

**INDEPENDENT AUDITOR'S REPORT**

**To the Members of GAURIK SOUTH PRIVATE LIMITED**

**Report on the Audit of the Standalone Financial Statements**

**Opinion**

We have audited the accompanying Standalone Financial Statements of **Gaurik South Private Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2024, the statement of profit and loss and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (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, except for the possible effects of the matters described in the Basis for Qualified Opinion Section of our report, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2024, the profit for the year and the cash flows for the year ended on that date.

**Basis for Qualified Opinion**

1. During the year, Company has taken certain sums classified as unsecured loans from certain parties (as per Note 8), in respect of which, the copies of agreements or terms & conditions of such loans, have not been provided to us. In this absence of any terms or agreement, we are unable to comment whether or not, these amounts are satisfying the conditions laid down u/s 73 of the Companies Act, 2013 and to be considered as deposits or not. Therefore, in our opinion, acceptance of these amounts may lead to violation of section 73 of the Companies Act, 2013.
2. In respect of certain loans provided by the Company to various parties (as per Note 18) during the year to the extent of Rs. 5,32,374 thousand (outstanding balance as on 31.03.2024 was Rs. 1,24,653 thousand), we have not been provided with the terms & conditions with respect to schedule of repayment of principal and payment of interest in respect of certain parties. Hence, we are unable to comment on any stipulation of repayment or interest payment in respect of these loans. Further, in respect of loans given to various parties to the extent of Rs. 2,908 thousand, no interest has been charged or received or accrued from these entities, which is not in compliance with Section 186(7) of Companies Act, 2013.

3. During the year, the Company has given loan to the extent of Rs. 5,32,374 thousand to the related parties in terms of section 185 of the Companies Act 2013 (as per Note 18). We are unable to obtain sufficient appropriate audit evidence in respect of appropriateness of the transactions and granting of abnormal amount of loans to related parties without any business rationale. Further, in absence of any loan agreement or terms & conditions on which loans were given to related parties, we are unable to comment whether related party transactions were conducted on terms equivalent to those prevailing in an arm's length basis. Therefore, Company is in violation of Section 185 in giving such loans. It is pertinent to highlight that the turnover of the Company from trading business for the FY 2023-24 was Rs. 6,20,956 thousand. The amount of loans given above accounts for more than 85% of the turnover of the company.
4. The Company has taken loans amounting to Rs. 81,697 thousand (from parties other than banks, financial institutions, Government and directors or their relatives), out of which outstanding loans as on 31.03.2024, were Rs. 38,956 thousand. In respect of these loans, copies of agreements, terms & conditions of repayment and payment of interest thereon in respect of certain loans, and the purpose of these loans were not made available to us. Therefore, in the absence of such information & documents, we are unable to comment regarding the default in repayment and/ or interest on such loans.

**The quantum of financial impact of the above qualifications on the financial statements, if any, is not ascertainable.**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the Financial Statements.



**Other Information**

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

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

In connection with our audit of the Financial Statements, our responsibility is to read the other information as identified above when it becomes available 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 annual report, if, based on the work we have performed, we conclude that there is a material misstatement therein; we are required to communicate to that charged with governance and take necessary action as applicable under the relevant laws and regulations.

**Emphasis of Matter**

1. There is variation in stock statements submitted to bank is observed as per table below:

Month	Value of Stock		
	As per Books	As per Stock Statement filed with banks	Difference
February'24	16,73,60,651	16,90,34,258	-16,73,607
As on 15 March'24	20,01,45,995	20,21,47,455	-20,01,460

2. Attention is drawn to clause 3(iii)(a)(B) of the Annexure 'A' of this report. Company has provided unsecured loans of Rs. 5,32,374 thousand during the year to various related parties during the year and the outstanding amount as on 31st March 2024 was Rs. 1,23,653 thousand. The turnover of the Company from trading business for the FY 2023-24 was Rs. 6,20,956 thousand. The amount of loans given above accounts for more than 85% of the turnover the company.



3. Attention is drawn to clause 3(vii)(a) of the Annexure 'A' of this report. There are substantial delays by the Company in depositing the TDS (deducted by the Company under the provisions of the Income Tax Act, 1961) with the appropriate authorities during the year.

**Management's and Board of Directors' Responsibilities for the Financial Statements**

The Company's Board of Directors are 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 state of affairs, profit/loss and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or have 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 the Audit of the Financial Statements**

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

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

- (a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Board of Directors.
- (d) Conclude on the appropriateness of managements and Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the

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

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in:

- (i) planning the scope of our audit work and in evaluating the results of our work; and
- (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the financial year ended 31<sup>st</sup> March 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of Section 143 (11) of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. **(A)** As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 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 and the statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the financial statements.

- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Accounts) Rules, 2014 as amended from time to time;
- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2024 from being appointed as a director in terms of section 164 (2) of the Act.
- (f) The Company is exempted from getting an audit opinion with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls pursuant to notification No. GSR 583(E) dated 13<sup>th</sup> June 2017, issued by the Ministry of Corporate Affairs.
- (B)** With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (a) The Company does not have any pending litigations which would impact its financial position.
- (b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- (c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (d) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (ii) The management has represented, that, to the best of its knowledge and belief, as disclosed in the financial statements, no funds have been received by the Company from

any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

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

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clauses (d)(i) and (d)(ii) contain any material mis-statement.

(e) The Company has not declared or paid any dividend during the year.

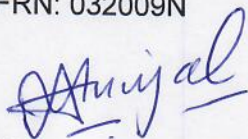
(f) Based on our examination which included test checks, the company has used an accounting software for maintaining its books of accounts for the financial year ended March 31, 2024 which has a feature of recording audit trail (Edit Log) facility. However, the same has not operated throughout the year for all relevant transactions recorded in the software. Further, since the audit trail feature was configurable (disabled or tampered with) in the software used by the company, we cannot comment upon whether all transactions recorded in the software are covered in the audit trail feature of the said software.

