



INDEPENDENT AUDITORS' REPORT

UDIN : 23016613BGZEZA2147

TO,
THE MEMBERS OF SHANTI SPINTEX LIMITED
Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **SHANTI SPINTEX LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2023, and the statement of Profit and Loss, Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

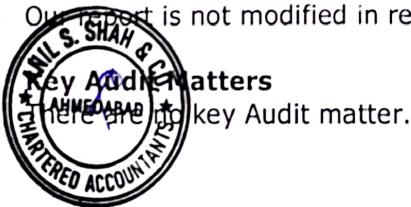
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at **31/03/2023**, and its Profit and other comprehensive income and cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matters

Our report is not modified in respect of these matters.



Other Information (or another title if appropriate, such as "Information Other than the Standalone Financial Statements and Auditors' Report Thereon")

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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.

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

In preparing the financial statements, management 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.

These 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 scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events



in a manner that achieves fair presentation.

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

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

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 in Our opinion and according to the information and explanation given to us, the details of the said Order specified in paragraph 3 and 4 of the order are given to the extent applicable in **Annexure A** to this Report.

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 (including Other Comprehensive Income), the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the account.



In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on **31/03/2023** taken on record by the Board of Directors, none of the directors is disqualified as **31/03/2023** 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, we give report of the same in **Annexure B** to this Report.

(g) As proviso to rule 3(1) of the Companies (Accounts) Rules,2014 is applicable for Company w.e.f. April1, 2023, reporting under clause is not applicable.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, remuneration has been paid by the Company to its directors during the year in compliance of the provisions of section 197 of the Act.

(i) 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 has disclosed the impact of pending litigations on its financial position in its financial statements.
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- iii. There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund by the Company. The question of delay in transferring such sums does not arise.
- iv. a) The management has represented that to the best of its knowledge and belief, no funds have been advanced or loaned invested (either by borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding. Whether recorded in writing or otherwise. that the intermediary shall :



i) Directly or indirectly lend or invest in other persons or entities identified
In any manner whatsoever ('Ultimate Beneficiaries') by or on behalf of the Company or

ii) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

b) The management has represented that to the best of its knowledge and belief, no Funds have been received by the Company from any persons or entities including foreign entities (Funding Parties). With the understanding, whether recorded in writing or otherwise that the Company shall:

i) Directly or indirectly lend or invest in other persons or entities identified
in any manner whatsoever ('Ultimate Beneficiaries') by or on behalf of the Funding Party or

ii) Provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries and

c) Based on such audit procedures as considered reasonable and appropriate in the circumstances. Nothing has come to our notice that has caused us to believe that the representations made in sub clause 4(a) and 4(b) above contain any material misstatement.

d) According to the information and explanations given to us the Company has not declared or paid dividend during the year.

Date : 01.09.2023
Place : Ahmedabad



FOR ANIL S SHAH & CO.
(Chartered Accountants)
F.R.N. : 10047W

(CA ANIL S SHAH)
Partner
M.No. : 016613

Annexure – “A “ to the Independent Auditor’s report on the standalone financial statements of SHANTI SPINTEX LIMITED for the year ended 31st March, 2023

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

- i) (a) (A)** The company has maintained proper records showing full particulars including quantitative details and situation of it's Property, plant and equipment.
 - (B)** According to the information and explanations given to us the Company do not have any Intangible Assets.
 - (b)** According to the information and explanations given to us and on the basis of our examination of the records of the Company. In our opinion, this periodicity of physical verification of it's property, plant and equipment. is reasonable having regard to size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
 - (c)** According to the information and explanations given to us and on the basis of our examination of the records of the Company. The title deeds of the immovable properties (other than immovable properties where the company is the lessee and the lease agreements are duly executed in favor of lessee) disclosed in the financial statements are held in the name of the Company.
 - (d)** According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its property plant and Equipments during the year.
 - (e)** According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against Company for holding any benami property Transactions Act, 1988 and rules made thereunder.
- ii) (a)** The inventory has been physically verified by the management during the year. In our opinion the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between physical stocks and the book records that were 10% or more in the aggregate for each class of inventory.
 - (b)** According to the information and explanations given to us on the basis of our examination of the records of the Company. The Company is not in receipt of any working capital loan during the reporting period hence reporting under the said clause is not applicable.
 - iii)** According to the information and explanations given to us and on the basis of our examination of the records of the company. The Company has granted advance to it's related party and loan to other parties during the year.



