

KALAHRIDHAAN TRENDZ LIMITED

CIN: U17299GJ2016PLC092224

Reg. Office: 57, Ashra Industrial Estate, B/h Mahalaxmi Fabrics,

Near Narol Cross Road Ahmedabad (Guj.) 382405 IN

E-Mail: niranjanagarawal1989@gmail.com Tel.: 9879204911

Directors' Report

*Dear Members,
Kalahridhaan Trendz Limited*

Your Directors are pleased to present the 05th Annual Report on business and operations of the Company together with the Audited Accounts and the Auditors' Report of your Company for the financial year ended 31st March, 2021.

FINANCIAL PERFORMANCE:

Key aspects of Company' financial performance for the financial year 2020-21 is tabulated below:
Amount (Rs.)

Particulars	F.Y. 2020-21	F.Y. 2019-20
Total Revenue	1323591399	1343628265
Total Expenditure	1307293110	1336201385
Profit/(Loss) before Taxation	16298289	7426880
Provision for Income Tax	5000000	2539310
Deferred Tax	694158	-53857
Net Profit/(Loss) after Tax for the year	10604131	4941427
EPS (Basic & Diluted) per share rupees	1.74	0.80

OPERATIONS REVIEW:

During the year under review, the Company's total income from operations including other income was at Rs. 1323591399/- as against Rs.1343628265/- of the previous year. The net profit of the Company for the year under review was placed at Rs.10604131/- as against Rs. 4941427/- of the previous year.

DIVIDEND:

No dividend has been recommended in respect of the financial year ended 31st March, 2021 and the entire surplus be ploughed back to the business to meet the needs for additional finance for capital expenditure.

SUBSIDIARY, JOINT VENTURE (JV) AND ASSOCIATE COMPANIES:

The Company does not have any Subsidiary, JV and Associate Company.

FIXED DEPOSIT:

Your Company has not accepted any fixed deposits from the public within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

DIRECTORS:

As per the provisions of Section 152 of the Companies Act, 2013 and Articles of Association of the Company, **Mr. Aditya Niranjan Agarwal (DIN: 07511136)** shall retire at the ensuing Annual General Meeting and being eligible for re-appointment, offers herself for re-appointment.

DECLARATION BY INDEPENDENT DIRECTORS:-

All the Independent Directors have given declaration to the Company stating their independence pursuant to Section 149(6) of the Companies Act, 2013 and there has been no change in the circumstances which may affect their status as independent director during the year.

COMPLIANCE WITH SECRETARIAL STANDARD:-

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

SHARE CAPITAL:

The Authorised capital of the company is Rs.10,50,00,000 Crores divided into 1,05,00,000 equity shares of Rs.10/- each.

The Paid up Share capital of the company is Rs.6,09,45,000 divided into 60,94,500 equity shares of Rs.10/- each .

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the Company with the Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the Company at large. Suitable disclosures as required under AS-18 have been made in the Notes to the financial statements.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

Details of Loans, Guarantees and Investments, if any, covered under the provisions of section 186 of the Companies Act, 2013 are given in the notes to the financial statements.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:

Your Company has laid down the set of standards, processes and structure which enables to implement internal financial control across the Organization and ensure that the same are adequate and operating effectively.

The management of the Company monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with the operating systems, accounting procedures and policies of the Company. Based on the report of management, the process owners undertake the corrective action in their respective areas and thereby strengthen the Control. Significant audit observation and corrective actions thereon are presented to the Board of Directors.

AUDITORS AND AUDITORS' REPORT:

M/s. Anuj H Agarwal & Associates, Chartered Accountants [FRN:-146723W], were appointed as the Statutory Auditors of the Company for a period of one year to fill the casual vacancy caused by resignation of M/s. Bharat H Shah & Co. Chartered Accountants, and to hold the office of the Auditors until the conclusion of the upcoming 5th Annual General Meeting of the Company.

Now, the board has proposed to appoint M/s. Anuj H Agarwal & Associates, Chartered Accountants [FRN:-146723W] as Statutory Auditor of the Company for a period of Five years Commencing from the conclusion of this 05th AGM till the conclusion of 10th AGM to be held in year 2026. The Company has received the consent from the Auditors and confirmation to the effect that they are not disqualified to be appointed as the Auditors of the Company in the terms of the provisions of the companies Act, 2013 and the rules made thereunder.

Maintenance of Cost Records has been specified by the central government under sub section (1) of section 148 of the Companies act, 2013 not applicable to the Company.

AUDITOR'S REPORT:

The Statutory Auditors' Report on the accounts of the Company for the accounting year ended 31st March, 2021 is self-explanatory and do not call for further explanations or comments that may be treated as adequate compliance of Section 134 of the Companies Act, 2013

SOCIAL OBLIGATION:

Your Company is fully aware of responsibility towards its own employees, their dependents and the local community within which the works are situated. Our driving objective has been to improve living and working condition of our large workforce and their dependents. There has been a constant endeavor to interact with the workers on a day to day basis and promptly resolve issues that surface.

LABOUR RELATIONS:

Overall relations with the labour during the year under review are cordial and harmonious. The directors are appreciating the labours and employees in gaining appreciable sales by their efficiency and hard workings.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:

The information as required under the provisions contained in Section 134(3)(m) of the Companies Act, 2013, with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo is as per Annexure-A, enclosed herewith which is forming part of this report.

NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

During the year under review 06 (Six) Board Meetings were convened and held such as 08.04.2020, 25.05.2020, 15.07.2020, 01.10.2020, 28.12.2020 & 25.02.2021. The intervening gap between the two meetings was within the period prescribed under the Companies Act, 2013.

PARTICULARS OF REMUNERATION OF THE DIRECTORS / KEY MANAGERIAL PERSONNEL (KMP)/ EMPLOYEES:

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Companies (Particulars of Employees) Rules, 1975, in respect of employees of the Company and Directors is furnished in the notes of Financial Statements.

BUSINESS RISK MANAGEMENT:

At present the company has not identified any element of risk which may threaten the existence of the Company.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There were no such other material changes occurred subsequent to the close of the financial year of the Company to which the balance sheet relates and the date of the report which can affect the financial position of the Company.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS

No such material Orders have been passed by the Regulators/Court or Tribunals which can impact the going concern status and Company's operation in future.

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('Act') and Rules made there under, an Internal Compliance Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the year, no complaint with allegations of sexual harassment was filed with the Company.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013 and based on the representation received from the Management of the company the Directors hereby confirm that:

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the year of the Company for that year;
- iii) the directors have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv) the directors had prepared the annual accounts on a 'going concern' basis.
- v) The directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating properly; and
- vi) The directors have devised proper systems to ensure compliance with the provision of all applicable laws and that such systems were adequate and operating effectively.

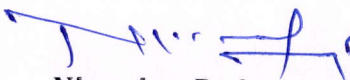
EXTRACTS OF ANNUAL RETURN


The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, in Form MGT-9 is now not required to be furnished as notified vide notification no. G.S.R. 159 (E). dtd. 05thMarch, 2021.


ACKNOWLEDGEMENTS:

The Directors wish to convey their appreciation to business associates for their support and contribution during the year. The Directors would also like to thank the employees, shareholders, customers, suppliers, alliance partners and bankers for the continued support, co-operation and assistance given by them to the Company and their confidence reposed in the management.

***By order of the Board
For, Kalahridhaan Trendz Limited***


Niranjana D. Agarwal
DIN: 00413530
Chairman & Managing Director


Aditya Agarwal
DIN: 07511136
Whole time Director



***Place: Ahmedabad
Date: 26.11.2021***

KALAHRIDHAAN TRENDZ LIMITED

CIN: U17299GJ2016PLC092224

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E-Mail: niranjanagarawal1989@gmail.com Tel.: 9879204911

ANNEXURE-A TO THE DIRECTORS' REPORT

A. CONSERVATION OF ENERGY:

Energy Conservation Measures Taken

Conservation of Energy has always been an area of priority in the Company's operations. The Company is in the process of installation of energy efficient machinery.

B. RESEARCH & DEVELOPMENT:

The Company has no specific Research & Development Department. However, the Company has Quality Control Department to check the quality of different product manufactured.

C. TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION:

The Company always keeps itself updated with all latest technological innovations by way of constant communications and consulting. Efforts are being made to reduce cost and to improve performance.

D. FOREIGN EXCHANGE EARNINGS AND OUTGO:

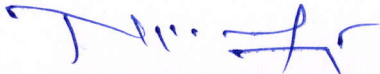
Foreign Exchange Earnings during the year : Rs. NIL

Foreign Exchange Outgo during the year : Rs. NIL

*For and on behalf of the Board
For, Kalahridhaan Trendz Limited*

Place: Ahmedabad

Date: 26.11.2021



Niranjana D. Agarwal

DIN: 00413530

Chairman & Managing Director Whole time Director



Aditya Agarwal

DIN: 07511136

Whole time Director

ANUJ H AGARWAL AND ASSOCIATES

CHARTERED ACCOUNTANTS

Office: 578, New Cloth Market, Outside Raipur Gate, Ahmedabad- 380002

Phone No: (M) 88665 02597 Email-id: anujhagarwalandassociates@gmail.com

INDEPENDENT AUDITOR'S REPORT

**To the Members of
KALAHRIDHAAN TRENDZ LIMITED.**

Report on the Audit of the Financial Statements

Opinion

We have audited the Financial Statements of **KALAHRIDHAAN TRENDZ LIMITED.** ("the Company"), which comprise the balance sheet as at 31st March 2021, and the statement of profit and loss, (*statement of changes in equity*) and statement of cash flows for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information [hereinafter referred to as "the Financial Statements"].

In our opinion and to the best of our information and according to the explanations given to us, 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 principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its profit/loss, (*changes in equity*) and its cash flows for the year ended on that date.

Basis for Opinion

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

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

The Company's Board of Directors is responsible for the other information. The other information comprises the [information included in the X 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 in the 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 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 Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

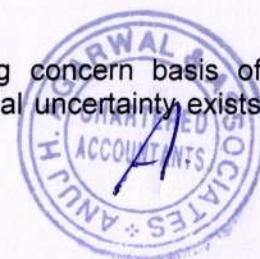
In preparing the Financial Statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

- (i) Planning the scope of our audit work and in evaluating the results of our work; and
- (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 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 account 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, (the Statement of Changes in Equity) and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 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, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact 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. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

UDIN: 22170654AAAAAH6498

For, ANUJ H AGARWAL AND ASSOCIATES
Chartered Accountants
FRN : 146723W

Anuj

CA ANUJ H AGARWAL
Proprietor
M.No : 170654



Ahmedabad
The 26th Day Of November, 2021

ANNEXURE-A TO THE AUDITORS' REPORT

The Annexure referred to in our report to the members of KALAHRIDHAAN TRENDZ LIMITED for the year ended 31st March, 2021.