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

For **M A G S & Associates**

Chartered Accountants

FRN: 032009N



(CA Ankush Munjal)

Partner

Membership No.: 505331



Place: New Delhi

Date: 30-09-24

UDIN: 27505331BKCAST6387

**“Annexure A” to the Independent Auditors’ Report**

The Annexure referred to in paragraph 1 under the heading ‘**Report on Other Legal & Regulatory Requirement**’ of our Independent Auditors’ Report of even date to the financial statements of the Company for the year ended March 31, 2024:

On the basis of such checks as we considered appropriate and according to the information and Explanations given to us during the course of our audit, we report that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant, and Equipment;

(B) The Company does not have any intangible assets. Accordingly, clause (i)(a)(B) of the Order is not applicable to the company.

(b) According to the information and explanations given to us, the Company has a regular programme of physical verification of its fixed assets property, plant and equipment etc. by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no immovable properties held in company’s name. Accordingly, clause (i)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its property, plant and equipment or Intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The Company is a trading company engaged in the retail trading/ wholesale distribution of branded footwear & fashion accessories. As explained to us by the management the inventories have been physically verified during the period by the management of the company at reasonable intervals and no material discrepancies of 10% or more were noticed on such verification.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, the company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets during any point of time of the year; Accordingly, clause (ii)(b) of the Order is not applicable.

(iii) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not provided any guarantee or security to companies, firms, limited liability partnerships or any other parties during the year. Further, the Company has granted unsecured loans during the year to companies and other parties, details of which are stated in the below paragraphs:

(a) According to the information and explanations given to us and based on our examination of the records of the Company, during the year the Company has granted loans to various borrowers but have not provided any guarantee, security to any other entity. Details of such loans are given below:

(A) Company has not granted any unsecured loan or provided any guarantee or security to its subsidiary, Joint venture & Associate during the year;

(B) Details of the loans provided by the Company to various parties during the year are as below:

(₹ in Thousands)

<b>Nature of Borrower</b>	<b>Aggregate Amount (During the year)</b>	<b>Balance Outstanding As on 31<sup>st</sup> March 2024</b>
Related Parties	5,32,374	1,23,653
Other Parties	0	1,000
<b>Total</b>	<b>5,32,374</b>	<b>1,24,653</b>

(b) In respect of above loans provided by the Company to one of its related parties, based on our verifications of the relevant documents/ books and further discussions with the management and clarifications given by the management, we have no reasons to believe that these loans are prejudicial to the company's interest except in case of certain loans to the tune of **Rs. 2,908** thousand in respect of which, the company has neither accrued nor received any interest income.

(c) In respect of above loans of Rs. 2,908 thousand, provided by the Company to various parties, including related parties, we have not been provided with the copies of agreements.



containing terms & conditions or schedule of repayment of principal and payment of interest hence we are unable to comment on any stipulation of repayment or interest payment in respect of such loans. Apart from these, there are other loans provided by the Company to various related parties, for which we have not been provided with the copies of agreements containing terms & conditions or schedule of repayment of principal. Hence, we are unable to comment on any stipulation of repayment in respect of these loans.

(d) As mentioned in clause (iii)(c) above, in the absence of copies of loan agreements containing terms & conditions, repayment schedule with respect to certain loans given by the Company to various parties, we are unable to comment on the overdue status of those loans.

(e) As mentioned in clause (iii)(c) above, we have not been provided the loan agreements containing terms and conditions with regard to principal repayment schedule or interest payment with respect to the loans granted. Therefore, we are unable to comment regarding the renewal, repayment or overdue status of such loans.

(f) In our opinion and according to the information and explanations given to us and on the basis of our examination of the books and records of the Company, the Company has granted certain loans during the year without specifying any terms and conditions or period of repayment, details of such loans are given below specifying the aggregate amount, percentage thereof to the total loans granted, aggregate amount of loans granted to Promoters, related parties as defined in clause (76) of section 2 of the Companies Act, 2013 is given below:

Type of Borrower	Aggregate Amount of Loans (₹ in Thousands)	% of Total loans granted
Promoter	-	-
Director	-	-
KMPs	-	-
Other related parties	5,32,374	100.00%
Other than related parties	0.00	0.00%
<b>Total</b>	<b>5,32,374</b>	<b>100.00%</b>

(iv) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company provided to us:

- In respect of loans given to various entities to the extent of **Rs. 2,908** thousand, no interest has been charged or received or accrued from these entities, which is not in compliance with Section 186(7) of Companies Act, 2013.
- In respect of loans given to an entity to the extent of **Rs. 908** thousand to other companies (person in whom director is interested) and **Rs. 1,000** thousand to relative of directors in

terms of section 185 of the Companies Act 2013, no interest has been charged or received or accrued from this entity, which is not in compliance with Section 185 of Companies Act, 2013.

- Company has not made any investment under section 186 of Companies Act 2013 during the year.
  - Company has not provided any guarantee or security to any entity during the year.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause (v) of the Order is not applicable.
- (vi) To the best of our knowledge and belief, the Central Government has not prescribed the maintenance of cost records under Sub-section (1) of Section 148 of the Companies Act, 2013 for the company which is engaged in trading business. Accordingly, the provisions of clause (vi) of the Order is not applicable.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues have been subsumed into Goods and Services Tax ("GST"). According to the records of the Company, in respect of Provident Fund, Employees' State Insurance, Income Tax, GST and other material statutory dues to the extent applicable to it; During the year, there are substantial delays by the Company in depositing the TDS (under Income Tax Act), with the appropriate authorities during the year
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no other undisputed amounts are payable in respect of GST, Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31<sup>st</sup> March 2024 for a period of more than six months from the date they became payable, except the following:

Name of the Statute	Nature of Dues	Amount (Rs. Thousands)	Period to which the amount relates
Income Tax Act, 1961	TDS	3,036	April 2023 to August 2023
Income Tax Act, 1961	Income Tax Demand	195	FY 2019-20
Provident Fund Act, 1952	Provident Fund	123	FY 2018-19

- (b) According to the information and explanation given to us and on the basis of our examination of the records of the Company, there are no dues relating to GST, Provident Fund, Employees State Insurance, Income-Tax, Sales Tax, Service Tax, Duty of Customs, Value Added Tax or Cess or other statutory dues which have not been deposited on account of any dispute.
- (ix) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (x) (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks or financial institutions.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, made available to us, company has not defaulted in the repayment of loan or in interest there to any lender being banks, financial institutions or Government.