(*) AMEDAVISING the year the Company has granted advances to its related party U/S 185 of the Company's Net amounting to Rs .Nil (P.Y. Rs.65,00,000/-) and balance outstanding at

the balance sheet date with respect to such advances as on 31st March,2023 is Rs. Nil (P.Y.Rs.65,00,000/-).

(B) During the year the Company has not granted Loans to other parties and balance outstanding as on 31st March,2023 Rs. Nil (P.Y.RS.65,00,000/-) as follow.

Details of loans and advances of the company during the period under audit :

	Guarantees	Security	Loans	Advance in nature of loans
Aggregate amount granted /provided during the year (Previous Year)	0 0	0 0	0 (65,00,000/-)	0 0
-Subsidiaries	0	0	0	0
-Joint Ventures	0	0	0	0
-Associates (Previous Year)	0 0	0 0	0 (65,00,000/-)	0 0
-Others(loans and advances to related parties and staff)				
Balance Outstanding as at balance sheet date in respect of above cases	0	0	0	0
-Subsidiaries	0	0	0	0
-Joint Ventures	0	0	0	0
-Associates (Previous Year)	0 0	0 0	0 (65,00,000/-)	0 0
-Others-(loans and advances to related parties and staff)				

- (b) According to information and explanations given to us and based on the audit procedures conducted by us. Since the Company has given interest free loan, we are of the opinion that the terms and conditions of the loans given are *prima facie*, prejudicial to the interest of the Company
- (c) According to information and explanations given to us and on the basis of our examination of the records of the Company. In the case of loans and advances given, the repayment of principal and payment of interest has been stipulated re payable on demand, since repayments, since the repayment of loan is not stipulated and also interest free loan given, we are unable to opine whether repayment of loan is regular or not .
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, since the repayment of loan is not stipulated, we are unable to opine whether there is overdue amount for more than ninety days in respect of loans given.



According to information and explanations given to us and on the basis of our examination of the records of the Company. There is no loan given falling due during the

year, which has been renewed or extended or fresh loans given to settle the overdues of existing loans given to the same party.

- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company. The Company has given loans either repayable on demand or without specifying any terms or period of repayment.
- iv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not provided any guarantee or security, however given loans of Rs. 65,00,000/- (P.Y Rs.65,00,000/-) as specified under Section 185 of the Companies Act, 2013. Further the Company has complied with the provision of Section 185 of the Companies Act, 2013 in relation to loans given. Further the Company has not provided or any guarantee or security as specified under Section 186 of the Companies Act, 2013. Further the Company has complied with the provision of Section 186 of the Companies Act, 2013 in relation to loans given and investments made.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly clause 3(v) of the order is not applicable.
- (vi) Pursuant to the rules made by the Central government of India, the Company is required to maintain cost records as specified under section 148(1) of the Act. We have broadly review the same and are of the opinion that *prima facie*, the prescribe accounts and records have been made and maintained. However, we have not made detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) According to information and explanations given to us and based on our examination of records of the Company has been generally regular in depositing the undisputed statutory dues including Goods and Service Tax, Provident Fund, Investor education fund, employee state insurance, income tax and any other material statutory dues applicable to it with the appropriate authorities.

According to information and explanation given to there is no undisputed statutory tax payable outstanding as at March, 2023 for a period of more than Six Months from the date of they become payable.

(b) According to information and explanations given to us there are no dues of Goods and Service Tax, Provident Fund, Investor education fund, employee state insurance income tax and any other material statutory dues which have not been deposited by the Company on account of dispute.

(viii) In our opinion and according to information and explanations given to us and on the basis of our examination of records of the Company. The Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(i) According to the information and explanations and on the basis of our examination of the ~~records~~ of the Company, the Company has not defaulted from any loans or from any lender during the year.



