

SUKARTIK CLOTHINGS PRIVATE LIMITED
Balance Sheet as at 31st March 2021

(Amount in Rs.)

Particulars	Note No.	As at 31.03.2021	As at 31.03.2020
ASSETS			
Non-current assets			
Property, Plant and Equipment	3	90,898,527	97,773,569
Capital Work in Progress	3	21,860,324	8,489,485
Investment Property	4	-	1,130,000
Financial Assets			
Loans	5	1,540,767	1,423,943
Other Non Current Assets	6	2,022,112	-
Total non-current assets		116,321,730	108,816,997
Current assets			
Inventories	7	66,507,043	57,813,133
Financial Assets			
Trade receivables	8	79,097,229	54,337,949
Cash and cash equivalents	9	581,877	580,359
Bank balances other than cash and cash equivalents above	10	504,918	516,662
Loans	11	113,937	135,937
Other financial assets	12	54,004	-
Other current assets	13	12,595,975	10,578,313
Total current assets		159,454,982	123,962,353
TOTAL ASSETS		275,776,713	232,779,350
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	14	3,010,000	3,010,000
Other Equity	15	100,117,667	94,132,737
Total equity		103,127,667	97,142,737
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
Borrowings	16	43,996,632	39,707,772
Deferred tax liabilities (net)	17	5,775,380	5,881,038
Total non-current liabilities		49,772,012	45,588,810
Current liabilities			
Financial Liabilities			
Borrowings	18	30,211,581	14,756,827
Trade payables	19	83,184,957	64,529,900
Other financial liabilities	20	7,572,648	7,925,846
Other current liabilities	21	1,421,685	1,842,733
Current Tax Liabilities (Net)	22	486,163	992,497
Total current liabilities		122,877,034	90,047,803
TOTAL EQUITY AND LIABILITIES		275,776,713	232,779,350

The accompanying notes form part of the financial statements

1 to 40

As set out in our attached report of even date

For B M Gattani & Co
Chartered Accountants
Firm Registration No. : 113536W

B M Gattani



Balmukund N Gattani
Proprietor

Membershtp No. 047066

UDIN: 21047066AAAAEP2783

Place: Mumbai

Date : 30/06/2021

For and on behalf of the Board of Directors

Navratan Gaggar
Navratan Gaggar
Director
DIN:01655621



Ramakant Gaggar
Ramakant Gaggar
Director
DIN:01019838

SUKARTIK CLOTHINGS PRIVATE LIMITED
Statement of Profit and loss for the year ended 31st March, 2021

(Amount in Rs.)

Particulars	Note No.	For the year ended 31.03.2021	For the year ended 31.03.2020
Revenue from operations	23	164,792,385	151,874,342
Other income	24	107,962	79,161
Total Revenue		164,900,347	151,953,503
Expenses:			
Cost of materials consumed	25	65,109,369	68,586,328
Changes in inventories	26	2,235,043	(25,075,236)
Employee benefits expense	27	31,406,457	36,742,022
Finance costs	28	2,274,406	1,468,784
Depreciation and amortization expense	3	8,115,934	8,064,168
Other expenses	29	50,793,148	49,971,006
Total expenses		159,934,358	139,757,072
Profit before exceptional items and tax		4,965,989	12,196,431
Exceptional items			
Profit before tax		4,965,989	12,196,431
Tax expense:			
(1) Current tax		1,313,060	2,324,030
(2) Deferred tax		(105,658)	463,698
(3) Tax Adjustment for earlier years		(204,226)	-
(4) MAT credit adjustment for earlier years		(2,022,112)	-
		(1,018,936)	2,787,728
Profit (Loss) for the year		5,984,925	9,408,703
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement of post employment benefit obligations		-	-
Income tax relating to above item		-	-
Total other Comprehensive Income			
Total Comprehensive Income for the period		5,984,925	9,408,703
Earnings per equity share:			
Basic and Diluted	30	19.88	31.26
The accompanying notes form part of the financial statements	1 to 40		

As set out in our attached report of even date

For B M Gattani & Co
Chartered Accountants
Firm Registration No. : 113536W



Balmukund N Gattani
Proprietor
Membership No. 047066

UDIN: 21047066AAAAEP2783

Place: Mumbai
Date : 30/06/2021

For and on behalf of the Board of Directors


Navratan Gaggar
Director
DIN:01655621


Ramakant Gaggar
Director
DIN:01019838



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2021

A. Equity Share Capital		(Amount in Rs.)			
Particulars		Value			
Balance as at April 1, 2019		3,010,000			
Changes during the year		-			
Balance as at March 31, 2020		3,010,000			
Balance as at April 1, 2020		3,010,000			
Changes during the year		-			
Balance as at March 31, 2021		3,010,000			