(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 not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, the Company has applied the amount of terms loans borrowed for the purposes for which they were obtained.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, Company has raised certain unsecured loans from related & other private parties (which includes certain partnership firms & individuals), in respect of which, we have not been provided with either the copies of loan agreement or the terms & conditions of repayment / interest of such loans, in the absence of which, we cannot comment whether funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary, joint venture or associate company as defined in the Act.

- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associates or Joint venture (as defined under the Act).
- (xi) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause (x)(a) of the Order is not applicable.
- (b) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year, accordingly, clause (x)(b) of the Order is not applicable.
- (xii) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in the Standards on Auditing, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the management.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) According to the information and explanations given to us, there is no whistle blower complaints received during the year hence clause (xi)(c) is not applicable to the company.
- (xiii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause (xii) of the Order is not applicable.
- (xiv) In our opinion and according to the information and explanations given to us, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013, where applicable, and the details of such transactions have been disclosed in the financial statements as required by the applicable Accounting Standards.
- (xv) In view of Section 138 read with Rule 13 of Companies (Accounts) Rules, 2014 and commensurate with the size and nature of its business, the Company is not required to have an internal audit system. Accordingly, clause (xiv) of the Order is not applicable.
- (xvi) In our opinion and according to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with its directors and hence provision of

section 192 of the act is not applicable to the company. Accordingly, clause (xv) of the Order is not applicable.

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

(b) The Company has not conducted any Non- Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934; Accordingly, clause (xvi)(b) is not applicable to the company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause (xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us during the course of audit, the group does not have any CICs.

(xviii) During the current financial year, the Company has incurred no cash losses during the immediately preceding financial year.

(xix) There has been resignation of the statutory auditor during the year and we have taken into consideration the issues, objections or concerns raised by the outgoing auditors.

(xx) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this 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.

(xxi) In our opinion and according to the information and explanations given to us, sub-section (5) of section 135 of the Act is not applicable on the Company. Accordingly, clauses (xx)(a) and 3(xx)(b) of the Order are not applicable.

**M A G S & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**



(xxii) According to the information and explanations given to us, the Financial Statements of the company are standalone. Accordingly, clause (xxi) of the Order is not applicable.

For **M A G S & Associates**  
Chartered Accountants  
FRN: 032009N

**(CA Ankush Munjal)**  
Partner  
Membership No.: 505331



Place: New Delhi  
Date: 30-09-24

UDIN: 24505331BK9AST6387

**GAURIK SOUTH PRIVATE LIMITED**  
(Formerly known as GAJRUP RETAILS SOUTH PRIVATE LIMITED)  
U52601DL2018PTC331445

**Balance Sheet as at 31st March 2024**

Particulars	Notes	As At 31st March, 2024	As At 31st March, 2023
<b>EQUITIES &amp; LIABILITIES</b>			
<b>Shareholders' Fund</b>			
Share Capital	3	85,00,000	85,00,000
Reserves & Surplus	4	4,70,81,867	2,72,50,282
<b>Non-Current Liabilities</b>			
Long Term Borrowings	5	3,53,04,755	75,61,841
Deferred Tax Liabilities (Net)	6	-	-
Long Term Provisions	7	21,32,482	33,51,353
<b>Current Liabilities</b>			
Short Term Borrowings	8	14,31,66,017	13,47,15,079
Trade Payables	9	18,56,73,529	23,98,22,137
Other Current Liabilities	10	3,15,91,334	2,28,99,639
Short-Term Provisions	11	75,95,379	45,19,484
<b>Total</b>		<b>46,10,45,363</b>	<b>44,86,19,816</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	12	2,45,86,183	2,32,45,147
(a) Tangible Assets			
(b) Intangible Assets			
Deferred Tax Assets (Net)	13	15,31,184	1,61,300
Other Non Current Assets	14	3,66,37,869	3,31,90,220
<b>Current Assets</b>			
Inventories	15	24,01,53,606	23,82,23,783
Trade Receivables	16	30,85,630	14,92,094
Cash & Cash Equivalents	17	1,29,93,852	12,41,084
Short Term Loans & Advances	18	13,11,68,836	13,53,03,467
Other Current Assets	19	1,08,88,203	1,57,62,592
<b>Total</b>		<b>46,10,45,363</b>	<b>44,86,19,816</b>

Significant Accounting Policies & Notes on Financial Statements 1 to 27  
The accompanying notes are an integral part of the financial statements.

As per our report of even date attached.

M A G S & Associates  
Chartered Accountants

*Ankush Munjal*  
ANKUSH MUNJAL

Partner  
M No.: 505331  
FRN: 032009N



For and on behalf of the Board of  
Gaurik South Private Limited

*Wishnu Pillai*  
Wishnu Pillai

Director  
DIN-07011203

*Rajesh Dudi*  
Rajesh Dudi

Director  
DIN-06840978



Place: New Delhi

Date: 30-9-24

# GAURIK SOUTH PRIVATE LIMITED

(Formerly known as GAJRUP RETAILS SOUTH PRIVATE LIMITED)

U52601DL2018PTC331445

## Statement of Profit and Loss for the year ending 31st March 2024

Particulars	Notes	For the year ending March 31, 2024	For the year ending March 31, 2023
<b>Income</b>			
Revenue From Operations	20	62,09,56,478	47,39,24,508
Other Income	21	1,13,25,211	69,07,828
<b>Total Income (I)</b>		<b>63,22,81,689</b>	<b>48,08,32,336</b>
<b>Expenses</b>			
Cost of Material Consumed/(Purchased)		41,63,74,329	40,65,44,493
Change In Inventories	22	(19,29,824)	(8,97,61,003)
Employee Benefit Expenses	23	5,07,86,058	4,16,69,019
Finance Costs	24	3,14,04,519	1,30,14,133
Depreciation & Amortization Expense	12	38,35,074	33,44,422
Other Expenses	25	10,51,08,368	8,70,11,093
<b>Total Expenses (II)</b>		<b>60,55,78,523</b>	<b>46,18,22,157</b>
<b>Profit/(Loss) Before Tax (I-II)</b>		<b>2,67,03,166</b>	<b>1,90,10,179</b>
Tax Expense:			
Current Tax		74,55,561	43,82,150
Short/(Excess) provision for tax relating to earlier years (DTA)/DTL		7,85,905 (13,69,885)	(14,056) 1,12,946
<b>Profit For The Period From Continuing Operations (III)</b>		<b>1,98,31,585</b>	<b>1,45,29,138</b>
Profit/(Loss) From Discontinuing Operations		-	-
Tax Expense of Discounting Operations		-	-
<b>Profit/(Loss) from Discontinuing operations (IV)</b>		-	-
<b>Profit/(Loss) for the period (III)+(IV)</b>		<b>1,98,31,585</b>	<b>1,45,29,138</b>
No of equity shares		8,50,000	8,50,000
<b>Earning per equity share (In Rupees):</b>			
(1) Basic		23.33	17.09
(2) Diluted		23.33	17.09

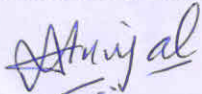
Significant Accounting Policies & Notes on Financial Statements 1 to 27

The accompanying notes are an integral part of the financial

As per our report of even date attached.