- (b) According to the information and explanations given to us and on the basis of our examination the records of the Company, the Company has not been declared wilful defaulter by any bank of financial institution or government or government authority.
- (c) According to the information and explanations given to us by the management, the Company has applied the funds of the term loan for the purpose for which it was obtained.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds have been raised on short term basis for long term basis by the Company. Accordingly clause 3(ix) (d) of the Order is not applicable.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix) (e) of the order is not applicable.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. Accordingly clause 3(ix) (f) of the Order is not applicable.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly clause 3(x) (a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly clause 3(x) (b) of the order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering principles of materiality outlined in the Standards on Auditing. We report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit during the year.
- (b) According to the information and explanations given to us, no report under subsection (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have not received any information about Whistle Blower Complaints from the Company.



(xi) (a) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

- (xiii) In our opinion and according to the information and explanations given to us, the transactions with the related parties are in compliance with the Section 177 and 188 of the Companies Act, 2013 where applicable, and the details of the related party transactions have been disclosed in the Standalone financial statements as required by the applicable Indian Accounting Standards.
- (xiv) In our opinion, the Company has an internal audit system commensurate with the size and nature of it's business of the Company. We have considered the report of internal auditor for the period under audit received till the date of this report.
- (xv) In our opinion and according the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act,1934. Accordingly clause 3(xv) (a) of the order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly clause 3(xvi) (b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company as defined in the regulations made by the Reserve Bank of India. Accordingly clause 3(xvi) (c) of the Order is not applicable.
- (d) According to the information and explanations provided to us during the course audit, the Group does not have any CIC. Accordingly the requirements of the clause 3(xv) (d) are not applicable.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year:
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly clause 3(xviii) of the order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, aging and expected dates of realisation of financial assets and payment of the financial liabilities, other information accompanying the financial statements, our knowledge of the board of directors and managements plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on facts upto the date of the audit report. 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) According to the information and explanations given to us and based on our examination the Company is not covered under liability of CSR. Accordingly Clause 3(xx) is not applicable to the Company.

Date : 01.09.2023
Place : Ahmedabad



FOR ANIL S SHAH & CO.
(Chartered Accountants)
F.R.N. : 100474W

Anil S. Shah

(CA ANIL S SHAH)

Partner

M.No. : 016613

Annexure - 'B'

To the Independent Auditors' Report to the members of SHANTI SPIN TEX PRIVATE LIMITED for the year ended 31st March, 2023 on the financial statements

(Referred to in paragraph 2(F) under ' Report on Other Legal and Regulatory Requirements ' section of our report of even date)

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 standalone financial reporting of SHANTI SPIN TEX PRIVATE LIMITED as at 31st March, 2023 in conjunction with our audit of 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.



Report on Internal Financial Controls over Financial Reporting

Internal financial control over financial reporting is a process designed to provide assurance regarding the reliability of financial reporting and the preparation of

financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

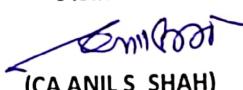
In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2023, based on the internal control over financial reporting criteria 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.

Date : 01.09.2023

Place : Ahmedabad



FOR ANIL S SHAH & CO.
(Chartered Accountants)
F.R.N. : 100474W


(CA ANIL S SHAH)

Partner
M.No. : 016613

SHANTI SPINTEX LIMITED

Sub Plot 1, Unit 1, Survey No. 297, Dholi Integrated Spinning Park Limited, Dholi, Dholka Ahmedabad

-382240, Gujarat

CIN: U17120GJ2010PTC062084

BALANCE SHEET AS ON 31st March, 2023

Particulars	Note No.	Amount in Lacs	
		As at 31st March, 2023	As at 31st March, 2022
A EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	3	710.00	710.00
(b) Reserves and Surplus	4	4899.70	3160.72
(c) Money received against share warrants			
2 Share application money pending allotment		00	.00
3 Non-Current Liabilities			
(a) Long-Term Borrowings	5	3063.29	3937.38
(b) Deferred tax liabilities (net)	14	738.16	11.97
(c) Other Long-Term Liabilities	6	20.69	121.55
(d) Long-term provisions	7	7.29	.42
4 Current Liabilities			
(a) Short-Term Borrowings	8	1114.37	931.26
(b) Trade Payables	9		
(i) Total outstanding dues of micro enterprises and small enterprises		.00	.00
(ii) Total outstanding dues of Creditors other than micro enterprises and small enterprises		6665.65	3300.66
(c) Other Current Liabilities	10	98.52	48.12
(d) Short-term provisions	11	270.67	57.80
TOTAL		17588.33	12279.88
B ASSETS			
1 Non-Current Assets			
(a) Property, Plant & Equipment and Intangible assets			
(i) Property, Plant & Equipment	12	6415.21	4059.80
(ii) Intangible Assets		.00	.00
(iii) Capital Work in Progress	12(a)	.00	27.12
(iv) Intangible assets under development			
(b) Non-Current Investments	13	200.00	200.00
(c) Deferred Tax Assets (net)	14	.00	00
(d) Long-Term Loans and Advances	15	.00	1147.76
(e) Other non-current assets	16	182.88	186.80
2 Current Assets			
(a) Current investments		.00	.00
(b) Inventories	18	1885.47	688.82
(c) Trade Receivables	19	6753.12	5010.35
(d) Cash and Bank Balances	20	484.69	313.81
(e) Short-Term Loans and Advances	21	1634.59	645.41
(f) Other current assets	22	32.38	.00
TOTAL		17588.33	12279.88

The Schedules referred to above are an integral part of Profit & Loss
Significant Accounting Policies and Notes on Accounts as Note "1"

As per our report of even date,

UDIN:23016613BGZEZA2147
For M/s ANIL SHAH & CO.
Chartered Accountants
FRN : 100474W

Anil Shah
Anil Shah
Partner
Membership No : 016613

Place : Ahmedabad
Date: 01.09.2023



For and on behalf of the Board

Bharatbhusan Agarwal
Bharatbhusan Agarwal
Director
DIN: 302785

Rikin Agarwal
Rikin Agarwal
Director
DIN: 2435645

Mohini Singhal
Mohini Singhal
Company Secretary
Membership No. A47724

Place : Ahmedabad
Date: 01.09.2023



SHANTI SPINTEX LIMITED

Sub Plot 1, Unit 1, Survey No. 297, Dholi Integrated Spinning Park Limited, Dholi, Dholka Ahmedabad -382240, Gujarat

CIN: U17120GJ2010PLC062084

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDING ON 31st March,2023

Particulars	Note No.	Amount in Rs.Lacs	
		As at 31st March, 2023	As at 31st March, 2022
A CONTINUING OPERATIONS			
1 Revenue from Operations	23	37033.22	25490.94
2 Other Income	24	38.05	34.44
Total Income		37071.27	25525.38
3 Expenses			
(a) Cost of materials consumed	25	33289.08	22340.21
(b) Purchases of Stock-in-trade	26	-	-
(c) Changes in inventories of finished goods, work-in-progress and stock in trade		-1072.89	-126.57
(d) Employee Benefits Expense	27	254.82	215.01
(e) Finance Costs	28	337.38	240.61
(f) Depreciation & Amortisation Expense	12	451.55	675.25
(g) Other Expenses	29	2397.45	1882.00
Total Expenses		35657.39	25226.51
4 Profit / (Loss) before exceptional and extraordinary items & tax		1413.88	298.87
5 Exceptional Items		-	-
6 Profit / (Loss) before extraordinary items & tax		1413.88	298.87
7 Extraordinary Items		-	-
8 Profit / (Loss) before tax		1413.88	298.87
9 Tax Expense :			
Current Tax		255.73	31.30
Deferred Tax		140.24	45.42
Earlier Years		5.11	-
Net Tax Expense		401.08	76.72
10 Profit/ (Loss) from continuing operations for the Year		1012.80	222.15
Profit/(loss) from discontinuing operations		-	-
Tax expense of discontinuing operations		-	-
Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		-	-
Profit/ (Loss) after tax (XI + XIV)		1012.80	222.15
Earnings Per Equity Share (F. V. of <input type="checkbox"/> 10/- each) :	32		
Basic and Diluted (<input type="checkbox"/>)		7.13	3.13

The Schedules referred to above are an integral part of Profit & Loss
Significant Accounting Policies and Notes on Accounts as Note "1"

For and on behalf of the Board



Bharatbhushan Agarwal
Director
DIN: 302785

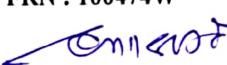

Rikin Agarwal
Director
DIN: 2435645




Mohini Singh
Company Secretary
Membership No. A47724



As per our report of even date,
UDIN: 23016613BGZEZA2147
For M/s ANIL SHAH & CO.
Chartered Accountants
FRN : 100474W


Anil Shah
Partner
Membership No : 016613
Place : Ahmedabad
Date: 01.09.2023

SHANTI SPINTEX LIMITED

Sub Plot 1, Unit 1, Survey No. 297, Dholi Integrated Spinning Park Limited, Dholi, Dholka Ahmedabad -382240, Gujarat

U17120GJ2010PLC062084

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31st March, 2023

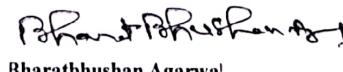
Particulars	Note No:	Amount in Rs.Lacs	
		As at 31st March, 2023	As at 31st March, 2022
A. Cash Flow from Operating Activities			
Net Profit After Tax		1012.80	222.15
<u>Adjustments for :</u>			
Depreciation and amortisation expense		451.55	675.25
Interest expenses		337.38	238.04
Interest and other income on investments		-5.84	-5.08
Deferred tax Asset/ Liabilities		140.24	45.42
Operating Profit Before Working Capital Changes		1936.13	1175.78
<u>Changes in Working Capital :</u>			
(Increase)/ Decrease in Inventories		-1196.65	-367.48
(Increase)/ Decrease in Trade Receivables		-1742.77	-1333.90
(Increase)/ Decrease in Advances		-989.18	528.45
Increase / (Decrease) in Trade Payables		3364.99	540.11
Increase / (Decrease) in Short Term Provisions		212.45	37.06
Increase / (Decrease) in Other Current Liabilities		50.40	-4.92
(Increase) / Decrease in Other Current Assets		-32.38	1.77
(Increase) / Decrease in Other Non- Current Assets		3.92	-49.06
Increase / (Decrease) in Short Term Borrowings		183.11	50.35
Increase / (Decrease) in Other Long Term Liabilities		-100.87	25.79
		-246.96	-571.84
Net Cash flow from / (used in) Operating Activities		1689.17	603.94
B. Cash Flow from Investing Activities			
Purchases of Tangible Assets		-1460.42	-27.50
Interest Received		5.84	5.08
Net Cash from / (used in) Investing Activities		-1454.58	-22.42
C. Cash Flow from Financing Activities			
Decrease in Long Term Borrowings		-874.09	507.94
Decrease in Long Term Loans and Advances		1147.76	-1132.26
Interest expenses		-337.38	-238.04
Net Cash from / (used in) Financing Activities		-63.71	-862.36
Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)		170.88	-280.84
Cash & Cash Equivalents at beginning of the year	14	313.81	594.65
Cash & Cash Equivalents at end of the year	14	484.69	313.81

In terms of our report of even date annexed

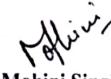
UDIN: 23016613BGZEZA2147

For and on behalf of the Board


Rikin Agarwal
Director
DIN: 302785


Bharatbhusan Agarwal
Director
DIN: 2435645




Mohini Singhal
Company Secretary
Membership No. A47724


Anil Shah
Partner
Membership No : 016613
Place : Ahmedabad
Date: 01.09.2023



SHANTI SPINTEX LIMITED

CIN: U17120GJ2010PLC062084

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note : 3 SHARE CAPITAL	Amounts in Lacs			
	As at 31st March, 2023		As at 31st March, 2022	
	No. of Shares	Amount	No. of Shares	Amount
(a) Authorised :				
Equity Shares of □ 10/- each with voting rights	<u>10,000,000</u>	<u>1000.00</u>	<u>10,000,000</u>	<u>1000.00</u>
(b) Issued, Subscribed & Fully paid-up :				
Equity Shares of □ 10/- each with voting rights	<u>7,100,000</u>	<u>710.00</u>	<u>7,100,000</u>	<u>710.00</u>
	<u>7,100,000</u>	<u>710.00</u>	<u>7,100,000</u>	<u>710.00</u>

(a) Terms / Rights attached to Equity Shares

The Company has only one class of Equity Shares having a par value of □ 10 per share. Each holder of equity shares is entitled to one vote per share. Any shareholder whose name is entered in the Register of Members of the Company shall enjoy the same rights and be subject to the same liabilities as all other shareholders of the same class.

In the event of liquidation of the Company, Equity Shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of the equity shares held by the shareholders.

(b) Details of Shareholders holding more than 5 % (percent) shares in the Company

Name of the Shareholders	As at 31st March, 2023		As at 31st March, 2022	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Equity Shares of □ 10 each fully paid-up				
1. Bharatbhushan O. Agarwal	1,516,900	21.36%	1,516,900	21.36%
2. Rikin B. Agarwal	1,514,200	21.33%	1,514,200	21.33%
3. Urmiladevi B. Agarwal	518,900	7.31%	518,900	7.31%
4. Kautilya Traders Pvt. Ltd.	1,386,000	19.52%	386,000	5.44%
5. Vijay Subham Contrade Pvt. Ltd.	1,276,000	17.97%	-	0.00%
6. Vineeta Chiripal	542,000	7.63%	-	0.00%
7. Rushp Trading LLP	-	0.00%	1,000,000	14.08%
8. Drakensburg Investment Limited	-	0.00%	542,000	7.63%

(c) Reconciliation of number of shares outstanding is set out below:

	As at 31st March, 2023		As at 31st March, 2022	
	No. of Shares	Amount in □ L	No. of Shares	Amount in □ Lakhs
Equity shares at the beginning of the year	7,100,000	710.00	7,100,000	710.00
Add: Shares issued during the year	-	-	-	-
Less: Buy Back	-	-	-	-
Equity shares at the end of the year	7,100,000	710.00	7,100,000	710.00

(f) Shareholding of Promoters as at 31-03-2023

S. No.	Promotor Name	No. of Shares	% of total shares	% Change during the year
1	Bharatbhushan O. Agarwal	1,516,900	21.36%	0.00%
2	Rikin B. Agarwal	1,514,200	21.33%	0.00%
	Total	3,031,100	42.69%	0.00%

Shareholding of Promoters as at 31-03-2022

S. No.	Promotor Name	No. of Shares	% of total shares	% Change during the year
1	Bharatbhushan O. Agarwal	1,516,900	21.36%	0.00%
2	Rikin B. Agarwal	1,514,200	21.33%	0.00%
	Total	3,031,100	42.69%	0.00%

As per records of the Company, including Registers of Shareholders / Members and other declarations received from Shareholders regarding beneficial Interest, the above shareholding represents both legal and beneficial ownerships of shares.



SHANTI SPINTEX LIMITED

CIN: U17120GJ2010PLC062084

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Amounts in Lacs

Note : 4 RESERVES AND SURPLUS	31/03/2023	31/03/2022
Capital Reserve	452.67	452.67
Securities Premium Account	2108.00	2108.00
	<hr/> 2560.67	<hr/> 2560.67
 Surplus in the Statement of Profit and Loss :		
Opening Balance	600.05	377.90
Add : Profit for the year	1012.80	222.15
Add: Transfer to Reserve		
(a) due to change in life of machineries (Refer note no. 4.1)	1272.95	.00
(b) due to rectification of entry (Refer note no. 4.2)	46.47	.00
Less: Deferred Tax due to reestimation of life of machinery (Refer note no. 4.4)	-585.94	.00
Less: Provision for Gratuity of earlier years (Refer note no. 4.3)	-7.30	.00
	<hr/> 2339.03	<hr/> 600.05
Closing Balance	<hr/> 4899.70	<hr/> 3160.72

Note No. 4.1 During the Financial Year 2016-17 the company has provided depreciation on Air Jet Looms and ancillary machineries relying on the Chartered Engineers S.K. PATEL certificate considering the useful life of 10 years instead of 15 years as provided in Schedule II of Companies Act,2013. Now during the year the company has decided to provide depreciation on Air Jet Looms and ancillary machineries considering the life of 25 years relying on chartered engineers Mukesh Shah report and board resolution dated 01-04-2022. Accordingly excess depreciation provided in earlier period from 2016-17 to 2021-22 amounting to 1272.94 has been credited to balance of profit & loss account as on 01-04-2022 under the head Reserves & Surplus and debited to respective assets account. Further (Refer Note No. 12.1 and Note No: 33)

Note No. 4.2 The company has made security deposit amounting to 38.79 during Financial Year 2016-17 & of 51.27 during Financial Year 2017-18 totalling to 90.07 which had been capitalised under the head Electrical Cabling & Other Electrification in respective years and depreciation at applicable rate were provided till 31-03-22. During the year the same has been rectified by reversing depreciation amounting to 46.46 to the balance of statement of Profit & Loss A/c. and debiting to UGCVL Deposits as on 01-04-2022. The UGCVL Deposit now stands as on 01-04-22 90.07 (Refer Note No. 12.2)

Note No. 4.3 Gratuity provision of earlier years as per Actuarial Valuer Ashok Kumar Garg report dated 08 (Refer Note No. 7)

Note No. 4.4 After considering the effect of Note No 4.1, Note 4.2, and Note No. 4.3, the deferred tax liability (Refer Note No. 14) arose due to such change pertaining to prior period adjustment is being given effect in Reserve & Surplus.

Note : 5 LONG-TERM BORROWINGS	31/03/2023	31/03/2022
Secured:		
Term Loan From Bank Term Loan -1 (Refer Note 5.1)	564.43	898.12
Term Loan From Bank Term Loan -2 (Refer Note 5.1)	1345.45	1695.33
Working Capital Term Loan From GECL (Refer Note 5.1)	341.66	582.02
Working Capital Term Loan From GECL Extension (Refer Note 5.1)	352.75	352.20
Term Loan From Bank Car Loan (Refer Note 5.1)	14.60	23.00
Term Loan From Bank -Wind Mill (Refer Note 5.1)	<hr/> 956.45	<hr/> 697.98
	<hr/> 3575.33	<hr/> 4248.64
Less: Current Maturities of Term Loan	744.50	682.00
Less: Current Maturities of GECL	288.01	239.40
Less: Current Maturities of Car Loan	9.86	9.86
Less: Current Maturities of Wind Mill Term	72.00	.00
(Refer Note No:8)	<hr/> 2460.96	<hr/> 3317.38



SHANTI SPINTEX LIMITED

CIN: U17120GJ2010PLC062084

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Amounts in Lacs

Unsecured:			
From Body Corporates	215.00	215.00	
From Directors	387.34	405.00	
(interest free loan from body corporate and Director)			
	<u>3063.29</u>	<u>3937.38</u>	

Refer Note No. 5.1

(A) Details of Term Loan and Security Provided

TERMS OF REPAYMENT	Rate of Interest	31/03/2023	31/03/2022
Term Loan 1 Repayable in Total 27 Quarterly installments commencing from April, 2018 and ending on February, 2025.	11.65%	564.43	898.12
Term Loan 2 Repayable in Total 83 Monthly installments commencing from February, 2019 and ending on June, 2026.	11.65%	1345.45	1695.33
GECL Loan Repayable in Total 36 Monthly installments commencing from August, 2021 and ending on July, 2024 after a moratorium period of 12 months from the date of disbursement.	9.25%	341.66	582.02
GECL Extension Loan Repayable in Total 36 Monthly installments commencing from November, 2023 and ending on October, 2026 after a moratorium period of 24 months from the date of disbursement.	9.25%	352.75	352.20
Car Loan Repayable in Total 84 EMI starting after one month of disbursement	8.60%	14.60	23.00
Term Loan 3 Repayable in Total 90 Monthly installments commencing from April 2023 and ending on September 2030	11.65%	956.45	697.98

(B) (i) Primary Security with Bank for Term Loan 1, Term Loan 2 and GECL

Hypothecation of Stock & Receivables

Hypothecation of Plant & Machinery located at Weaving Unit 1, Survey No. 297, Dholi Integrated Spinning Park Ltd., Dholka, Ahmedabad-382240, Gujarat

(ii) Primary Security with Bank for Term Loan 3 (Wind Mill)

Hypothecation of Stock & Receivables

Hypothecation of Plant & Machinery located at Weaving Unit 1, Survey No. 297, Dholi Integrated Spinning Park Ltd., Dholka, Ahmedabad-382240, Gujarat

Hypothecation of Wind Mill and related Plant & Machinery Purchased out of the Bank Finance located at 217/1, Taluka, Savar Kundla, Amreli

(C) Collateral Security with Bank for Term Loan 1, Term Loan 2 and GECL and Term Loan 3(Wind Mill)

Equitable Mortgage over immovable property at Plot No. 544 owned by M/s. Krishna Traders & 545 owned by M/s. Star Traders admeasuring 644sq. Yards each located at Survey No. 138, Vraj Garden, