expense	2,07,930	2,59,574
Postage & Telegrams	-	1,55,713
Telephone Expense	24,541	4
Recruitment Expenses	923.74	30,739
Legal & Professional Charges	3,07,061	4,320
Security Charges	-	2,44,103
Membership & Subscription Ac	961	-
Stat & Printing Exp	-	340
Licence Fees	1,284	16,540
Discount & Kasar Ac	-	677
Petrol & Diesel	4,22,363	-
Fuel-Employees	17,839	4,54,773
Travelling	1,60,208	4,407
Sales Commission - Domestic	-	84,099
Provision For Doubtful Debts	383,575	2,57,384
Less : Provided In Earlier Years	344,075	
Sundry Balance Written Off	71	(1,69,397)
Warehouse Supply	1,46,434	93,361
Filing Fees	-	1,594
Miscellaneous Expenses	1,958	
Forgn Exch Rate Diff	5,495	-
Gain/Loss-Fa Wo Rev	12,949	3,88,863
Rent	1,644,928	1,141,694
Freight & Delivery Charges	2,089,961	2,198,359
Rev USGAAP Veh Hire	(1,277,099)	(891,930)
Rates & Taxes	43,016	-
Insurance	312,578	414,500
Vehicle Repairs	23,653	1,407
Maintenance & Cleaning Charges Warehouse	253,023	253,779
Equipment Rep	18,989	79,218
Other Repairs & Main	98,377	14,716
Advertisement and Sales Promotion Expenses	15,900	50,445
Online Marketing Fees	-	-
Total	5,663,961	5,970,581

Note – 20: TAX LIABILITIES (NET)

(Amount in USD)

Particulars	As at March 31, 2024
Opening Balance as on 01.04.2023	(1,073,265)
New Current Year Prov. 2023-24	
Income Tax Provision Written Back	
Paid Income Tax of Last Year	175,383
Add/Less: Specify Other Adjustment if any	
Closing Balance as on 31.03.2024	(2,272,323)
Advance Tax:	
Opening Balance as on 01.04.2023	1,389,600
Add: Current Year Tax Paid	1,651,805
Less: Refund if any	(66,632)
Add/Less: Specify Other Adjustment if any	989,559
Closing Balance as on 31.03.2024	3,964,332
Closing Balance as on 31.03.2024	1,692,009

Tax Expense (Net):

(Amount in USD)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Current		
Income tax payable (net of advance tax)	384,882	1,072,821
Total	384,882	1,072,821

Note – 21: OTHERS

Management of Liquidity Risk

Exposure as of March 31, 2024

(Amount in USD)

Particulars	< 1 year	1-5 years	Beyond 5 years	Total
Financial liabilities				
Borrowings	186,553	456,976	187,767	831,296
Lease liabilities	1,024,296	4,113,478	5,478,614	10,616,389
Trade payable	2,011,334	301,033	-	2,312,367
Other financial liabilities	10,897	-	-	10,897
Total financial liabilities	3,233,080	4,871,487	5,666,381	13,770,948

Exposure as of March 31, 2023

(Amount in USD)

Particulars	< 1 year	1-5 years	Beyond 5 years	Total
Financial liabilities				
Borrowings	191,929	568,390	142,759	903,079
Lease liabilities	850,219	3,205,121	5,768,074	9,823,415
Trade payable	1,388,206	-	-	1,388,206

Other financial liability	486,392	-	-	486,392
Total financial liabilities	2,916,749	3,773,511	5,910,833	12,601,094

Disclosure as per IND AS 116:

The changes in the carrying value of ROU assets for the year ended March 31, 2024, are as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	9,404,758	1,902,132
Additions	1,650,317	9,120,632
Changes on account of lease modification	-	(859,405)
Depreciation - Addition	(1,213,957)	(1,054,000)
Depreciation - Deletion	-	295,400
Closing Balance	9,841,118	9,404,758

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the Statement of Profit and Loss.

The break-up of current and non-current lease liabilities as at March 31, 2024 is as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Current lease liabilities	1,024,296	850,219
Non-current lease liabilities	9,592,092	8,973,196
Total	10,616,389	9,823,416

The movement in lease liabilities during the year ended March 31, 2024, is as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Opening Balance	9,823,415	1,903,704
Reclassified on account of adoption of Ind AS 116	1,650,317	9,120,632
Finance cost accrued during the period	419,755	255,013
Changes on account of lease modification	-	(35,425)
Lease cancelled	-	(528,580)
Payment of lease liabilities	(1,277,099)	(891,930)
Closing Balance	10,616,388	9,823,415

The details of the contractual maturities of lease liabilities as at March 31, 2024 on an undiscounted basis are as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Less than one year	1,024,296	850,219
One to five years	4,113,478	3,205,121
More than five years	5,478,614	5,768,074
Total	10,616,389	9,823,415

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.