M A G S & Associates

Chartered Accountants



ANKUSH MUNJAL

Partner

M No.: 505331

FRN: 032009N

Place: New Delhi

Date: 30-09-24



For and on behalf of the Board of

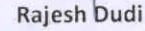
Gaurik South Private Limited



Vishnu Pillai

Director

DIN-07011203



Rajesh Dudi

DIN-06840978



**GAURIK SOUTH PRIVATE LIMITED**  
(Formerly known as GAJRUP RETAILS SOUTH PRIVATE LIMITED)  
U52601DL2018PTC331445

Cash Flow Statement for the year ending 31st March 2024

Particulars	For year ending March 31, 2024	For year ending March 31, 2023
<b>A. Cash Flow From Operating Activities</b>		
Net Profit before tax and extraordinary items(as per Statement of Profit and Loss)	2,67,03,166	1,90,10,179
<b>Adjustments for non Cash/ Non trade items:</b>		
Depreciation & Amortization Expenses	38,35,074	33,44,422
Finance Costs	3,14,04,519	1,30,14,133
Other Non-Cash items	10,24,105	5,63,726
Interest received	(1,13,25,211)	(66,22,844)
<b>Operating profits before Working Capital Changes</b>	<b>5,16,41,652</b>	<b>2,93,09,615</b>
<b>Adjusted For:</b>		
(Increase) / Decrease in trade receivables	(15,93,536)	24,49,787
Increase / (Decrease) in trade payables	(5,41,48,608)	15,28,85,659
(Increase) / Decrease in inventories	(19,29,824)	(8,97,61,003)
(Increase) / Decrease in Short Term Advances	(4,73,278)	37,23,551
Increase / (Decrease) in Other Current Liabilities	86,91,695	(24,55,437)
Increase / (Decrease) in Short-Term Provisions	30,73,410	16,19,054
(Increase) / Decrease in Other Current Assets	48,74,389	(90,87,566)
<b>Cash generated from Operations</b>	<b>1,01,35,900</b>	<b>8,86,83,661</b>
Income Tax (Paid) / Refund	(82,41,466)	(43,68,094)
<b>Net Cash flow from Operating Activities(A)</b>	<b>18,94,434</b>	<b>8,43,15,566</b>
<b>B. Cash Flow From Investing Activities</b>		
Interest Received	1,13,25,211	66,22,844
Investment in FD	-	(62,51,284)
Purchase of Fixed Assets	(74,16,601)	(50,74,222)
(Increase) / Decrease in Short Term Loans	46,08,039	(10,92,45,538)
(Increase)/ Decrease of Other Non-Current Assets	(34,47,648)	(83,83,189)
<b>Net Cash used in Investing Activities(B)</b>	<b>50,69,001</b>	<b>(12,23,31,389)</b>
<b>C. Cash Flow From Financing Activities</b>		
Finance Costs	(3,14,04,519)	(1,30,14,133)
Increase in / (Repayment) of Short term Borrowings	84,50,938	4,92,45,885
Increase in / (Repayment) of Long term borrowings	2,77,42,914	(25,60,971)
Increase in / (Repayment) of Share Capital	-	-
<b>Net Cash used in Financing Activities(C)</b>	<b>47,89,333</b>	<b>3,36,70,782</b>
<b>D. Net Increase / (Decrease) in Cash &amp; Cash Equivalents(A+B+C)</b>	1,17,52,768	(43,45,041)
<b>E. Cash &amp; Cash Equivalents at Beginning of period</b>	12,41,084	55,86,123
<b>F. Cash &amp; Cash Equivalents at End of period</b>	1,29,93,852	12,41,084

ANKUSH MUNJAL & ASSOCIATES  
Chartered Accountants

*Amunjal*

ANKUSH MUNJAL  
Proprietor  
M No.: 505331  
FRN: 033141N



Place: New Delhi  
Date: 30-09-24



For and on behalf of the Board of  
Gaurik South Private Limited

*Vishnu Pillar*  
Vishnu Pillar  
Director  
DIN-07011203

*Rajesh Dudi*

Rajesh Dudi  
Director  
DIN-06840978



**GAURIK SOUTH PRIVATE LIMITED**  
(Formerly known as GAJRUP RETAILS SOUTH PRIVATE LIMITED)  
U52601DL2018PTC331445

**Notes to Financial Statements**

**1. Significant Accounting Policies**

**1.01 Basis of Accounting and preparation of Financial Statements:**

The financial statements of the company have been prepared in accordance with the Generally Accepted Accounting Principles (GAAP) in India and comply with the accounting standards specified under Section 133 of the Companies Act 2013, read with the rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The Financial Statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those followed in the previous year.

**1.02 Property, Plant and Equipment and Depreciation:**

- a) Fixed Assets are stated at cost less accumulated depreciation. Cost of fixed assets includes other expenses related to acquisition and installation.
- b) Depreciation is provided in accordance with Schedule II of the Companies Act, 2013, on the basis of remaining useful life as prescribed in the Part C of Schedule II of the Companies Act, 2013 on straight line method of depreciation. Depreciation on additions/disposals is provided with reference to the month of addition/disposal.

**1.03 Use of Estimates :**

The preparation of Financial Statements in conformity with Generally Accepted Accounting Principles requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the Financial year. Differences between the actual results and estimates are recognized in the year in which the results are known.