On the basis of the information and explanation given to us during the course of our audit, we report that:

1.
 - a. The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
 - b. These fixed assets have been physically verified by the management at reasonable intervals there was no Material discrepancies were noticed on such verification.
 - c. The title deeds of immovable properties are held in the name of the company.
2. Physical verification of inventory has been conducted at reasonable intervals by the management and there is no material discrepancies were noticed.
3. The company has not granted loans secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
4. In respect of loans, investments, guarantees, and security all mandatory provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
5. The company has not accepted any deposits.
6. Maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
7.
 - a. The company is regular in depositing undisputed statutory dues including provident fund, Employee's state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities.
 - b. Dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have been deposited on time and no dispute is pending on the part of company.
8. The company hasn't made any default in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.
9. The company hasn't raised any money by way of initial public offer or further public offer (including debt instruments)
10. Neither company has done any fraud nor by its officers or employees so nothing to be disclosed separately.



11. Managerial remuneration has been paid or provided in accordance with the requisite approvals Mandated by the provisions of section 197 read with Schedule V to the Companies Act.
12. Company is not a Nidhi Company hence nothing to be disclosed for any provisions applicable on Nidhi Company.
13. All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards;
14. The company hasn't made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. The company hasn't entered into any non-cash transactions with directors or persons connected with him.
16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

UDIN: 22170654AAAAAH6498

For, ANUJ H AGARWAL AND ASSOCIATES
Chartered Accountants
FRN : 146723W



CA ANUJ H AGARWAL
Proprietor
M.No : 170654



Ahmedabad

The 26th Day Of November, 2021

ANNEXURE - B TO THE AUDITORS' REPORT

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 **KALAHRIDHAAN TRENDZ 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 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

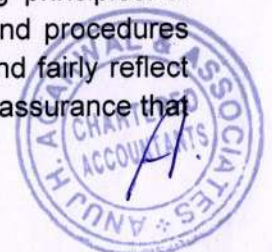
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on 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 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 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 on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

UDIN: 22170654AAAAAH6498

For, ANUJ H AGARWAL AND ASSOCIATES
Chartered Accountants
FRN : 146723W



CA ANUJ H AGARWAL
Proprietor
M.No : 170654



Ahmedabad
The 26th Day Of November, 2021

KALAHRIDHAAN TRENDZ LIMITED
Balance Sheet As At March 31, 2021

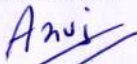
Particulars	Note No.	In INR	
		Figures as at end of	
		Current Reporting Period	Previous Reporting Period
		March 31, 2021	March 31, 2020
EQUITY AND LIABILITIES:			
Shareholders' Funds:			
Share Capital	1	60945000	60945000
Reserves and Surplus	2	39059016	28454885
Share Application Pending Allotment		100004016	89399885
		0	0
Non-Current Liabilities:			
Long Term Borrowings	3	115384127	39274578
Deferred Tax Liability [Net]			
Other Long Term Liabilities		0	0
Long Term Provisions		0	0
Current Liabilities:			
Short Term Borrowings	4	167122841	197801219
Trade Payables	5	185240191	329712774
Other Current Liabilities	6	24591595	14413857
Short Term Provisions	7	5618021	6940403
Total		382572648	548868253
		597960791	677542716
ASSETS:			
Non-Current Assets:			
Fixed Assets:			
Tangible Assets	8	8514088	10337248
Intangible Assets		0	0
Intangible Assets under Development		0	0
Capital Work-in-Progress		0	0
Non-Current Investments		8514088	10337248
Deferred Tax Assets (Net)		389323	349241
Long Term Loans and Advances	9	5277	5277
Other Assets		0	0
Current Assets:			
Current Investments		0	0
Inventories	10	360340384	234947345
Trade Receivables	11	208752462	416963200
Cash and Bank Balances	12	1077384	2068958
Short Term Loans and Advances	13	18794543	12784117
Other Current Assets	14	87330	87330
Total		589052103	666850950
Contingent liabilities & Commitments		597960791	677542716
Significant Accounting Policies			
Notes to the Financial Statements	1 to 25		
The accompanying notes are an Integral part of Financial Statement.			