Particulars	Reserves and Surplus				Other Comprehensive Income	Total
	Capital Reserve	Securities Premium Reserve	Retained Earnings			
Balance at the beginning of the reporting period i.e. 1st April, 2019	-	52,090,000	32,634,034	-	-	84,724,034
Profit for the year	-	-	9,408,703	-	-	9,408,703
Other Comprehensive Income for the year*	-	-	-	-	-	-
Balance at the end of the reporting period i.e. 31st March, 2020	-	52,090,000	42,042,737	-	-	94,132,737
Balance at the beginning of the reporting period i.e. 1st April, 2020	-	52,090,000	42,042,742	-	-	94,132,742
Profit for the year	-	-	5,984,925	-	-	5,984,925
Other Comprehensive Income for the year*	-	-	-	-	-	-
Balance at the end of the reporting period i.e. 31st March, 2021	-	52,090,000	48,027,667	-	-	100,117,667

*Movement in other comprehensive income relates to remeasurements of the net defined benefit plans

Nature of reserves

a) **Securities Premium Reserve:** Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

b) **Retained Earnings:** Retained earnings are the profits that the Company has earned till date, less any transfers to other reserve, dividends or other distributions paid to shareholders.

c) **Capital Reserve:** The reserve is utilised in accordance with the provision of the Companies Act, 2013.

Contingent Liabilities and Commitments (To the extent not provided for)	31
Significant Accounting Policies	2
The accompanying notes from part of the financial statements	1 to 40

As set out in our attached report of even date

For B M Gattani & Co
Chartered Accountants
Firm Registration No. : 113536W

Battani



Balmukund N Gattani
Proprietor
Membership No. 047066

VDIN: 21047066AAAAEP2783

Place: Mumbai
Date: 30/06/2021

For and on behalf of the Board of Directors

Navratan Gaggar
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Director
DIN:01655621

Ramakant Gaggar
Ramakant Gaggar
Director
DIN:01019838



SUKARTIK CLOTHINGS PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

(Amount in Rs.)

	2020-2021	2019-2020
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items	4,965,989	12,196,431
Adjustment for		
Depreciation	8,115,934	8,064,168
Interest / other income	(67,962)	(79,161)
Interest expenses	2,274,406	1,468,784
Operating profit before working capital changes	15,288,368	21,650,221
Adjustment for		
Trade receivables	(24,759,279)	3,386,855
Inventories	(8,693,910)	(38,008,398)
Other Financial assets	(148,828)	35,134
Other current assets	(3,950,800)	(6,167,106)
Other Non Financial assets	-	(52,246)
Trade payables	18,655,057	22,797,484
Other Financial liabilities	562,647	4,044,098
Other current liabilities	(421,048)	1,288,398
Cash generated from operations	(3,467,794)	8,974,440
Direct taxes paid	-	-
Cash flow before extraordinary items	(3,467,794)	8,974,440
Extraordinary items	-	-
NET CASH FLOW FROM OPERATING ACTIVITIES	(3,467,794)	8,974,440
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(14,611,732)	(2,461,954)
(Purchase) / sale of investments (Net)	1,130,000	-
(Increase) / decrease in deposits	11,744	4,712
Interest / other income	67,962	79,161
Dividend received	-	-
NET CASH USED IN INVESTING ACTIVITIES	(13,402,026)	(2,378,081)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	-	3,714,223
Repayment of long term borrowings	3,744,994	-
Change in working capital borrowings from banks	15,454,754	-
Interest paid	(2,328,410)	(1,468,784)
NET CASH FROM FINANCING ACTIVITIES	16,871,338	2,245,440
NET INCREASE IN CASH AND CASH EQUIVALANTS (A+B+C)	1,518	8,841,799
OPENING BALANCE OF CASH AND CASH EQUIVALANTS	580,359	228,041
CLOSING BALANCE OF CASH AND CASH EQUIVALANTS	581,877	580,359

Notes to cash flow statement:

- The above cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard 7 on 'Statement of Cash Flow' notified u/s 133 of Companies Act, 2013 ('Act') read with relevant rules issued thereunder and the relevant provisions of the Act.
- All the figures in brackets are outflow.
 - Previous year's figures have been regrouped wherever necessary.

As set out in our attached report of even date

For B M Gattani & Co
Chartered Accountants
Firm Registration No. : 113536W

Battani



Balmukund N Gattani
Proprietor

Membership No. 047066

UDIN: 21047066AAAAEP2783

Place: Mumbai

Date : 30/06/2021

For and on behalf of the Board of Directors

Navratan Gaggar
Navratan Gaggar
Director
DIN:01655621

Ramabant Gaggar
Ramabant Gaggar
Director
DIN:01019838



SUKARTIK CLOTHING PRIVATE LIMITED
Notes to financial statements for the year ended 31st March 2021

1 Corporate information

Sukartik Clothing Private Limited (the Company) was incorporated to carry on the business of manufacturing of seamless garments. The registered office of the Company is at 28, Bombay Samachar Marg, 3rd Floor, Fort, Mumbai - 400023, Maharashtra, India.

The financial statements for the year ended March 31, 2021 were authorized and approved for issue by the Board of Directors on June 30, 2021

2 Significant accounting policies

2.1 Basis of accounting and preparation of financial statements

The financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities which have been measured at fair value amount.

The financial statements of the company have been prepared to comply with the Indian Accounting Standards (Ind AS), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

Upto the year ended 31st March, 2019, the Company has prepared its financial statements in accordance with the requirement of Indian GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006 and considered as 'Previous GAAP'.

These financial statements are the Company's first Ind AS financial statement.

Company's financial statements are presented in Indian Rupees (Rs.), which is its functional currency.

2.2 Use of estimates

The preparation of financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialise.

2.3 Summary of Significant Accounting Policies

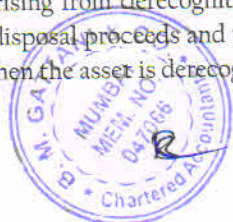
(a) Property, Plant & Equipment

Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow the entity and the cost can be measured reliably.

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

Gains or losses arising from derecognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.



(b) **Intangible asset**

Intangible Assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebate less accumulated amortisation/ depletion and impairment loss, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use and net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

Subsequent costs are included in the asset's carrying amount or recognized as a separate assets, as appropriate, only when it is probable that future economic benefits associated with the items will flow to the Company and cost can be measured reliably.

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

(c) **Depreciation and amortisation**

Depreciation on property, plant and equipment is provided using straight-line method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II of the Companies Act, 2013.

(d) **Inventories**

Inventories are stated at lower of cost/unamortised cost or realisable value. The company evaluates the realisable value and/or revenue potential of inventory based on management estimate of market conditions and future demand and appropriate impairment is made in cases where accelerated impairment is warranted.

(e) **Cash and cash equivalents**

Cash comprises cash in hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(f) **Cash Flow Statement**

Cash flows are stated using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

(g) **Financial Assets**

All financial assets are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition of financial assets, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment assessment of financial assets other than those measured at fair value through profit and loss (FVTPL).

The company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.



(h) **Financial Liabilities**

Initial recognition and measurement:

All financial liabilities are recognized initially at fair value and in case of loans net of directly attributable cost. Fees of recurring nature are directly recognised in profit or loss as finance cost.

Subsequent measurement:

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(i) **Employee Benefits**

Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

(j) **Tax Expenses**

The tax expense for the period comprises current and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the comprehensive income or in equity.

Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance Sheet date.

Deferred Tax

Deferred Tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred income tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax assets to be utilised.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

(k) **Foreign currencies transactions and translation**

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Exchange differences arising on settlement of transactions are recognised in Statement of Profit or Loss.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date. Exchange differences arising on translation are recognised in Other Comprehensive Income.

(l) **Revenue recognition**

Revenue is recognised to the extent it is probable that economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

(m) **Other income**

Interest Income from a financial asset is recognised using Effective Interest Rate (EIR) Method.

Dividend income is recognised when the Company's right to receive the payment has been established.



(n) Earnings per share

Basic earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

(o) Provisions & Contingencies

Provisions are recognised when the Company has a present obligation as a result of a past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a financial cost.

Contingent liabilities are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements.



Note 3: Property, plant and Equipment

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As on 31.03.2020	Additions during the year	Deduction during the year	As on 31.03.2021	Provided for the year	Written back during the year	Total upto 31.03.2021	Total as on 31.03.2021	Total as on 31.03.2020
Property, plant & equipment									
Land	17,255,180	-	-	17,255,180	-	-	-	17,255,180.00	17,255,180
Office Premises	746,119	-	-	746,119	-	-	106,829	639,289.59	674,940
Factory Building	20,627,786	-	-	20,627,786	-	-	2,057,267	18,570,518.99	19,258,417
Plant & Machinery	64,443,428	390,925	-	64,834,353	-	-	15,916,374	48,917,978.81	54,188,597
Furniture & Fixtures	3,556,809	667,679	-	4,224,488	-	-	1,210,430	3,014,058.63	2,789,984
Computers	249,810	-	-	249,810	-	-	209,265	40,545.08	90,525
Vehicles	2,780,388	116,225	-	2,896,613	-	-	1,238,465	1,658,148.32	2,054,427
Office Equipments	2,875,511	66,063	-	2,941,574	-	-	2,138,766	802,808.03	1,461,499
Total tangible assets	112,535,031	1,240,893	-	113,775,924	8,115,934	-	22,877,396	90,898,527.45	97,773,569
Intangible assets									
Computer software	50,000	-	-	50,000	-	-	50,000	-	-
Total intangible assets	50,000	-	-	50,000	-	-	50,000	-	-
TOTAL AS AT 31.03.2021	112,585,031	1,240,893	-	113,825,924	8,115,934	-	22,927,396	90,898,527	97,773,569

Note 3: Capital Work-in-Progress

Costs	Plant & Machinery	Total
As at April 1, 2020	8,489,485	8,489,485
Additions	13,370,839	13,370,839
Capitalised During the year	-	-
As at March 31, 2021	21,860,324	21,860,324



Particulars	As at 31.03.2021	As at 31.03.2020
Note 4: INVESTMENT PROPERTY		
Immovable Properties	-	1,130,000
Total	-	1,130,000
Note 5: NON-CURRENT LOANS (Unsecured, considered good unless otherwise stated)		
Security Deposits	1,540,767	1,423,943
Total	1,540,767	1,423,943
Note 6: OTHER NON CURRENT ASSETS		
Minimum Alternate Tax Credit Entitlement	2,022,112	-
Total	2,022,112	-
Note 7: INVENTORIES (Refer note 2.3-d)		
Raw Materials and components	26,488,667	20,080,531
Stock in trade	7,400,776	4,870,341
Finished goods	23,681,715	28,447,193
Stores, spares and Consumables	8,935,885	4,415,068
Total	66,507,043	57,813,133
Note 8: TRADE RECEIVABLES		
Debts outstanding for a period exceeding six months from the date they are due for payments		
Unsecured, considered good	14,385,224	-
Unsecured, considered doubtful	-	-
Less: Provision for doubtful debts	-	-
	14,385,224	-
Debts outstanding for a period less than six months from the date they are due for payments		
Unsecured, considered good	64,712,005	54,337,949
Unsecured, considered doubtful	-	-
Less: Provision for doubtful debts	-	-
	64,712,005	54,337,949
Total	79,097,229	54,337,949
Note 9: CASH AND BANK BALANCES		
Cash and Cash equivalents		
Balances with Bank	291,355	536,120
Cash on hand	290,522	44,239
Total	581,877	580,359
Note 10: BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS ABOVE		
Other bank balances:		
In fixed deposit account with maturity less than 12 months	504,918	516,662
Total	504,918	516,662
Note 11: CUURENT LOANS		
Unsecured, considered good		
Loan to employees	113,436	135,436
Loans to Others	501	501
Total	113,937	135,937



Particulars	As at 31.03.2021	As at 31.03.2020
Note 12: OTHER FINANCIAL ASSETS		
Unsecured, considered good		
Interest receivable	54,004	
Total	54,004	
Note 13: OTHER CURRENT ASSETS		
(Unsecured, considered good unless otherwise stated)		
Prepaid expenses	478,760	562,047
Advance to suppliers	863,826	1,542,003
Other Receivables	24,347	26,062
Balance with Statutory Authorities	11,229,042	8,448,201
Total	12,595,975	10,578,313