**1.04 Revenue Recognition:**

Revenue is recognized on the basis of completed service contract method in conformity with the Accounting Standard - 9 on "Revenue Recognition".

**1.05 Foreign Exchange Transactions**

No Foreign Exchange transaction is entered during the period covered by the Financial Statements.

**1.06 Taxation:**

Provision for Current tax has been made in accordance with the Provision of Income Tax Act' 1961.

Deferred Tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable/virtual certainty that sufficient future taxable profits will be available against which such deferred tax assets can be realised. Deferred Tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantially enacted by the Balance Sheet date.

MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement.

**1.07 Provisions, Contingent Liabilities And Contingent Assets:**

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. There being no contingent liabilities & no contingent assets at the end of the reporting period hence contingent liabilities & contingent assets are neither recognized nor disclosed in the financial statements.

**1.08 Earning per Share:**

The basic earnings per share are computed by dividing the net profit/ (loss) attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings per share are computed using the weighted average number of equity and dilutive potential equity shares outstanding during the year, except where the results would be anti-dilutive.

**1.09 Leases:**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Operating lease charges to be recognised as an expense in the Statement of Profit and Loss in the financial year to which it relates.

**1.10 Cash Flow Statement**

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

**1.11 Employee Benefits**

Contributions in respect of Employees Provident Fund and Pension Fund which are defined contribution schemes, are made to a fund administered and managed by the Government of India and are charged as an expense based on the amount of contribution required to be made and when service are rendered by the employees.

The Company provides for other retirement benefits in the form of gratuity. The Company accounts for its liability towards Gratuity based on actuarial valuation made by an independent actuary as at the balance sheet date based on projected unit credit method. Actuarial gains and losses are recognized in the Statement of Profit and Loss in the period in which they occur.



**GAURIK SOUTH PRIVATE LIMITED**  
(Formerly known as GAJRUP RETAILS SOUTH PRIVATE LIMITED)  
U52601DL2018PTC331445

**Notes to Financial Statements**

**Note 2 : Related Party Disclosure**

Disclosures requirement as per Accounting Standards 18 " Related Party Disclosure" issued by the Institute of Chartered Accountants of India.  
(A) Related party and nature of the related party relationship with whom transactions have taken place during the year

**Key Managerial Person (KMP)**

Mr Vishnu Pillai  
Mr Rajesh Dudi  
Mr Karan Gaur

**Relative of KMP**

Ms. Swati Sinha  
Mr. Kartar Singh

**Fellow Subsidiaries**

Gaurik Lifestyle Pvt Ltd

**Companies with common control**

Gaurik Rasayan Pvt Ltd  
Gaurik Elite Pvt Ltd  
Gaurik Beverages Pvt Ltd  
Gaurik India Innovation Pvt Ltd  
Gaurik Group Pvt Ltd

**Holding Company**

Gaurik Fashions Pvt Ltd

**Enterprises in which Gaurik South Pvt Ltd is a Partner**

Gajrups (Partnership Firm)

**Partner in a Firm in which Company is a Partner**

PR Shabana Tabassum

**Enterprises over which KMP or Relative of KMP are able to exercise significant influence**

Chat N Chaat Enterprises  
Advait Fashions Pvt Ltd  
Square Deal

**(B) Transactions during the period 01st April 20223 to 31st March 2024 and Closing balance as at end of period with related parties:**

(Rs. in '000)

S.No.	Name	Nature of Transactions	Opening Balance Dr. / (Cr.)	Debit	Credit	Closing Balance Dr. / (Cr.)
1	Gaurik Rasayan Pvt Ltd (Formerly known as Gaurik Retails Pvt Ltd)	Unsecured loan taken by company	(693.25)	-	196.59	(889.84)
2	Gaurik Fashions Pvt Ltd	Unsecured loan given by company	59,142.27	2,89,480.85	3,11,434.59	37,188.53
3	Gaurik Lifestyle Pvt Ltd	Unsecured loan given by company	57,455.34	2,41,893.23	2,14,791.83	84,556.75
4	Gaurik Beverages Pvt Ltd	Unsecured loan taken by company	(11,022.38)	0.93	1,780.24	(12,801.69)
5	Chat N Chaat Enterprises	Unsecured loan taken by company	10,755.57	1,09,258.18	1,47,049.01	(27,035.26)
6	Mr Vishnu Pillai	Remuneration given by Company	1,422.65	1,231.00	2,400.00	253.65
7	Mr Rajesh Dudi	Remuneration given by Company	395.08	3,776.20	2,400.00	1,771.28
8	Mr Rajesh Dudi	Unsecured loan taken by company	(2,500.00)	-	-	(2,500.00)
9	Ms Swati Sinha	Salary Payable	(71.51)	-	-	(71.51)
10	Mr Kartar Singh	Salary given by Company	(704.72)	380.00	720.00	(1,044.72)
11	Mr Karan Gaur	Remuneration given by Company	118.74	2,207.58	2,148.00	178.32
12	Gajrups	Advance against Supply	(3,590.00)	3,600.00	10.00	-
13	Mr Vishnu Pillai	Unsecured loan taken by Company	205.00	2,100.00	5,200.00	(2,895.00)
14	Kartar Singh	Unsecured loan taken by Company	(17.00)	-	-	(17.00)
15	Mr Vishnu Pillai	Advance for Expenses	410.66	364.84	782.15	(6.65)
16	Karan Gaur	Unsecured loan taken by Company	(204.27)	-	-	(204.27)
17	Square Deal	Advance for Purchases & Expense	756.06	-	-	756.06
18	PR Shabana Tabassum	Commission Recoverable	(1,043.24)	3,148.63	2,105.38	-
19	Advait Fashions Pvt Ltd	Unsecured loan given by Company	907.82	-	-	907.82



**GAURIK SOUTH PRIVATE LIMITED**  
(Formerly known as GAJRUP RETAILS SOUTH PRIVATE LIMITED)  
U52601DL2018PTC331445

**Notes to Financial Statements**

**Note : 3 Share Capital**

Particulars	As on March 31, 2024	As on March 31, 2023
<b>Authorised Share Capital</b>		
1000000 Equity Shares @ Rs.10/- Each (Previous Year 1000000 Equity Shares @10/- each)	1,00,00,000	1,00,00,000
	<b>1,00,00,000</b>	<b>1,00,00,000</b>
<b>Issued, Subscribed &amp; Paid Up Capital</b>		
Issued, Subscribed & Paid Up Share Capital 850000 Equity Shares Of Rs.10/- Each , fully Paid Up (Previous Year 850000 Equity Shares @10/- each)	85,00,000	85,00,000
	<b>85,00,000</b>	<b>85,00,000</b>

(A) The Reconciliation Of The Number Of Shares Outstanding And The Amount Of Share Capital As At March 31, 2024

Particulars	As on March 31, 2024	As on March 31, 2023
Numbers of shares at the Beginning	8,50,000	8,50,000
Add: Shares issued during the year	-	-
Add: Deletion during the Year	-	-
Numbers of shares at the end	<b>8,50,000</b>	<b>8,50,000</b>

**(B) Terms/rights attached to equity shares**

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity share is entitled to vote in proportion to his share of the paid up capital of the Company.

In the event of winding-up of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the paid-up capital held by shareholders as at commencement of the winding up.

**(C) Number Of Shares Held By Each Shareholder Having More Than 5% Shares:**

Particulars	Percentage (%)	As on March 31, 2024	As on March 31, 2023
Karan Gaur	21.56%	1,83,300	1,83,300
Gaurik Fashion Private Limited	78.44%	6,66,698	-
Gaurik Group Private Limited	-	-	6,66,200
<b>Total</b>	<b>100.00%</b>	<b>8,49,998</b>	<b>8,49,500</b>

**(D) Shareholding of Promoters**

Shares held by promoters at the end of the Financial Year			% Change during the year
Promoter Name	No. of Shares	% of total shares	
1. Gaurik Group Pvt Ltd	-	0.00%	100%
2. Gaurik Fashion Pvt Ltd	6,66,698	78.44%	100%
2. Karan Gaur	1,83,300	21.56%	-
<b>Total</b>	<b>8,49,998</b>	<b>100.00%</b>	<b>-</b>
Shares held by promoters at the end of the Previous Year			
Promoter Name	No. of Shares	% of total shares	
1. Gaurik Group Pvt Ltd	6,66,200	78.38%	
2. Karan Gaur	1,83,300	21.56%	
<b>Total</b>	<b>8,49,500</b>	<b>99.94%</b>	



**GAURIK SOUTH PRIVATE LIMITED**  
(Formerly known as GAJRUP RETAILS SOUTH PRIVATE LIMITED)  
U52601DL2018PTC331445

**Notes to Financial Statements**

**Note 4 : Reserves & Surplus**

Particulars	As on 31st Mar 2024	As on 31st Mar 2023
Opening balance	2,72,50,282	1,27,21,144
Add: Profit / (Loss) for the year	1,98,31,585	1,45,29,138
<b>Closing Balance</b>	<b>4,70,81,867</b>	<b>2,72,50,282</b>

**Note 5 : Long Term Borrowings**

Particulars	As on 31st Mar 2024	As on 31st Mar 2023
<b>Secured Loans from Banks</b>		
Term Loan*	33,59,619	52,80,514
Less: Repayable by 31st March 2025	16,71,977	24,16,659
<b>Car Loan</b>	<b>3,00,176</b>	<b>6,89,165</b>
Less: Repayable by 31st March 2025	3,00,176	3,90,540
<b>Unsecured Loans</b>		
<b>From Financial Institutions</b>		
Less: Repayable by 31st March 2025	-	-
<b>From Related Parties</b>		
	4,63,43,063	1,44,36,901
Less: Repayable by 31st March 2025	1,28,01,694	1,10,22,380
<b>From Others</b>		
	9,84,840	18,93,936
Less: Repayable by 31st March 2025	9,09,096	9,09,096
<b>Total</b>	<b>3,53,04,755</b>	<b>75,61,841</b>

\*(Secured against Hypothecation of Stock and receivables and all other current assets of company and immovable properties of relatives of Directors)

**Note 6 : Deferred Tax Liability**

Particulars	As on 31st Mar 2024	As on 31st Mar 2023
Opening Balance	-	-
Provision during the period	-	-
<b>Closing Balance</b>	<b>-</b>	<b>-</b>

**Note 7 : Long Term Provisions**

Particulars	As on 31st Mar 2024	As on 31st Mar 2023
Provision for Gratuity	21,32,482	33,51,353
<b>Closing Balance</b>	<b>21,32,482</b>	<b>33,51,353</b>

**Note 8 : Short Term Borrowings**

Particulars	As on 31st Mar 2024	As on 31st Mar 2023
<b>Secured Loans</b>		
Term Loan	16,71,977	24,16,659
Cash Credit Facility*	2,95,18,445	2,99,92,528
Channel Finance (WC Loan)**	5,99,93,430	4,99,96,252
Car Loan against Hypothecation	3,00,176	3,90,540
<b>Unsecured Loan</b>		
Loans and advances from related parties	1,28,01,694	1,10,22,380
From Others	3,88,80,295	4,08,96,721
<b>Total</b>	<b>14,31,66,017</b>	<b>13,47,15,079</b>

\*(Secured against Hypothecation of Stock, finished goods, stores & spares and receivables, and immovable properties of relatives of Directors)

\*\* (Secured against Personal Guarantee of Directors, postdated/undated cheque by company, fixed deposit.)



**GAURIK SOUTH PRIVATE LIMITED**  
(Formerly known as GAJRUP RETAILS SOUTH PRIVATE LIMITED)  
U52601DL2018PTC331445

**Notes to Financial Statements**

**Note 9 : Trade Payables**

Particulars	As on 31st Mar 2024	As on 31st Mar 2023
i) MSME		
ii) Others		
Less Than 1 Year	18,56,73,529	23,95,08,507
1 - 2 years	-	-
2 - 3 years	-	-
More than 3 years	-	3,13,630
iii) Disputed dues (MSME)	-	-
iii) Disputed dues (Others)	-	-
<b>Total</b>	<b>18,56,73,529</b>	<b>23,98,22,137</b>

**Note 10 : Other Current Liabilities**

Particulars	As on 31st Mar 2024	As on 31st Mar 2023
Duties and Taxes Payable	1,73,67,785	63,07,839
Employees' Benefits Payable	15,23,862	33,18,580
Other Expenses Payable *	1,15,06,221	86,88,146
Advance from Customers	8,28,466	42,20,075
Audit fee Payable	3,65,000	3,65,000
<b>Total</b>	<b>3,15,91,334</b>	<b>2,28,99,639</b>

\* The outstanding of Rs. 60,750 from MSME is included in the other expenses payables.

**Note 11 : Short-Term Provisions**

Particulars	As on 31st Mar 2024	As on 31st Mar 2023
Provision for Tax	74,55,561	43,82,150
Provision for gratuity	1,39,818	1,37,334
<b>Total</b>	<b>75,95,379</b>	<b>45,19,484</b>

**Note 13 : Deferred Tax Assets**

Particulars	As on 31st Mar 2024	As on 31st Mar 2023
Opening Deferred Tax Assets	1,61,300	2,74,246
DTA/(Reversal) during the year	13,69,885	(1,12,946)
<b>Total</b>	<b>15,31,184</b>	<b>1,61,300</b>

**Note 14: Other Non Current Assets**

Particulars	As on 31st Mar 2024	As on 31st Mar 2023
Security Deposits	2,89,51,622	2,69,38,936
Fixed Deposit (Lien Marked)	76,86,246	62,51,284
<i>*(Maturity Period is more than 12 Months)</i>		
<b>Total</b>	<b>3,66,37,869</b>	<b>3,31,90,220</b>

**Note 15 : Inventories**

Particulars	As on 31st Mar 2024	As on 31st Mar 2023
Stock In Trade of Finished Goods	24,01,53,606	23,82,23,783
<b>Total</b>	<b>24,01,53,606</b>	<b>23,82,23,783</b>

**Note 16: Trade Receivables**

Particulars	As on 31st Mar 2024	As on 31st Mar 2023
(i) Undisputed Trade receivables considered		
Less Than 6 Months	22,74,713	6,14,207
6 Months - 1 Year	-	-
1 - 2 years	-	66,970
2 - 3 years	-	7,55,480
More than 3 years	8,10,917	55,437
(ii) Undisputed Trade receivables considered doubtful.	-	-
(iii) Disputed Trade receivables considered as good.	-	-
(iv) Disputed Trade receivables considered as doubtful.	-	-
<b>Total</b>	<b>30,85,630</b>	<b>14,92,094</b>



**GAURIK SOUTH PRIVATE LIMITED**  
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**Notes to Financial Statements**

**Note 17: Cash & Cash Equivalents**

Particulars	As on 31st Mar 2024	As on 31st Mar 2023
Balances with banks		
:On current accounts	1,765	2,15,529
Cash on hand	1,29,92,087	10,25,555
<b>Total</b>	<b>1,29,93,852</b>	<b>12,41,084</b>

**Note 18 : Short Term Loan & Advances**

Particulars	As on 31st Mar 2024	As on 31st Mar 2023
<b>Short Term Loans</b>		
- To Related Parties (Unsecured, considered good)*	12,36,53,088	12,82,60,997
- To Others (Unsecured, considered good)	10,00,000	10,00,000
<b>Other Advances</b>		
- Advances for Purchases & Expenses	29,11,206	18,30,055
- Advance to Employees	24,11,453	35,23,163
- Advances recoverable	11,93,090	6,89,252
<b>Total</b>	<b>13,11,68,836</b>	<b>13,53,03,467</b>

\* (Loans to related parties are 94.27% of the total loans and advance in the nature of loans)

**Note 19 : Other Current Assets**

Particulars	As on 31st Mar 2024	As on 31st Mar 2023
TDS & TCS Receivables	23,47,486	12,61,935
GST Receivable	80,29,326	1,43,42,328
Prepaid Expenses	5,08,396	1,58,329
Accrued Interest	2,995	
<b>Total</b>	<b>1,08,88,203</b>	<b>1,57,62,592</b>

**Note 20: Revenue From Operations**

Particulars	For the period ending 31st Mar 2024	For the period ending 31st Mar 2023
Sale of Goods	56,94,34,455	44,51,35,906
Discount Received	5,15,22,022	2,87,88,602
<b>Total</b>	<b>62,09,56,478</b>	<b>47,39,24,508</b>

**Note 21 : Other Income**

Particulars	For the period ending 31st Mar 2024	For the period ending 31st Mar 2023
Interest Income	1,13,25,211	66,22,844
Other Income		2,84,984
<b>Total</b>	<b>1,13,25,211</b>	<b>69,07,828</b>

**Note 22: Changes in inventories**

Particulars	For the period ending 31st Mar 2024	For the period ending 31st Mar 2023
<b>Finished Goods</b>		
Inventories at the beginning of the year	23,82,23,783	14,84,62,780
Inventories at the end of the year	24,01,53,606	23,82,23,783
<b>Decrease/(Increase) in Inventories</b>	<b>(19,29,824)</b>	<b>(8,97,61,003)</b>

**Note 23 :Employee Benefit Expenses**

Particulars	For the period ending 31st Mar 2024	For the period ending 31st Mar 2023
Director's Remuneration	69,48,000	43,20,000
Salaries, Wages & Incentives	4,14,06,517	3,36,90,859
Other Benefits	21,64,002	13,11,074
Provision for Gratuity	(12,16,387)	5,63,726
Staff welfare expenses	14,83,926	17,83,360
	<b>5,07,86,058</b>	<b>4,16,69,019</b>



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**Notes to Financial Statements**

**Note 24 : Finance Costs**

Particulars	For the period ending 31st	For the period ending 31st Mar
	Mar 2024	2023
Interest on Loans	3,03,68,505	1,22,58,131
Other Finance Cost	10,36,014	7,56,002
	<b>3,14,04,519</b>	<b>1,30,14,133</b>