As per our report of even date

For, ANUJ H AGARWAL AND ASSOCIATES

Chartered Accountants

FRN : 146723W


CA Anuj H Agarwal

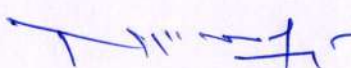
Proprietor

M. No. : 170654

Ahmedabad, Dated: 26/11/2021

UDIN:- 22170654AAAAAH6498

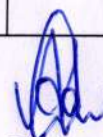




Director

NIRANJANA D AGARWAL

DIN NO - 00413530



Director

ADITYA N AGARWAL

DIN NO - 07511136

KALAHRIDHAAN TRENDZ LIMITED

Statement of Profit and Loss For The Period Ended March 31, 2021

Particulars	Note No.	In INR	
		Figures as at end of	
		Current Reporting Period	Previous Reporting Period
		March 31, 2021	March 31, 2020
REVENUE:			
Revenue from Operations	15	1323591399	1343628265
Other Income	16	0	0
Total Revenue		1323591399	1343628265
EXPENSES:			
Cost of Materials Consumed	17	628742258	742295621
Purchase of Stock in trade		511804741	460108610
Changes in Inventories of Finished goods	18	(71860498)	(94484096)
Employee Benefits Expense	19	2314992	3959676
Finance Costs	20	23020686	21565147
Depreciation and Amortisation expenses	8	1880060	2305504
Other Expenses	21	211390871	200450923
Total Expenses		1307293110	1336201385
Profit before exceptional & extraordinary items and Tax		16298289	7426880
Less: Exceptional Items		0	0
Profit before Tax		16298289	7426880
Less/[Add]: Tax Expense:			
Income Tax		5000000	2539310
Earlier year tax adjustment		734240	0
Deferred Tax		(40082)	-53857
Total Tax Paid		5694158	2485453
Profit for the period		10604131	4941427
Basic & Diluted Earning per Equity Share [EPS] [in Rupees]	22		
Before/After Exceptional Items		1.74	0.81
Significant Accounting Policies			
Notes to the Financial Statements	1 to 25		
The accompanying notes are an Integral part of Financial statement.			

As per our report of even date

For, ANUJ H AGARWAL AND ASSOCIATES

Chartered Accountants

FRN : 146723W

Anuj



CA Anuj H Agarwal

Proprietor

M. No. : 170654

Ahmedabad, Dated: 26/11/2021

UDIN:- 22170654AAAAAH6498

Niranjan D Agarwal

Director

NIRANJAN D AGARWAL

DIN NO - 00413530

Aditya N Agarwal

Director

ADITYA N AGARWAL

DIN NO - 07511136

KALAHRIDHAAN TRENDZ LIMITED
Notes to the Financial Statements

	In INR	
	Figures as at end of	
	Current Reporting Period	Previous Reporting Period
	March 31, 2021	March 31, 2020

Note: 1-Share Capital:

	Current Reporting Period	Previous Reporting Period
Authorised:		
10500000 [as at 31-03-20 : 10500000] equity shares of Rs.10/- each	105000000	105000000
Total	105000000	105000000
Issued, Subscribed and Paid-up:		
6094500 [as at 31-03-20 : 6094500] equity shares of Rs.10/- each	60945000	60945000
Total	60945000	60945000

A The reconciliation of the number of shares outstanding is as under:

	Current Reporting Period	Previous Reporting Period
Number of shares at the beginning	6094500	6094500
Add: shares issued during the period	0	0
Less: Shares bought back/redeemed during the period	0	0
Number of shares at the end	6094500	6094500

B 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 shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The Dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of Interim dividend. The equity shares rank parri passu and carry equal rights with respect to voting and dividend. In the event of liquidation of the Company, the equity shareholders shall be entitled to proportionate share of their holding in the assets remained after distribution of all preferential amounts.

C Details of Share Holders holding more than 5% of Equity Shares of Rs. 10/- each, fully paid:

Name of the Shareholder	Current Reporting period		Previous Reporting period	
	31st March, 2021		31st March, 2020	
	No of Shares	% of Holding	No of Shares	% of Holding
Niranjn D Agarwal	3663449	60.11%	3663449	60.11%
Sunitadevi N Agarwal	1207017	19.81%	1207017	19.81%
Aditya N Agarwal	1223949	20.08%	1223949	20.08%

As per records of the company, including its register of shareholders/members and declaration received from the shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

D Equity shares allotted without payment being received in cash

0 0

E Preference shares allotted without payment being received in cash

0 0

Note: 2-Reserves and Surplus:

	Current Reporting Period	Previous Reporting Period
Security Premium		
Opening Balance	12455000	12455000
Addition during the year	0	0
Closing Balance	12455000	12455000
Surplus/(deficit) in Statement of Profit and Loss:		
Balance as per last Balance Sheet	15999885	11058458
Add: (Loss)/Profit for the reporting period	10604131	4941427
Net surplus in the statement of profit and loss	26604016	15999885
Total	39059016	28454885

Note: 3-Long Term Borrowings:

	In INR			
	Non-current portion		Current Maturities	
	Figures as at end of			
	Current Reporting Period	Previous Reporting Period	Current Reporting Period	Previous Reporting Period
March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	
A Secured Borrowings				
Term Loan From Bank	29255819	0	20998000	0
B Unsecured Borrowings				
a) Intercompany Loans	0	28339479	0	0
b) From Directors, their Relatives & friends	85985137	10021000	0	0
c) From NBFC	143171	914099	751571	638476
Total	115384127	39274578	21749571	638476
The above amount includes:				
Secured borrowings	29255819	0	20998000	0
Unsecured borrowings	86128308	39274578	751571	638476
Amount disclosed under head "Other Current Liabilities" [Note-6]		0	-21749571	-638476
Net Amount	115384127	39274578	0	0

A Securities and Terms of Repayment for Secured Long Term Borrowings:

a Secured Loan is Secured by way of Hypothecation of Stock And Book Debts And Plant And Machinery And Other Movable Assets And Personal Properties of Director's and personal guarantee of Directors. Loans are repayable on monthly instalments at the contract rate of interest.

