

# **INDIA DENIM LIMITED**

## **AUDITED BALANCE SHEET**

**2021-2022**

**REGD OFFICE & WORKS : 145/147 VILLAGE WALTHERA, TALUKA – DHOLKA, DIS –  
AHMEDABAD – 387810 GUJARAT INDIA**

**INDIA DENIM LIMITED**  
**Balance Sheet as at 31st March, 2022**

**INDIA DENIM LIMITED**

Particulars	Note No.	As At 31st March, 2022	As At 31st March, 2021
		Amount	Amount
<b>B ASSETS.</b>			
1 Non-current assets			
(a) Property Plant and Equipment	3	1,249.41	1,477.08
(b) Capital work-In-Progress		-	-
(c) Intangible Assets		-	-
(d) Financial Assets		-	-
(i) Investments		-	-
(ii) others		-	-
(e) Deferred tax assets (net)	4	203.20	203.20
(f) Other non-current assets	5	3.32	98.50
		<b>1,455.93</b>	<b>1,778.75</b>
2 Current assets			
(a) Inventories	6	168.75	168.75
(b) Financial assets:			
(i) Trade receivables	7	-	-
(ii) Cash and cash equivalents	8	0.46	15.46
(iii) Bank Balances other than (ii) above		-	-
(iv) Other Financial Assets	9	69.45	69.80
(v) Loans		-	-
(vi) Others		-	-
(c) Current Tax Assets (net)	10	4.10	4.10
(d) Other Current Assets		-	-
		<b>242.77</b>	<b>258.12</b>
		<b>1,698.70</b>	<b>2,036.87</b>
<b>TOTAL</b>	-		
<b>A EQUITY AND LIABILITIES</b>			
1 Equity			
(a) Equity Share Capital	11	1,144.59	1,144.59
(b) Other Equity	12	(6,690.87)	(6,341.65)
		<b>-5,546.28</b>	<b>(5,197.06)</b>
2 Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
i) Borrowings	13	3,848.18	3,848.18
(b) Provisions		-	-
(c) Deferred Tax Liabilities (Net)		<b>3,848.18</b>	<b>3,848.18</b>
3 Current liabilities			
(a) Financial Liabilities			
i) Borrowings	14	1,217.73	1,217.73
ii) Payables			
(i) Trade Payables		-	-
(a) Total outstanding dues of micro enterprises and small enterprises		-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	15	145.58	160.29
(ii) Other Payables		-	-
(a) Total outstanding dues of micro enterprises and small enterprises		-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
iii) Other Financial Liabilities	16	2,020.51	2,007.49
(b) Other current liabilities			
(c) Current Tax Liabilities (Net)	17	12.97	0.23
(d) Provisions		<b>3,396.80</b>	<b>3,385.75</b>
		<b>1,698.70</b>	<b>2,036.87</b>
<b>TOTAL</b>			

See accompanying notes forming part of the financial statements

As per our attached report of even date

For and on behalf of the Board of Directors

For H Rajen & Co.  
Chartered Accountants  
Firm registration No. 108381W

**Bharat**  
CA. Bharat Kumar  
Partner  
Membership no. 178787



**R.B. Somany**  
Managing Director

**Amitabh Kethwal**  
Director

Place : Mumbai  
Date : 30-May-2022



INDIA DENIM LIMITED

## INDIA DENIM LIMITED

## Statement of Profit and Loss for the year ended 31st March 2022

Particulars		Note No.	Amount in Lacs	
			As At 31st March, 2021 Amount	As At 31st March, 2021 Amount
I	Income			
	Revenue from operations (gross)	18	-	-
	Other income	19	-	0.38
	Total revenue (I)		-	0.38
II	Expenses			
	(a) Cost of materials consumed	20.a	-	398.75
	(b) Changes in inventories	20.b	-	3.00
	(c) Employee benefits expense	21	2.25	-
	(d) Finance costs	22	-	-
	(e) Depreciation and amortisation expense	3	227.65	227.65
	(f) Other expenses	23	24.09	11.42
	Total expenses (II)		253.99	640.81
III	Profit / (Loss) before exceptional, extraordinary items and income tax (I - II)		-253.99	-640.43
IV	Exceptional item / Extra ordinary item (Impairment Expenses)		95.24	1,370.45
V	Profit / (Loss) before tax (III - IV)		-349.22	-2,010.88
VI	Tax Expense			
	(a) Current tax expense for current year		-	-
	(b) Deferred tax Asset (Liability)		-	-
	(c) Earlier Year Tax		-	-
VII	Profit / (Loss) after tax for the period (V - VI)		-349.22	-2,010.88
VIII	Other Comprehensive Income			
IX	Total Comprehensive loss for the Year		-349.22	-2,010.88
X	Earnings per equity share			
	(a) Current tax expense for current year		(3.05)	(17.57)
	(b) Diluted		(3.05)	(17.57)

As per our attached report of even date

For H Rajen & Co.  
Chartered Accountants  
Firm registration No. 108351W

*Bharat*  
CA. Bharat Kumar  
Partner  
Membership no.175787



Place : Mumbai  
Date : 30-May-22

For and on behalf of the Board of Directors

*R.B. Somany*  
R.B. Somany  
Managing Director

*Amitabh Kejriwal*  
Amitabh Kejriwal  
Director

**INDIA DENIM LIMITED**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2022**

**A Equity Share Capital**

Particulars	(Amount in Rs.)
Equity Share Capital	
As at 31st March, 2021	114,450,000
Changes during 2021-22	-
As at 31st March, 2022	114,450,000

**B Other Equity**

Particulars	(Amount in Lacs)			
	Reserve & Surplus			Total
	Securities Premium	Other Reserve	Retained Earnings	
Balance as at 31st March, 2021	312.00	-	-6,653.65	-6,341.65
Total Comprehensive Income for the year 2021-22	-	-	-349.22	-349.22
Addition of other reserve	-	-	-	-
Balance as at 31st March, 2022	312.00	-	-7,002.87	-6,690.87

As per our report of even date

For and on behalf of the Board of Directors

For H Rajen & Co.  
Chartered Accountants  
Firm registration No. 108351W

*Bharat*  
CA. Bharat Kumar  
Partner

Membership no. 175767  
Date: 30-May-2022



*R. B. Somany*  
R. B. Somany  
Managing Director

*Amitabh Kejriwal*

Amitabh Kejriwal  
Director



**INDIA DENIM LIMITED**  
Cash Flow Statement for the year ended 31st March 2022



**INDIA DENIM LIMITED**

Particulars	As At 31st March, 2022 Amount (in Lacs)		As At 31st March, 2021 Amount (in Lacs)	
<b>A. Cash flow from operating activities</b>				
Net Profit (Loss) before extraordinary items and tax		-349.22		-2,010.88
Adjustments for:				
Depreciation and amortisation	227.65		227.65	
Goodwill costs	-		-	
Impairment Exps	95.24		-	
		322.88		227.65
Operating profit before working capital changes		-26.34		-1,783.23
<b>Changes in working capital:</b>				
Adjustments for (increase) / decrease in operating assets:				
Inventories	0.00		398.75	
Trade receivables	-		1,370.45	
Short-term loans and advances	0.35		0.17	
Other current assets	-		-0.03	
Non Current tax assets (net)	-		-	
		0.35		1,769.34
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	-14.71		-5.75	
Other current liabilities	13.02		33.35	
Short-term provisions	12.74		-0.71	
		11.05		26.88
Cash flow from extraordinary items				1.18
Cash generated from operations		-14.94		14.17
Net income tax (paid) / refunds				-
<b>Net cash flow from / (used in) operating activities (A)</b>		-14.94		14.17
<b>B. Cash flow from investing activities</b>				
Capital expenditure on fixed assets, including capital advances				
Sale of Motor Car		-	-	
Interest received		-	-	
<b>Net cash flow from / (used in) investing activities (B)</b>		-		-
<b>C. Cash flow from financing activities</b>				
Proceeds from long-term borrowings (Unsecured Loan)			0.50	
Repayment of long-term borrowings				
Net increase / (decrease) in working capital borrowings	-0.06		1.51	
Finance cost	-		-	
Long Term advances & receivables				
<b>Net cash flow from / (used in) financing activities (C)</b>		-0.06		2.01
<b>Net increase / (decrease) in Cash and cash equivalents</b>		-15.00		15.00
Cash and cash equivalents at the beginning of the year		15.46		0.46
<b>Cash and cash equivalents at the end of the year</b>		0.46		15.46

In terms of our report attached

For H Rajen & Co.

Chartered Accountants

Firm registration No. 108351W

*Bharat*

CA. Bharat Kumar  
Partner  
Membership no. 175787



*R.B. Somany*  
R.B. Somany  
Managing Director

*Amitabh Kejriwal*  
Amitabh Kejriwal  
Director

Place : Mumbai  
Date : 30-May-2022





## Notes forming part of the financial statements

Note	Particulars										
1	<p><b>Corporate information</b></p> <p>India Denim Ltd is a public company (Shares not listed) domiciled in India and incorporated under the provisions the Companies Act, 1956. The Company was engaged in the manufacturing of cotton yarn &amp; Trading of Fabrics. The company had not in operation since last 4 years, due to banking and financial issues. The company catered to both domestic &amp; international markets. The company is having its registered office located at Village Walthera, Dholka - Bagodara Highway, Tal. Dholka Dist. Ahmedabad. The company has installed spinning unit with installed capacity of 17136 spindles (Ring Spinning) and 576 Rotors (Open end Spinning) at plant</p>										
	<p><b>2 Significant accounting policies :</b></p>										
2.01	<p><b>Basis of accounting and preparation of financial statements</b></p> <p>The financial statements of the Company have been prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) For all periods up to year ended 31st March, 2017, the Company prepared its financial statements in accordance with accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended 31st March, 2021 has prepared in accordance with Ind AS. The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities, which are measured at fair value / amortised cost. The financial statements are presented in Indian Rupees (₹), which is the Company's functional and presentation currency and all values are rounded to 'the nearest crore with two decimal, except when otherwise indicated.</p>										
2.02	<p><b>Use of estimates</b></p> <p>The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Company based on its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.</p>										
2.03	<p><b>Property, Plant and Equipment:</b></p> <p>Property, plant and equipment are carried at cost of acquisition or construction, net of Cenvat/Value added tax less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price, borrowing cost and any cost directly attributable to the bringing the assets to its working condition for its intended use.</p> <p>Depreciation on the property, plant and equipment is provided using straight line method over the useful life of assets as specified in schedule II to the Companies Act, 2013. Depreciation on property, plant and equipment which are added during the year, is provided on pro-rata basis succeeding to the month of addition.</p>										
2.04	<p><b>Inventories</b></p> <p>Inventories are valued as under</p> <table border="0"> <tr> <td>1) Raw Material</td><td>- At Net Realisable Value</td></tr> <tr> <td>2) Process stock</td><td>- At Net Realisable Value</td></tr> <tr> <td>3) Finished Goods</td><td>- At Net Realisable Value</td></tr> <tr> <td>4) Waste</td><td>- At Net Realisable Value</td></tr> <tr> <td>5) Stores Consumable &amp; Spares</td><td>- At Net Realisable Value</td></tr> </table> <p>The net realisable value derived after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.</p>	1) Raw Material	- At Net Realisable Value	2) Process stock	- At Net Realisable Value	3) Finished Goods	- At Net Realisable Value	4) Waste	- At Net Realisable Value	5) Stores Consumable & Spares	- At Net Realisable Value
1) Raw Material	- At Net Realisable Value										
2) Process stock	- At Net Realisable Value										
3) Finished Goods	- At Net Realisable Value										
4) Waste	- At Net Realisable Value										
5) Stores Consumable & Spares	- At Net Realisable Value										
2.05	<p><b>Cash and cash equivalents (for purposes of Cash Flow Statement)</b></p> <p>Cash comprises cash on hand and deposits with banks in the terms of Margin Money. 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.</p>										






Note	Particulars
2.06	<b>Cash flow statement</b>  Cash flows are reported 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.
2.07	<b>Depreciation and amortisation</b>  Depreciation has been provided on the straight-line method as per Schedule II of Company act 2013 on the basis of systematic allocation of depreciable amount of an asset over its useful life specified in Part C. Depreciation on additions during the year is provided on pro-rata basis with reference to the date of addition and period of use.
2.08	<b>Revenue recognition</b>  Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales exclude sales tax and value added tax.
2.09	<b>Other income</b>  Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.
2.10	<b>Foreign currency transactions and translations</b>  <u>Initial recognition</u> The company have transactions in foreign currencies during the year.
2.11	<b>Government subsidies</b>  The Company was eligible for 5% Technology Upgradation Fund Scheme, Interest Subsidy.
2.12	<b>Investments</b>  The Company has not made any investment.
2.13	<b>Employee benefits</b>  Contribution to Provident fund, Leave encashment benefits are charged to profit and loss account on accrual basis. Gratuity & other retirement benefits have been recorded on cash basis.





Note	Particulars
2.14	<b>Earnings per share</b>  <b>INDIA DENIM LIMITED</b>
	<p>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) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares 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. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.</p>
2.15	<b>Taxes on income</b>
	<p>Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.</p>
	<p>Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.</p>
	<p>Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originates in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unexpired depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.</p>
	<p>We draw attention that company has not follow the accounting Standard 22 "Accounting for Tax on Income". The Company maintain the deferred tax asset of Rs 2,03,19,855/- Since the company incur losses and uncertainty of future profit,</p>
2.16	<b>Impairment of assets</b>
	<p>The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.</p>
2.17	<b>Provisions and contingencies</b>
	<p>A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.</p>
	<p>The Company has filed the appeal before ITAT against order passed by the CIT (A) for the assessment year 2013 -14 for demand of Rs. 1,223,81,050/- which pending before the ITAT.</p>
2.18	<b>Miscellaneous expenditure</b>
	<p>Preliminary expenses are amortized.</p>



*[Handwritten signature]*



Notes forming part of the financial statements  
 Note 3 Property, Plant and Equipment  
 Tangible assets

DESCRIPTION	Freehold Land	Building	Plant & Machineries	Furniture & Fixtures	Office Equipments	Vehicles	Computers	Amount in Lacs	
								Total	
<u>Cost</u>									
As at 31st March 2021	94.77	1,100.61	3,302.26	13.48	2.61	12.15	6.44	4,532.32	
Additions/Adjustments	-	-	-	-	-	-	-	-	
Deductions/Impairments	-	-	-	-	-	-	-	-	
As at 31st March 2022	94.77	1,100.61	3,302.26	13.48	2.61	12.15	6.44	4,532.32	
<u>Depreciation</u>									
As at 31st March 2021	-	428.69	2,593.38	12.81	2.42	11.54	6.42	3,055.26	
Depreciation for the year	-	34.35	193.29	-	-	-	-	227.65	
Deductions/Impairments	-	-	-	-	-	-	-	-	
As at 31st March 2022	-	463.04	2,786.68	12.81	2.42	11.54	6.42	3,282.91	
<u>Net Book Value</u>									
As at 31st March 2021	94.77	671.92	708.88	0.67	0.20	0.61	0.02	1,477.06	
As at 31st March 2022	94.77	637.56	515.58	0.67	0.20	0.61	0.02	1,249.41	





## Note 4 Deferred Tax Asset (Net)

Particulars	As at 31st March, 2022	As at 31st March, 2021
	Amount	Amount
Deferred Tax Asset	513.19	513.19
Deferred Tax Liability	309.99	309.99
<b>Total</b>	<b>203.20</b>	<b>203.20</b>

## Note 5 Other non-current assets

Particulars	As at 31st March, 2022	As at 31st March, 2021
	Amount	Amount
Other Long term loans & advances	98.56	98.50
Other Advances to Suppliers / Receivables	-	-
Other Balances	-	-
Less: Provision for Impairment	98.56	98.50
<b>Total</b>	<b>95.24</b>	<b>98.50</b>
	<b>3.32</b>	<b>98.50</b>

## Note 6 Inventories

(At lower of cost and net realisable value)

Particulars	As at 31st March, 2022	As at 31st March, 2021
	Amount	Amount
(a) Raw materials	-	-
(b) Work-in-progress	-	-
(c) Finished goods	-	-
(d) Packing Material, Stores and spares	-	-
(e) Wastage & Others (Old and Non Moving Stocks)	168.75	168.75
<b>Total</b>	<b>168.75</b>	<b>168.75</b>

## Note 7 Trade receivables

Particulars	As at 31st March, 2022	As at 31st March, 2021
	Amount	Amount
(a) Trade Receivables considered good - Secured	-	-
(b) Trade Receivables considered good - Unsecured	-	-
(c) Trade Receivables which have significant increase in Credit Risk	1,370.45	1,370.45
(d) Less: - Provision credit impaired (Provision Debited in P&L)	-1,370.45	-1,370.45
<b>Total</b>	<b>-</b>	<b>-</b>

## Note 8 Cash and Cash equivalents

Particulars	As at 31st March, 2022	As at 31st March, 2021
	Amount	Amount
(a) Cash on hand	0.19	0.19
(b) Balances with banks	-	-
(i) In current accounts (refer note 1 below)	0.28	0.28
(ii) Dividend accounts	-	-
(iii) NO LIEN accounts WITH BOB	-	15.00
<b>Total</b>	<b>0.46</b>	<b>15.46</b>







## Note 9 Other Financial Assets

Particulars	Amount in Lacs	
	As at 31st March, 2022 Amount	As at 31st March, 2021 Amount
a. Security deposits With Uttar Gujarat Viz Co. Ltd & others	8.14	8.14
b. Loans and advances		-
(c) Balances with government authorities		
(i) VAT Credit receivable		-
(ii) VAT Refund receivable		-
(iii) Tuff Subsidy receivable	31.26	31.26
(iv) GST ( Net Receivable)	30.05	30.05
d. Other Advances to Suppliers / Receivables		0.35
<b>Total</b>	<b>69.45</b>	<b>69.80</b>

## Note 10 Current Tax Assets (Net)

Particulars	Amount	
	As at 31st March, 2022 Amount	As at 31st March, 2021 Amount
Advance Tax/TDS & Income Tax (Net)	4.10	4.10
<b>Total</b>	<b>4.10</b>	<b>4.10</b>





## Note 11 Equity Share Capital (Share Capital)

Amount in Rs.

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Number of shares	Amount	Number of shares	Amount
(a) Authorised Equity shares of Rs 10/- each	11500000	115,000,000	11500000	115,000,000
	11500000	115,000,000	11500000	115,000,000
(b) Issued Equity shares of Rs 10/- each	11445900	114,459,000	11445900	114,459,000
	11445900	114,459,000	11445900	114,459,000
(c) Subscribed and fully paid up Equity shares of Rs.10/- each	11445900	114,459,000	11445900	114,459,000
	11445900	114,459,000	11445900	114,459,000
<b>Total</b>	<b>11,445,900</b>	<b>114,459,000</b>	<b>11,445,900</b>	<b>114,459,000</b>

## Notes:

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Fresh Issue	Reduction	Closing Balance
Equity shares				
Year ended 31 March, 2020				
- Number of shares	11,445,900	-	-	11,445,900
Amount in (Rs.)	114,459,000	-	-	114,459,000
Year ended 31 March, 2021				
- Number of shares	11,445,900	-	-	11,445,900
Amount in (Rs.)	114,459,000	-	-	114,459,000

(ii) Details of shares held by each shareholder holding more than 5% shares:

Name of shareholder	As at 31st March, 2022		As at 31st March, 2021	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
<b>Equity shares</b>				
1 Konark Synthetic Ltd	7001000	61.17%	7001000	61.17%
2 Kayo Investment & Finance Ltd	1735900	15.17%	1735900	15.17%
3 Trio Meta Chem Pvt Ltd	1065000	9.30%	1065000	9.30%

## Note 12 Other Equity

Amount in Lacs

Particulars	As at 31st Mar, 2022	As at 31st Mar, 2021
	-	-
(i) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	(6,653.65)	(4,642.77)
Add. Total Comprehensive loss for the year	(349.22)	(2,010.88)
Less: Prior Period Adjustment		
Closing balance	(7,002.87)	(6,653.65)
(ii) Security Premium account		
Opening balance	312.00	312.00
Closing balance	312.00	312.00
<b>Total</b>	<b>(6,690.87)</b>	<b>(6,341.65)</b>







## Note 13 Borrowings (Non current Liabilities)

Amount in Lacs

Particulars	As at 31st March, 2022	As at 31st March, 2021
	Amount	Amount
(a) Loans from associate concern		
Unsecured		
a) (Konark Group )	3,755.74	3,755.74
b) Others	92.44	92.44
	3,848.18	3,848.18

## Note 14 Borrowings (ST)

Particulars	As at 31st March, 2022	As at 31st March, 2021
	Amount	Amount
Secured short term borrowings	1,217.73	1,217.73
<b>Total</b>	<b>1,217.73</b>	<b>1,217.73</b>

## Notes:

Details of security for the secured short-term borrowings:

Particulars	As at 31st March, 2022	As at 31st March, 2021
	Amount	Amount
Loans repayable on demand from banks:		
(i) Indian Bank - Cash Credit	581.28	581.28
(ii) Bank of Baroda - Cash Credit	636.45	636.45
<b>Total</b>	<b>1,217.73</b>	<b>1,217.73</b>

## Disclosure :

## Nature of Security

Loans repayable on demand from all the above banks are secured by Hypothecation on the stock of raw materials, semi-finished, finished goods, Stores & Spares, Packing Material, consumables & Book Debts and second charge on Land & Building and Plant & Machinery of the Company. The above secured loans from banks are classified as NPA by banks during 2016-17 and 2017-18, since no transactions are routed through the accounts, interest / charges are not debited by the banks hence balances are remain unchanged.