**Note 25 : Other Expenses**

Particulars	For the period ending 31st	For the period ending 31st Mar
	Mar 2024	2023
Audit Fees	3,00,000	2,00,000
Bad Debts/Written Off	28,35,580	20,57,515
Business Promotion & Entertainment	2,07,915	42,300
Commission Expenses	6,90,401	16,51,777
Conveyance Expense	8,66,440	9,15,167
Credit Card Swipe Charges	11,29,060	26,12,511
Discount Expense	6,37,637	3,45,858
Electricity & Power Exp.	61,44,137	45,92,037
Festival Expense	23,998	1,08,762
Insurance Exp	3,37,503	3,34,125
Interest on Income Tax	7,08,326	2,40,954
Legal & Professional	26,04,553	28,24,702
Loss on disposal of Fixed Assets	22,40,492	-
Office Maintenance Exp.	1,09,49,478	96,07,052
Office Expense	16,65,457	15,24,984
Postage & Courier Expense	2,45,452	2,41,572
Printing & Stationery	1,24,575	1,38,146
Rates & Taxes	21,72,363	10,54,550
Rent Expenses	6,64,51,931	5,54,20,107
Computer Repair & Maintenance	14,578	-
Security Exp.	4,11,317	2,65,500
Software Expense	10,800	1,18,832
Telephone & Internet Exp.	4,42,872	4,32,376
Travelling Exp	38,45,462	21,96,585
Vehicle Running & Maintenance	48,042	85,682
<b>Total</b>	<b>10,51,08,368</b>	<b>8,70,11,093</b>
<b>Payment to Auditors</b>		
Audit Fee	3,00,000	2,00,000
Other		



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NOTES TO FINANCIAL STATEMENTS

12. Property, Plant & Equipment

(i) Tangible Assets

Particulars	Furniture, Fittings and Leasehold improvements	Motor Vehicle	Office Equipments	Computer including Softwares	Total
<b>Gross Block</b>					
Balance as at 1st April, 2022	2,63,39,764	30,69,048	5,47,352	10,46,022	3,10,02,185
Additions	48,93,803	-	1,13,420	66,999	50,74,222
Deletions	-	-	-	-	-
<b>Balance as at 31st March, 2023</b>	<b>3,12,33,567</b>	<b>30,69,048</b>	<b>6,60,772</b>	<b>11,13,021</b>	<b>3,60,76,407</b>
Balance as at 1st April, 2023	3,12,33,567	30,69,048	6,60,772	11,13,021	3,60,76,407
Additions	67,87,379	-	5,30,786	98,436	74,16,601
Deletions	41,71,532	-	-	-	41,71,532
<b>Balance as at 31st March, 2024</b>	<b>3,38,49,414</b>	<b>30,69,048</b>	<b>11,91,558</b>	<b>12,11,457</b>	<b>3,93,21,476</b>
<b>Depreciation</b>					
Balance as at 1st April, 2022	74,09,809	9,52,252	2,77,538	8,47,239	94,86,838
Depreciation for the year	27,59,730	3,64,449	1,12,271	1,07,972	33,44,422
<b>Balance as at 31st March, 2023</b>	<b>1,01,69,539</b>	<b>13,16,702</b>	<b>3,89,808</b>	<b>9,55,212</b>	<b>1,28,31,260</b>
Balance as at 1st April, 2023	1,01,69,539	13,16,702	3,89,808	9,55,212	1,28,31,260
Depreciation for the year	31,91,405	3,64,449	1,79,987	99,233	38,35,074
Written back / adjustments	19,31,040	-	-	-	19,31,040
<b>Balance as at 31st March, 2024</b>	<b>1,14,29,903</b>	<b>16,81,151</b>	<b>5,69,795</b>	<b>10,54,444</b>	<b>1,47,35,294</b>
<b>Net Block</b>					
Balance as at 31st March, 2023	2,10,64,028	17,52,346	2,70,963	1,57,809	2,32,45,147
Balance as at 31st March, 2024	2,24,19,510	13,87,897	6,21,762	1,57,013	2,45,86,183



**GAURIK SOUTH PRIVATE LIMITED**  
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Notes to Financial Statements

**Additional Requirement:  
Note 26 : Key Financial Ratios**

Particulars	Numerator	Denominator	March 31, 2024	March 31, 2023	Variation in %	Reason for variance (More than 25%)
Current ratio ( In times)	Total current assets	Total current liabilities	1.08	0.98	10.97%	NA
Debt-Equity Ratio ( In times)	Total debts	Total equity	3.21	3.98	-19.32%	NA
Debt Service Coverage Ratio ( In times)	Net Profit before tax+ Non cash operating expenses+Interest	Interest + Repayment of loan during the year	0.17	0.14	22.59%	NA
Return on Equity Ratio ( In %)	Net Profit after tax	Average total equity	43.43	51.01	-14.86%	NA
Inventory Turnover Ratio ( In times)	Cost of goods sold	Average Inventories	1.73	1.64	5.75%	NA
Trade Receivables Turnover Ratio ( In times)	Revenue from operations	Average trade receivables	271.29	174.43	55.53%	Due to increase in total revenue and decrease in average trade payables
Trade Payable Turnover Ratio ( In times)	Net Credit purchases	Average trade payables	1.96	2.49	-21.35%	NA
Net Capital Turnover Ratio ( In times)	Revenue from operations	Average working capital	61.09	(59.19)	-203.21%	Due to increase in average working capital
Net Profit Ratio ( In %)	Net Profit after tax	Revenue from operations	3.14	3.02	3.80%	NA
Return on Capital Employed ( In %)	Profit before tax and finance costs	Total assets - Current Liabilities	62.47	68.63	-8.98%	NA
Return on Investment ( In %)	Net Profit after tax	Average of Total Assets	4.36	4.25	2.55%	NA

**Note: 27 Other information**

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company does not have any transactions with companies whose names have been struck off with the Registrar.
- (iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
  - (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries); OR
  - (b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (v) 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 Group shall:
  - (a) 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
  - (b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- (vi) The Company has not entered into any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)
- (vii) The Company is not declared as willful defaulter by any bank or financial Institution or other lender.
- (viii) The Company is in compliance with number of layers prescribed under clause (87) of section 2 of the Companies Act 2013 read with Companies (Restriction on number of Layers) Rules, 2017

M A G S & Associates  
Chartered Accountants

*Anuraj*  
ANKUSH MUNIAL  
Partner

M No.: 505331  
FRN: 032009N

Place: New Delhi

Date: 30-9-24

For and on behalf of the Board of  
Gaurik South Private Limited

*Vishnu Pillai*  
Vishnu Pillai  
Director

DIN-07011203

*Rajesh Dudi*  
Rajesh Dudi  
Director

DIN-06840978