B Terms of Repayment for Unsecured Long Term Borrowings:

a Unsecured loans taken are to repayable on Demand after 1 Years

C There is no continuous default in repayment of Loan and interest their on as on March 31st, 2021 for Any Loans under this head.



Note: 4:-Short Term Borrowings

A Loans repayable on demand		
a) From Bank		
Total	167122841	197801219
Secured Loan is Secured by way of Hypothecation of Stock And Book Debts And Plant And Machinery And Other Movable Assets And Personal Properties of Director's and personal guarantee of Directors.	167122841	197801219

Note: 5-Trade Payables:

Sundry Creditors For Goods (Unsecured, Considered as Good)	184067838	329099329
Sundry Creditors For Expenses	1172353	613445
Total	185240191	329712774
[*] The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the company is as under:		
Particulars		
Principal amount due and remaining unpaid	0	0
Interest due on above and the unpaid interest	0	0
Interest paid	0	0
Payment made beyond the appointed day during the period	0	0
Interest due and payable for the period of delay	0	0
Interest accrued and remaining unpaid	0	0
Amount of further interest remaining due and payable in succeeding periods.	0	0

Note: 6-Other Current Liabilities:

Current Maturities of Long Term Debt including current maturity of finance lease obligations [Refer Note No. 3]		
Advances from Debtors	21749571	638476
Other Advances	0	11029559
Others:	0	0
Payable to Statutory Authorities (*)		
Total	2842024	2745822
	24591595	14413857

Note: 7-Short Term Provisions:

Provision for Employee Benefits	359731	632033
Provision for Interest(C.C)	0	1300000
Provision for Electricity Expenses	158290	49660
Provision for Audit Fees	100000	67500
Provision for Other Expenses	0	131500
Provision for Income Tax	5000000	4759710
Total	5618021	6940403

Note: 8-Fixed Assets:

INR				
Tangible Assets:	Computers And Data Processing Units	Furniture and Fixtures	Plant And Machinery Plant And Machinery	Total
Gross Block:				
As at March 31, 2020	58604	0	20678706	20737310
Additions	0	56900	0	56900
Disposals	0	0	0	0
Other adjustments	0	0	0	0
As at March 31, 2021	58604	56900	20678706	20794210
Depreciation:				
As at March 31, 2020	44505	0	10355557	10400062
Charge for the Period	8624	2946	1868490	1880060
Disposals	0	0	0	0
As at March 31, 2021	53129	2946	12224047	12280122
Net Block:				
As at March 31, 2020	14099	-	10323149	10337248
As at March 31, 2021	5475	53954	8454659	8514088

- The Borrowing costs capitalised by the Company during the reporting period is Rs. Nil period: Rs. (during the previous reporting Nil)
- The fixed assets acquired on finance lease and lease rent are charged as per the agreed terms.
- Break up of additions, disposals and other adjustments for previous reporting period is as under:

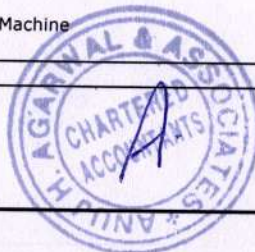
	Tangible Assets		
	Gross Block	Depreciation	Net Block
Opening	24,920,510	8,094,558	16,825,952
Additions	53100	2,305,504	(2,252,404)
Disposals	4,236,300	-	4,236,300
Other adjustments	-	-	-
Closing	20737310	10,400,062	10337248

Note: 9- Long Term Loans and Advances:

[Unsecured, Considered Good]		
Deposites(*)		
Total	5277	5277
	5277	5277
(*) Deposits Includes deposits given for Telephone And Water Machine		

Note: 10-Inventories:

[The Inventory is valued at lower of cost and net realisable value]		
Classification of Inventories:		
Raw Materials	148493972	94961431
Semi Finished And Finished Goods	211846412	139985914
Total	360340384	234947345



Note: 11-Trade Receivables:

[Unsecured]		
Outstanding for a period exceeding six months from the date they are due for payment:		
Considered good	0	0
Others		
Considered good	208752462	416963200
Total	208752462	416963200

Note: 12-Cash and Bank Balances :

Balances with Banks	0	514694
Cash on Hand	1077384	1554264
Total	1077384	2068958

Note: 13-Short Term Loans and Advances:

[Unsecured, Considered Good]		
Interest Free Advances		
Loans and advances to related parties	1210000	1350000
Loans and advances to others	0	3447990
Balances with Revenue Authorities	11944330	7463404
Other Loans & Advances		
Prepaid Expenses	340281	272723
Advances to Supplier	5274932	0
Advances to Staff	0	250000
Other	25000	0
Total	18794543	12784117

Note: 14 :Other Current Assets

CDSL	46320	46320
NSDL	41010	41010
Total	87330	87330



Note: 15-Revenue from Operations:

Sales of Goods		
Sales	1358897524	1361145165
Less:- Sales Return	-35306125	-54884043
Total	1323591399	1306261122
Sales of Services		
Job Work	0	37367143
Total	1323591399	1343628265