Particulars	As at 31 March 2021		As at 31 March 2020	
	Number	Amount	Number	Amount
Note 14: EQUITY				
Authorised				
Equity Shares of Rs.10/- each	301,000	3,010,000	301,000	3,010,000
Issued, Subscribed and Paid up				
Equity Shares of Rs.10/- each	301,000	3,010,000	301,000	3,010,000
Total	301000	3,010,000	301000	3,010,000

a: During the current year and in the previous year, there have been no movements in the numbers of equity shares outstanding.

b: Details of Shareholders holding more than 5% of shares of the company:-

Name of Shareholder	As at 31 March 2021		As at 31 March 2020	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Garnet International Limited	211,000	70.10	211,000	70.10
Ramakant Gaggar	30,000	9.97	30,000	9.97
Suresh Gaggar	30,000	9.97	30,000	9.97
Navratan Gaggar	30,000	9.97	30,000	9.97

c: Terms/Rights attached to Equity Shares:-

- The Company has only one class of Equity shares having par value of Rs. 10/- per share.
- Each holder of Equity share is entitled to one vote per share.
- In the event of Liquidation of the Company, the holders of Equity shares will be entitled to receive the realised value of the assets of the Company, remaining after payment of all preferential dues (if any). The distribution will be in proportion to the number of equity shares held by the shareholders.

d: Share held by holding company:

Name of the company	Numbers	% of Holding	Numbers	% of Holding
Garnet International Limited	211000	70.10	211000	70.10

Note 15: **OTHER EQUITY**

a. **Securities Premium Account**

Balance as per the last financial statements		52,090,000	52,090,000
	Sub-total	52,090,000	52,090,000

b. **Surplus in the Statement of Profit and Loss**

Balance or (deficit) as per the last financial statements		42,042,742	32,634,034
Add/(Less): Net Profit/(Loss) for the year		5,984,925	9,408,703
	Sub-total	48,027,667	42,042,737

c. **Other Comprehensive income**

Balance as per the last financial statements		-	-
Add: Movement in OCI (Net) during the year		-	-
	Sub-total	-	-
	Total	100,117,667	94,132,737

Note 16: **BORROWINGS**

Secured

Term Loans from banks (refer note no 16.1)		8,245,163	3,956,303
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Unsecured

Loans and advances from related parties (refer note no 16.2 and 33)		35,751,469	35,751,469
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Total 43,996,632 39,707,772



16.1 : Terms of Repayment and Security details of Term Loans :

Name of the Bank	HDFC TATA ACE LOAN	AXIS BANK LTD TERM LOAN
Type of Loan	Vehicle Loan	Term Loan
Loan Account No.	65935203	919060097121421
Amount sanctioned	340,000	14,500,000
Amount availed	340,000	14,500,000
Sanction Date	25.03.2020	28.11.2019
Rate of Interest	10.50%	9.45%
Total No. of Instalments	60	60
No of Instalments paid	12	12
No of balance Instalments to be paid	36	48
Amount of Instalment	7270	268000
Repayment Type	Monthly	Monthly

Nature of Security

1. Term Loans from Axis bank is secured by way of Equitable Mortgage of Industrial Property situated at Ludhiana.

2. Personally guaranteed by two directors of the company.

3. Vehicle loan is secured by hypothecation of specific vehicles acquired from the loan.

Installments falling due in respect of all the above loans upto 31.03.2022 have been taken in 'Other Financial liabilities' under the head 'Current maturities of long term debts' (Refer note no 20)

16.2 Maturity profile of other unsecured loans are as under:

Name of lender	Garnet International Limited
Loan Reference No.	1
Interest rate	9%
Repayment of loan	Long term



SUKARTIK CLOTHING PRIVATE LIMITED
Notes on Financial Statements for the year ended 31st March 2021

(Amount in Rs)

Particulars	As at 31.03.2021	As at 31.03.2020
Note 17: DEFERRED TAX LIABILITIES (net)		
Difference between book and tax depreciation	5,775,380	5,881,038
Total	5,775,380	5,881,038
Note 18: BORROWINGS		
Secured		
Loans	Loans repayable on demand from banks:	
Working Capital Loan		
	30,211,581	14,756,827
Total	30,211,581	14,756,827
Nature of Security:		
1. Secured by way of Equitable Mortgage of Industrial Property situated at Ludhiana.		
2. Secured by way of 2nd charge on the entire current assets of the company.		
3. Personally guaranteed by two directors of the company.		
Note 19: TRADE PAYABLES		
Due to Micro and Small Enterprises *		
Others	83,184,957	64,529,900
Total	83,184,957	64,529,900

* Based on the information available with the company in response to the enquiries from all existing suppliers with whom the company deals, there are no suppliers who are registered as micro and small enterprises under 'The Micro, Small and Medium Enterprises Development Act, 2006' as at 31.03.2021



Note 20: OTHER FINANCIAL LIABILITIES		
Current maturities of long-term debts (refer note no 16)	3,263,246	3,807,112
Other accrued expenses	3,121,024	3,441,001
to others	1,188,378	677,733
to related parties (refer note no.33)		
Total	7,572,648	7,925,846

Note 21: OTHER CURRENT LIABILITIES		
Statutory Liabilities	223,213	257,341
Advance from Customers	1,198,472	1,585,392
Total	1,421,685	1,842,733

Note 22: CURRENT TAX LIABILITIES (net)		
Provision for Taxation (net of taxes paid)	486,163	992,497
Provision for Tax	2,955,330	3,563,743
Less : Advance tax	2,469,167	2,571,246
Total	486,163	992,497



Particulars	2020-2021	2019-2020
Note 23: REVENUE FROM OPERATION		
Sale of Products :		
Garments		
Local	164,792,385	151,874,342
Sale of Services :		
Job charges		
Total	164,792,385	151,874,342
Note 24: OTHER INCOME		
Interest		
on Fixed Deposits	457	-
on Electricity Deposits	67,505	79,161
Miscellaneous income	40,000	-
Total	107,962	79,161
Note 25: COST OF MATERIALS CONSUMED		
Opening stocks:		
Raw Material		
Yarn	14,397,376	6,058,795
Dyes & Chemicals	5,683,155	4,120,890
Add : Cost of purchases		
Raw Materials		
Yarn	30,063,337	41,469,313
Dyes & Chemicals	41,454,169	37,017,861
Less: Closing stock		
Raw Material		
Yarn	14,777,694	14,397,376
Dyes & Chemicals	11,710,973	5,683,155
Total	65,109,369	68,586,328
Note 26: CHANGES IN INVENTORIES		
Opening Stock:		
Finished goods	28,447,193	7,052,982
Stock in trade	4,870,341	1,189,316
Work in progress		
Closing Stock:		
Finished goods	23,681,715	28,447,193
Stock in trade	7,400,776	4,870,341
Work in progress		
Total	2,235,043	(25,075,236)
Note 27: EMPLOYEE BENEFIT EXPENSE		
Salaries and Wages		277,559
To Directors Relatives		35,316,526
To others	30,185,799	565,927
Contribution to Provident and Other Funds	426,592	582,010
Staff Welfare Expenses	794,066	
Total	31,406,457	36,742,022



SUKARTIK CLOTHING PRIVATE LIMITED
Notes on Financial Statements for the year ended 31st March 2021

(Amount in Rs.)

Particulars	2020-2021	2019-2020	
Note 28: FINANCE COST			
Interest expense on			
On loans	276,344	118,088	
Bill discounting facility	10,789	82,712	
Others	55	264	
Cash Credit Facility	1,942,131	1,166,704	
Bank Charges	45,088	101,016	
Total	2,274,406	1,468,784	
Note 29: OTHER EXPENSES			
A) Manufacturing Expenses			
Job charges	1,017,644	3,141,703	
Power and fuel	14,620,305	14,745,978	
Freight & Cartage Inwards	270,185	199,449	
Stores and spares consumed	21,736,079	22,382,183	
Insurance	536,425	403,855	
Repairs & Maintenance (Machinery)	3,457,785	3,365,926	
Total- (A)	41,638,423	44,239,094	
B) Administrative and General Expenses			
Brokerage and Commission	8,490	-	
Communication Expenses	327,857	372,551	
Limit processing fee	59,000	118,000	
Legal and Professional Charges	233,000	150,395	
Auditors' remuneration (refer note 32)	100,000	100,000	
Membership and Subscription	162,925	105,189	
Miscellaneous Expenses	1,352,816	1,691,690	
Printing and Stationery	233,715	287,003	
Rates & Taxes	-	-	
Repairs & Maintenance	1,376,398	724,567	
Directors Remuneration	495,000	840,000	
Bad Debts	3,948,356	-	
Donation	35,000	-	
Total- (B)	8,332,558	4,389,394	
C) Selling and Distribution Expenses			
Sales Promotion Expenses	17,194	54,720	
Packing Expenses	15,310	-	
Travelling and Conveyance	760,696	1,287,798	
Total- (C)	822,167	1,342,518	
D) Net Foreign exchange loss (gain)	28,967	-	
Total (A+B+C)	50,793,148	49,971,006	
Note 30: EARNING PER SHARE			
	UNIT	2020-2021	2019-2020
Weighted average number of Equity Shares	Numbers	301,000	301,000
Nominal Value of a Share	Rs.	10.00	10.00
Profit/(Loss) for the year	Rs.	5,984,925	9,408,703
Basic and Diluted Earning Per Share	Rs.	19.88	31.26
Note 31: CONTINGENT LIABILITIES AND COMMITMENTS:			
Contingent liabilities not provided:		2020-2021	2019-2020
Undertakings given by the company under EPCG Scheme, pending fulfillment of export obligation	Rs.	1,143,839	1,143,839
Note 32: PAYMENT TO AUDITORS			
Audit Fees		50,000	50,000
Tax Audit Fees		30,000	30,000
Taxation Matters		20,000	20,000
Certification		-	-
Total		100,000	100,000



Note 33: RELATED PARTY DISCLOSURES

Related party disclosures as required by Ind AS -24 'Related Party Disclosures' are given below:

- I) Names of related parties and description of relationships
 - a) Holding Company
Garnet International Limited
 - b) Directors
Ramakant Gaggar
Navratan Gaggar
Rathi Premprakesh Sharad
 - c) Company in which directors have significant influence/control
Alaukik Mines & Power Pvt. Ltd.
Mangal Savitri Investment Private Ltd.
 - d) Relatives of KMP
Sangeeta Gaggar

II) Transactions during the year and balances outstanding as at year end with the related parties are as follows:

Particulars	Volume of the transaction (Rs.)		Balance as on (Rs.)	
	2020-2021	2019-2020	2020-2021	2019-2020
Non current liabilities				
Inter corporate borrowings Garnet International Limited		(2,500,000)	35,751,469	35,751,469
Indirect Expenses				
Salary		277,559	240,679	240,679
Directors Remuneration	495,000	840,000	947,699	437,054

Note:

- 1) Related party relationship is identified by the Company and relied upon by the auditors.
- 2) Figure in the brackets pertains to previous year.

III) During the year, Company has not entered into any transactions with any entities owned / controlled by the directors.

Note 34: Fair Value Measurements

There is no material fair value measurement on Ind AS adoption.

Note 35: The company operates in a single segment i.e. textile (seamless garment manufacturing) having the same risk and return. Hence reporting as per Indian Accounting Standard (Ind AS) 108 'Operating Segments' is not applicable.

Note 36: C. I. F. value of imports:

Purchase imports

For the year ended	
2020-2021	2019-2020
	722,213

Note 37: Earnings in Foreign Exchange:

FOB value of Exports
Tour Expense

For the year ended	
2020-2021	2019-2020

Note 38: No provision has been made for accrued liability in respect of gratuity payable to employees, as the Company is in the process of taking actuarial valuation certificate for present value of future liabilities.

Note 39: Previous year's figures are regrouped, rearranged, or recast wherever necessary to conform to this year's classification.

Note 40: The impact of Covid -19 pandemic was felt across the economy and business segments. Consequent to significant opening up of the economic activity in the country, the demand for the company's products has improved compared to that during the initial phases of Covid-19 including the lock down period. All the business segments of the Company have substantially recovered as at year end. In preparation of these financial statements, the Company has taken into account both the current situation and likely future developments.

As set out in our attached report of even date

For B M Gattani & Co
Chartered Accountants
Firm Registration No. : 113536VV

Rathaw



Balmukund N Gattani
Proprietor
Membership No. 047066
UDIN: 21047066AAAEP2783
Place: Mumbai
Date : 30/06/2021

For and on behalf of the Board of Directors

Navratan Gaggar
Navratan Gaggar
Director
DIN:01655621

Ramakant Gaggar
Ramakant Gaggar
Director
DIN:0019838



INDEPENDENT AUDITORS' REPORT

To
The Members of Sukartik Clothing Private Limited
Report on the audit of the financial statements

Opinion

We have audited the accompanying Financial Statements of Sukartik Clothing Private Limited ('the Company'), which comprise the balance sheet as at 31 March 2021, the statement of profit and loss and statement of cash flows for the year then ended including a summary of the significant accounting policies and other explanatory information (herein after referred to as "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with relevant rules, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its profit and loss and its cash flows for the year ended on that date.

Basis for opinion

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

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

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report but does not include the Financial Statements and our auditor's report thereon.

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

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

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

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these IND AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant Rules issued there under.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the IND AS 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 is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are 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 scepticism throughout the audit. We also:

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the order, to the extent applicable
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The balance sheet, the statement of profit and loss and the statement of cash flows dealt with by this Report are in agreement with the books of accounts;
 - d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards prescribed under Section 133 of the Act read with relevant rules, as amended, *except Accounting standard 15 "Employees Benefits" as referred to in note no. 39 of financial statements*;
 - e) On the basis of the written representations received from the directors of the Company as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

- i) The Company did not have any pending litigations which would impact its financial position.
- ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii) Currently there are no amounts held by the company that are required to be transferred to Investor education and protection fund hence we do not comment on the same; and
- iv) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/provided by the company to its directors during the year is in accordance with the provisions of section 197 of the Act read with schedule V to the Act.

For **B M Gattani & Co**
Chartered Accountants
Firm Registration No. 113536W

Sd/-
Balmukund N Gattani
Proprietor
M.No .047066
UDIN: 21047066AAAAEP2783
Mumbai
30th June 2021

Annexure A referred to in Paragraph of Report on other legal and regulatory requirement of even date to the members of Sukartik Clothing Limited on the accounts of the Company for the year ended March 31, 2021

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) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
 - b) As explained to us, these fixed assets have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification;
 - c) The title deeds of immovable properties are held in the name of the Company.
- ii. The inventory has been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. According to the information and explanations given to us, the Company has not granted secured or unsecured loans to parties covered in the register maintained under section 189 of the Companies Act during the year. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company.
- iv. In our opinion and according to information and explanations given to us, the Company has complied with the relevant provisions in respect of loans given and/or investments made, as per the provisions of section 185 and 186 of the Companies Act, 2013.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits within the meaning of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- vi. According to the information and explanations provided by the management, the Company is not engaged in production of any such goods or provision of any such services for which the Central Government has prescribed maintenance of cost records under section 148(1) of Companies Act, 2013. Accordingly, provisions of Clause 3(vi) of the Order are not applicable to the Company.
- vii.
 - a) According to the information and explanations given to us and based on the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues, including Provident Fund, 'Employees' State Insurance, Income-tax, Goods and Service Tax, Wealth Tax, Sales Tax, Custom Duty, Excise Duty and other material statutory dues, as applicable, with the appropriate authorities in India;

According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were in arrears, as at March 31, 2021 for a period of more than six months from the date they became payable.

- b) According to the information and explanations given to us and based on the records of the Company examined by us, there are no dues of Income Tax, Wealth Tax, Goods and Service Tax, Customs Duty and Excise Duty which have not been deposited on account of any disputes.
- viii. According to the records of the Company, the Company has not defaulted in repayment of loan borrowed from bank till March 31, 2021 and has not issued any debentures during the year.
- ix. According to the information and explanations given to us and the records of the Company examined by us, the Company has not raised any money by way of initial public offer or further public offer and term loans during the year. Accordingly, provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company being a private company, Section 197 of Companies Act, 2013 is not applicable. Accordingly the provisions of Clause 3(xi) of the order are not applicable to the Company.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly the provisions of Clause 3(xii) of the Order are not applicable.
- xiii. In our opinion and as per information and explanations provided to us by management all the transactions with the related parties are in compliance with the provisions of sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, provisions of Clause 3(xiv) of the Order are not applicable to the company.
- xv. According to the records of the Company examined by us and the information and explanations given to us, the company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **B M Gattani & Co**
Chartered Accountants
Firm Registration No. 113536W

Sd/-
Balmukund N Gattani
Proprietor
M.No .047066

Mumbai
30th June 2021

Annexure B to the Independent Auditor's Report

(Referred to in paragraph clause (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of Sukartik Clothing Private Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgments, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **B M Gattani & Co**
Chartered Accountants
Firm Registration No. 113536W

Sd/-
Balmukund N Gattani
Proprietor
M.No .047066
Mumbai
30th June 2021