## Nature of guarantee :

Loans repayable on demand from all the above banks are personally guaranteed by Promoters, Mr. Prakash Dalmia ( Mr. Prakash Dalmia has been expired on 21.08.2021.) & Mr. Amitabh Kejriwal along with Corporate Guarantee of M/s. Konark Synthetics Ltd and M/s. Fillmore Trading and Investment Pvt Limited.

**Notes forming part of the financial statements**
**Note 15 Trade payables**

Particulars	Amount in Lacs	
	As at 31st March, 2022 Amount	As at 31st March, 2021 Amount
Trade payables		
(i) Raw Material	-	-
(ii) Expenses & Others	145.58	160.29
<b>Total</b>	<b>145.58</b>	<b>160.29</b>

**Trade Payables ageing schedule: As at 31st March,2022**

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	-	-	-	145.58	145.58
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>145.58</b>	<b>145.58</b>

**Trade Payables ageing schedule: As at 31st March,2021**

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	-	-	-	160.29	160.29
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>160.29</b>	<b>160.29</b>

Note The Company has not received information from the vendor's regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 Hence Disclosure require by notification dated 16th November 2007 issued by Minister of Company Affairs have not been given.

**Note 16 Other current liabilities**

Particulars	Amount	
	As at 31st March, 2022 Amount	As at 31st March, 2021 Amount
(a) Current maturities of long-term debt (refer note i below)	1,004.14	1,004.14
(b) Other payables		
(i) Statutory Liabilities	2.78	3.34
(ii) Payable to Employees	18.38	17.79
(iii) Other current liabilities		
(a) Konark Synthetics Limited - current account	56.97	56.97
(b) Konark Realtech Pvt Limited - current account	938.23	925.25
(c) income tax provision	-	-
<b>Total</b>	<b>2,020.51</b>	<b>2,007.49</b>

Note (i) Current maturities of long-term debt (Refer Notes (i), in Note 5 - Long-term borrowings for details of security and guarantee):

Particulars	Amount	
	As at 31st March, 2022 Amount	As at 31st March, 2021 Amount
Term loans From Banks	1,004.14	1,004.14
<b>Total</b>	<b>1,004.14</b>	<b>1,004.14</b>

Particulars	Amount	
	As at 31st March, 2022 Amount	As at 31st March, 2021 Amount
<b>Term loans from banks:</b>		
(i) State Bank of India ( 30957207958)	383.30	383.30
(ii) State Bank of India (SB Indore)	7.52	7.52
(iii) State Bank of India	613.32	613.32
<b>Total</b>	<b>1,004.14</b>	<b>1,004.14</b>

**Note 17 Provisions**

Particulars	Amount	
	As at 31st March, 2022 Amount	As at 31st March, 2021 Amount
(a) Provision for Audit Fees	0.45	0.23
(b) Provision for Expenses	12.52	-
<b>Total</b>	<b>12.97</b>	<b>0.23</b>





Note 18 Revenue from operations(gross)		
Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
	Amount in Lacs	
		Amount
(a) Sale of products (refer note 1 below)	-	-
Total	-	-

Note (i) Sale of products comprises :

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
	Amount	Amount
Manufactured goods		
Cotton Yarn & Fabrics		
(a) Domestic	-	-
Total	-	-

Note 19 Other income

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
	Amount	Amount
(a) Interest income - (Refer Note (i) below)	-	0.38
(b )Other non-operating income (net of expenses directly attributable to such income)	-	-
Total	-	0.38

Note (i) Interest income

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Interest income comprises		
(i) Interest from banks/others on deposits	-	-
(ii) Other Interest		
Interest on income tax refund	-	-
Interest on vat refund	-	-
interest on uttar gujarat deposit	-	0.38
Total	-	0.38





## Notes forming part of the financial statements

## Note 20.a Cost of materials consumed

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
	Amount	Amount
Opening stock of Raw Material	-	-
Add Purchases of Raw Material & Fabrics	-	-
Less Closing Stock of Raw Material	-	-
<b>Total</b>		

## Note 20.b Changes in inventories of finished goods and work-in-progress

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
	Amount	Amount
<u>Inventories at the end of the year:</u>		
Finished goods	-	-
Work-in-progress	-	-
Scrap & Consumable	168.75	168.75
Wastage & Others( Old and Non Moving Stocks )	168.75	168.75
<u>Inventories at the beginning of the year:</u>		
Finished goods	-	550.00
Work-in-progress	-	17.50
Scrap & Consumable	168.75	-
Wastage & Others( Old and Non Moving Stocks )	168.75	550.00
<b>Net (increase) / decrease</b>		381.25

Note The accounts of being classified NPA by all the banks , as per order U/S19 received from the Honable DRT Court 1 Ahmedabad for SBI Overseas branch Ahmedabad the company is holding inventories since last 3 years. Being inventories of the company is old/ non moving the value had been considered as per the market reliable.

## Note 21 Employee benefits expense

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
	Amount	Amount
(i) Salaries and wages	2.25	3.00
<b>Total</b>	2.25	3.00

## Note 22 Finance costs

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
	Amount	Amount
(a) Interest expense on		
(i) Borrowings Cost	-	-
(ii) Others expenses	-	-
<b>Total</b>	-	-





Note 23 Other expenses

Amount in Lacs

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
	Amount	Amount
<b>(a) Manufacturing Expenses</b>		
Power and fuel	20.99	2.27
<b>Total</b>	20.99	2.27
<b>(b) Administrative Expenses</b>		
Penalty on Provident Fund Demand	-	-
Late Fees on GST	0.31	1.48
Factory Expenses	-	0.07
Travelling and conveyance	-	0.17
Legal and professional	-	0.10
Security Chgs	120.00	6.21
General Expenses	1.02	0.12
Payments to auditors (Refer Note i below)	4.50	0.45
Miscellaneous Balance w/off	94.08	-
Written Off	-	-
Vat / GST receivable w/off	-	0.54
Bad Debts	-	-
<b>Total</b>	219.91	9.14
<b>Grand Total (a+b)</b>	240.90	11.42

Notes (i) :

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
	Amount	Amount
<b>Payments to the auditors comprises :</b>		
As auditors - statutory audit	0.45	0.45
<b>Total</b>	0.45	0.45



## **INDEPENDENT AUDITOR'S REPORT**

**To the Members of  
India Denim Limited**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **India Denim Limited** (“the Company”), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

### **Opinion**

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 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 31st March 2022, its profit, its cash flows and changes in equity for the year ended on that date.

### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India 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 we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Responsibility of Management for 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 financial statements that give a true and fair view of the financial position, financial performance, changes in equity 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 statement 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.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibility**

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.

### **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 sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters Specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we further 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 purpose of our audit;
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) the Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - d) in our opinion, the aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014;
  - e) on the basis of written representations received from the directors as on March 31, 2022, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, 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 A”;
- g) With respect to the other matters 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 knowledge and information and according to the explanation given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
  - iii. There is no requirement of transferring amount to Investor’s Education and Protection Fund by the company.
  - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
  - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
  - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

For H. Rajen & Co.  
Chartered Accountants  
Firm Registration No– 108351W

CA. Bharat Kumar  
Partner  
M No. 175787  
Place: Mumbai  
Date: 30th May 2022  
UDIN: 22175787AJXXKC7186



**Annexure referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements of our Report of even date to the members of on the accounts of the company for the year ended 31st March, 2022**

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 & equipment;  
(B) The Company does not own any Intangible asset and thus, clause 3(i)(a)(B) is not applicable.  
(b) As explained to us, property, plant & equipment have been physically verified by the management at regular intervals; as informed to us property plant and machinery is not in operation since 2017 due to closer of business as accounts become NPA by banks;  
(c) The title deeds of immovable properties disclosed in the financial statements are held in the name of the company.  
(d) The Company has not revalued its Property, Plant & Equipment and thus, clause (i)(d) is not applicable.  
(e) There are no proceedings that have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988.
- ii. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Inventory;  
(b) As explained to us, location of inventory has been physically verified by the management at regular intervals; as informed to us inventory was not in used since 2017 due to closer of business as accounts become NPA by Banks; and inventory become scraped.  
(d) The Company has not revalued its inventory.
- iii The Company has not been sanctioned working capital limits in excess of five crore rupees or more during the year, in aggregate from banks or financial institutions and total outstating balance is Rs. 12,17,73,009/-
- iv (A) The Company has not granted unsecured loans to Companies as specified in Section 185 & 186 of the Act, therefore this clause is not applicable  
(B) Further, the Company has granted unsecured loans to entities other than in (a) above, the balance outstanding at the balance sheet date is Rs. 98,55,598/-, out of this loan, Rs 95,23,773/- booked as provision for impairment and outstanding balance is Rs 3,31,825/-  
(b) In our opinion, the terms & conditions of the grant of all loans are not prejudicial to the Company's interest.  
(c) The loans in (a) above are repayable on demand and hence, reporting under clause (c), (d) & (e) is not required

- iv. In our opinion and as per the information & explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans and investment made.
- v. The Company has not accepted any deposits from the public or amounts which are deemed to be deposits covered under Section 73 to 76 of the Companies Act, 2013. Hence the directives issued by the Reserve Bank of India and provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the Rules framed there under are not applicable to the Company;
- vi. As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act;
- vii.
  - a) According to the information and explanations given to us and based on the records of the Company examined by us, the Company is irregular in depositing the undisputed statutory dues, including Goods & Service Tax, Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and other material statutory dues, as applicable, with the appropriate authorities in India. As explained to us, the Company have dues on account of Income Tax Rs. 2,78,366/-. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, value added tax, service tax, provident fund and other material statutory dues were in arrears as at 31st March, 2022 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 Income Tax Rs. 2,78,366/- for the Assessment year 2013-14 as statutory dues referred to in sub-clause (a) which have not been deposited on account of any disputes.
- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix.
  - a) The Company Loans repayable on demand from all the above banks are secured by Hypothecation on the stock of raw materials, semi-finished, finished goods, Stores & Spares, Packing Material, consumables & Book Debts and second charge on Land & Building and Plant & Machinery of the Company. The above secured loans from banks are classified as NPA by banks during 2016 -17 and 2017-18, since no transactions are routed through the accounts, interest / charges are not debited by the banks hence balances are remain unchanged.
  - b) The Company has not been declared as a wilful defaulter by any bank or financial institution or government or government authority.
  - c) The Company has not taken any term loan during the year and hence, reporting under clause

3(ix)(c) of the Order is not applicable.

d) The Company has not taken any short term loan during the year and hence, reporting under clause 3(ix)(d) of the Order is not applicable.

e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.

x. a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

xi. a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

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

c) There has been no instance of whistle-blower complaints received by the company during the year under audit.

xii. In our opinion, company is not a Nidhi company and, therefore clause 3(xii) of the order is not applicable.

xiii. Based upon the audit procedures performed and according to the information and explanations given to us, transactions with the related parties are in compliance with sections 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.

xiv. In our opinion, the Company is not required to have an Internal Audit System.

xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year under review, therefore clause 3(xv) of the order is not applicable.

xvi. a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Thus clause 3(xvi)(a), (b) & (c) of the Order is not applicable.

b) In our opinion, there is no Core Investment Company within the group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly, reporting under clause 3(xvi)(d) of the Order is not applicable.

xvii. Based upon the audit procedures performed and according to the information and explanations



given to us, the company has incurred cash losses of Rs. 3,49,22,301/- in the financial year covered by our audit and 20,10,87,969/- in the immediately preceding financial year.

- xviii. There was no resignation of statutory auditors in the previous year.
- xix. According to the information and explanation given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, we are of the opinion that no material uncertainty exists as on the date of audit report that the company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- xx. The Company does not attract the provision of sec 135 of the Companies Act, 2013, thus, clause (xx) of the Order is not applicable.

**For H. Rajen & Co.**  
**Chartered Accountants**  
**Firm Registration No– 108351W**

**CA. Bharat Kumar**  
**Partner**  
**M No. 175787**  
**Place: Mumbai**  
**Date: 30th May 2022**  
**UDIN: 22175787AJXXKC7186**

**ANNEXURE A referred to in Our Independent Auditor's Report to the members of the Company on the financial statements for the year ended March 31, 2022**

**Report on the Internal Financial Controls 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 India Denim Limited ('the Company') as of 31st March, 2022 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, 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 I/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 authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

### **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 2022, 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.

**For H. Rajen & Co.**

**Chartered Accountants**

**Firm Registration No– 108351W**

**CA. Bharat Kumar**

**Partner**

**M No. 175787**

**Place: Mumbai**

**Date: 30th May 2022**

**UDIN: 22175787AJXXKC7186**