Note: 16-Other Income:

Other Non-operating Income		
Total	0	0

Note: 17-Cost of Materials Consumed:

Raw Materials:		
Stock at commencement	94961431	93725102
Add : Purchases	672230974	734710203
	767192405	828435305
Less : Stock at close	148493972	94961431
	618698433	733473874
Add: Freight Expenses	10043825	8821747
	628742258	742295621
Less: Discount	0	0
Total	628742258	742295621
A Details of Consumption of Raw Material [RM] is as under:		
Grey	618698433	733473874

Note: 18-Changes in Inventories:

Stock at close:		
Semi Finished And Finished Goods	211846412	139985914
	211846412	139985914
Less: Stock at commencement:		
Semi Finished And Finished Goods	139985914	45501818
	139985914	45501818
Total	71860498	94484096

Note: 19-Employee Benefit Expense:

Salaries, Bonus and wages	1814601	3481497
Director's Remuneration	300000	300000
Contribution to Provident Fund And other Funds	193846	178179
Staff welfare expenses	6545	0
Total	2314992	3959676

Note: 20-Finance Cost:

Bank Charges	40881	70243
Bank Processing Charges	249600	742850
NBFC Processing Charges	0	49265
Bank Interest Expenses	19983823	13880659
NBFC Interest Expenses	241967	290983
Foreclosure Charges	0	3328187
Interest On GST	2557	12228
Interest On Unsecured Loan	1968968	3109621
Interest On TDS	532890	75374
Other Interest Expenses	0	5737
Total	23020686	21565147



Note: 21-Other Expenses:

Other Manufacturing Expenses		
Processing Charges	195576943	185290330
Electricity Expenses	1293330	1404150
Folding Charges	4184858	4552498
Repairs and Maintenance	219186	30877
Packing Material	1910843	1641893
	203185160	192919748
Selling And Administrative Expenses		
Audit Fees	100000	75000
Comission Expenses	937386	622730
Consulting Fees	194500	599080
Conveyance Expenses	58168	18850
Freight Expenses	144973	473888
General Expenses	53721	38620
GST Expenses	0	1300
GST Late Filling Fees	500	21520
Insurance Expenses	361428	266052
Kasar And Vatav	1525623	1227495
Legal And Professional Fees	313500	3600
Loading And Unloading Expenses	2207639	2135740
Office Expenses	71895	81967
Penalty On TDS	0	21000
Petrol Expenses	7540	33570
Postage And Courier Expenses	87087	89868
Printing And Stationery Expenses	77084	133484
Prior Period Expenses	0	149814
ROC Expenses	1870	0
Rent Expenses	300000	300000
Round Off	11730	23191
Shortage Expenses	155573	241896
Stamping Duty Expenses	1558800	827795
Telephone Expenses	25520	25232
Travelling Expenses	11174	119483
	8205711	7531175
Total	211390871	200450923

Note: 22-Calculation of Earnings per Equity Share [EPS]:

The numerators and denominators used to calculate the basic and diluted EPS are as follows:

A	Profit attributable to Shareholders	INR	10604131	4941427
B	Basic and weighted average number of Equity shares outstanding during the period	Nos.	6094500	6094500
C	Nominal value of equity share	INR	10	10
D	Basic & Diluted EPS :	INR	1.74	0.81

Note: 23 Confirmation letters have not been obtained from Debtors, Creditors, and Loans & Advances. Hence the, balances of these accounts are subject to confirmation, reconciliation and consequent adjustments, if any.

Note: 24 The additional information pursuant to provisions/requirements of the Companies Act, 2013 are specified hereabove to the extent they are applicable to the Company.

Note: 25 Previous year figures have been regrouped/reclassified wherever necessary to correspond with the current year's classifications/disclosure.

Signatures to Significant Accounting Policies and Notes 1 to 25 to the Financial Statements

As per our report of even date

For, ANUJ H AGARWAL AND ASSOCIATES

Chartered Accountants

FRN : 146723W

Anuj



CA Anuj H Agarwal

Proprietor

M. No. : 170654

Ahmedabad, Dated: 26/11/2021

UDIN:- 22170654AAAAAH6498

[Signature]

Director
NIRANJAN D AGARWAL
DIN NO - 00413530

[Signature]

Director
ADITYA N AGARWAL
DIN NO - 07511136

KALAHRIDHAAN TRENDZ LIMITED

CASH FLOW STATEMENT FOR PERIOD ENDED 31ST MARCH 2021

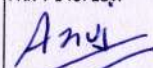
	In INR	
	Figures as at end of	
	Current Reporting Period	Previous Reporting Period
	31/03/2021	31/03/2020
A. CASH ARISING FROM OPERATING ACTIVITIES:		
Net Profit before Tax and Exceptional Items as per Profit and Loss Accounts	16,298,289	7,426,880
ADD/(DEDUCT):		
Depreciation and Amortisation Expenses	1,880,060	2,305,504
Deferred Tax Asset	40,082	53,857
Financial Charges	23,020,686	21,565,147
	24,940,828	23,924,508
Operating Cash Profit Before Working Capital Changes	41,239,117	31,351,388
Change In Working Capital		
Increase (Decrease) in Trade Receivables	208,210,738	66,005,858
Increase (Decrease) in Inventories	(125,393,039)	(95,720,425)
Increase (Decrease) in Other Current Assets	0	11,800
Increase (Decrease) in Short-Term Loans And Advances	(6,010,426)	(1,735,451)
Increase (Decrease) in Trade Payables	(144,472,583)	(128,090,047)
Increase (Decrease) in Other Current Liabilities	10,177,738	9,097,631
Increase (Decrease) in Short term Borrowings	(30,678,378)	(86,338,874)
Decrease (Increase) in Short term Provisions	(1,322,382)	6,082,403
Total Change in Working Capital	(89,488,332)	(230,687,105)
Cash flow from operation	(48,249,215)	(199,335,717)
Less:- Direct Taxes Paid	5,734,240	2,539,310
Net Cash Inflow/(Outflow) in the Course of Operating Activities after Exceptional Items	(53,983,455)	(201,875,027)
B. CASH FLOW ARISING FROM INVESTING ACTIVITIES:		
Inflow:		
Sale of Assets	0	4,236,300
Interest & Dividend Received	0	0
	0	4,236,300
Outflow:		
Increase in the Long Term loans & advances Given	0	0
Capital Work in Progress	0	0
Purchase of Fixed Assets	(56,900)	(53,100)
	(56,900)	(53,100)
Net Cash Inflow/(Outflow) in the course of Investing Activities	(56,900)	4,183,200
C. CASH FLOW ARISING FROM FINANCING ACTIVITIES:		
Inflow:		
Increase in Long Term Borrowings	76,109,549	216,877,560
Increase in Deferred Tax Asset	(40,082)	(53,857)
	76,069,467	216,823,703
Outflow:		
Finance charges	(23,020,686)	(21,565,147)
	(23,020,686)	(21,565,147)
Net Cash Inflow/(Outflow) in the Course of Financing Activities	53,048,781	195,258,556
Net Increase/(Decrease) in Cash and Cash Equivalents	(991,574)	(2,433,271)
Add: Opening Balance of Cash and Cash Equivalents	2,068,958	4,502,229
Closing Balance of Cash and Cash Equivalents	1,077,384	2,068,958

As per our report of even date

For, ANUJ H AGARWAL AND ASSOCIATES

Chartered Accountants

FRN : 146723W



CA Anuj H Agarwal

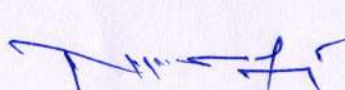
Proprietor

M. No. : 170654

Ahmedabad, Dated: 26/11/2021

UDIN:- 22170654AAAAAH6498





Director
NIRANJANA D AGARWAL
DIN NO - 00413530



Director
ADITYA N AGARWAL
DIN NO - 07511136

KALAHRIDHAAN TRENDZ LTD

Notes Forming part of Accounts for the period on 31st March, 2021

I. SIGNIFICANT ACCOUNTING POLICIES

• **Basis of Accounting:**

These financial statements are prepared under historical cost convention on the "Accrual Concept" of accountancy in accordance with the accounting principles generally accepted in India and they comply with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2014 issued by the Central Government to the extent applicable and with the applicable provisions of the Companies Act, 2013.

The company generally follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.

• **Use of Estimates:**

The preparation of financial statements in conformity with the GAAP generally accepted in India requires, the management to make estimates and assumptions in respect of certain items like provisions for doubtful debts, impairment of fixed assets etc. that effect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and reported amount of revenues and expenses for the year. Actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in current and future period.

• **Fixed Assets:**

i). Fixed assets are stated at historical cost of acquisition/construction less accumulated depreciation Cost (net of input tax credit received/receivable) includes related expenditure and pre-operative and project expenses for the period up to completion of construction/assets are put to use.

ii). Expenditure (including financial cost relating to borrowed funds for construction or acquisition of fixed assets) incurred on projects under implementation are being treated as pre-operative expenses pending allocation to the assets and are shown under "Capital Work in progress" and are allocated to respective fixed assets in the year of commencement of the Commercial Production.

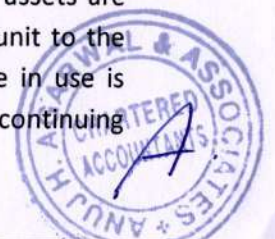
• **Depreciation**

Pursuant to the enactment of the Companies Act 2013, the company has applied the estimated useful lives as specified in schedule-II. Accordingly, the unamortized carrying value is being depreciated over the revised/remaining useful lives.

Depreciation on fixed assets is provided on "**Written Down Value Basis**" at the rate prescribed in Schedule II to the Companies Act, 2013.

• **Impairment of Assets:**

The Company, at each balance sheet date, assesses whether there is any indication of impairment of any assets and/or cash generating unit. If such indication exists, assets are impaired by comparing carrying amount of each assets and/or cash generating unit to the recoverable amount being higher of the net selling price or value in use. Value in use is determined from the present value of the estimated future cash flow from the continuing use of the assets.



- **Revenue Recognition:**
 - i). Sale of goods is recognised at the time of transfer of substantial risk and rewards of ownership to the buyer for a consideration. Sales is net of GST.
 - ii). Revenue in respect of other income is recognised when no significant uncertainty as to its determination or realisation exists.
- **Inventories:**

As certified by the management, the company has kept proper records of inventories. Inventories are valued at lower of cost or net realisable value. The cost of inventories is computed on FIFO basis. The Cost of finished goods and Work in process include cost of conversion and other cost incurred in bringing the inventories to their present location and condition.
- **Employee Benefits:**

Employee benefits are provided in the books as per AS-15. As certified by the management the company has liability under the provident fund an employee stock insurance scheme. Further it is informed to us that no employee has put the eligible period of service, hence no provision is required to be made as per the Gratuity Act in 1972. The company provides for the encashment of leave or leave with pay subject to certain rules.
- **Investments:**

Trade investments are the investments made to enhance company's business interests. Investments are classified as current or long term based on management intentions. Current investments are carried at the lower of cost and fair value of each investment individually. Long term investments are carried at cost less provisions recorded to recognize any decline, other than temporary, in the carrying value of each investment.
- **Cash and Cash Equivalents:**

Cash and cash equivalents comprise cash and cash on deposits with bank and financial institutions. The company considered all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.
- **Cash Flow Statement:**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expense associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.
- **Provisions, Contingent Liabilities and Contingent Assets:**

Provisions involving substantial degree of estimation is measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.



- **Acceptance of Deposits :**

During the year under the audit, the company has not accepted deposits from public as covered U/s 73 of the Companies Act, 2013.

- **Taxation :**

i). Tax expenses comprises, deferred and fringe benefit tax.

ii). Current tax and fringe benefit tax is measured at the amount expected to be paid in accordance with the provisions of the Income Tax Act, 1961.

iii). Deferred tax reflects the impact of current year timing differences between book and tax profits and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and laws that have been enacted or substantively enacted as of the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

- **APPLICABILITY OF AS-22 :-**

To comply with the requirements of the Accounting Standard 22(AS 22) "Accounting for Taxes on Income" issued by the Institute of the Chartered Accountant of India, the company has created Deferred Tax Asset in the books of accounts amounting of Rs.40082 /- The said asset has arisen on accounts of the difference in the Depreciation.

- **APPLICABILITY OF AS-18 :-**

In accordance with the requirements of the Accounting Standard 18(AS 18) "Related Party Transactions" issued by the Institute of the Chartered Accountant of India, the following person are considered as Related Party as defined in AS-18

Sr. No.	Name	2020-2021 Amount	Relationship	Nature of Transaction
1	Aditya N Agarwal	150000/-	Director	Remuneration
2	Aditya Exim	150773564/-	Sister Concern	Job work purchase
3	Manish Garment	300000/-	Sister Concern	Rent
4	Niranjan Agarwal	150000/-	Director	Remuneration
5	Aditya Exim	51933378/-	Sister Concern	Sales
6	Manish Garment	6726995/-	Sister Concern	Sales
7	Manish Garment	6006191/-	Sister Concern	Purchase And Job-Work
8	KATEX EXIM PVT LTD	95040/-	Sister Concern	Purchase



- **APPLICABILITY OF AS-16 Borrowing Cost :-**

Borrowing Costs, that are attributable to the acquisition or construction of qualifying assets, are capitalised as part of the cost of such assets upto the commencement of commercial operations. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing cost are recognised as expense in the year in which they are incurred.

- **ADDITIONAL INFORMATION :**

Additional information required to be given as per para 3 & 4 Schedule III of the Companies Act,2013 is not furnished by the company.

- **AUDITORS REMUNERATION :-**

Auditor's Remuneration is 1,00,000/-

- **MANAGERIAL REMUNERATION :-**

Sr.no.	Name of Directors	Amount
1	Niranjnabhai Agarwal	150000/-
2	Adityabhai Agarwal	150000/-

- Expenditure in Foreign Currency: The Company has not made any expenditure in foreign currency.
- The Company has not received information from vendors regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amounts unpaid as at year end together with interest paid/payable under this Act has not been given.
- **Details of the Debtors exceeding more than 6 months & less than 6 months are as under:-**
The same has been certified by the management.

Sr. No.	Particulars	Amount()
1	Debtors Less than 6 months	208752462/-
2	Debtors More than 6 months	-
	TOTAL	208752462/-

II. NOTES ON ACCOUNTS.

1. Balances of sundry creditors, sundry debtors, loans and advances are subject to confirmation and adjustment, if any.
2. Closing stock was taken, valued and certified by the Management.
3. The Accounting Standards as prescribed by Institute of Chartered Accountants of India are applied wherever applicable while preparing and presenting financial statement.
4. We have relied on the information given by the assessee in connection with the payments made to relatives and sister concern under section 40A (2) (b) of the Income Tax Act, 1961.



5. We have relied on the information given by the assessee regarding deposit received and its repayment by account payee cheque and draft from or to the depositors in connection with accept or repayment under section 269SS and 269T of the Income Tax Act, 1961.
6. On the basis of information and explanation provided to us, no quantitative records are maintained by the company on the account of complexity involved in it and therefore, we are unable to verify and produce the details regarding the same.
7. Inventories are derived on the basis of physical verification at the end of the year and has been taken as valued and certified by the Directors.
8. Previous year figures are regrouped or rearranged where ever it was necessary to make them with that of current year.
9. Closing Balance of GST and Turnover during the year as shown in the books is subject to reconciliation with the GST Return.

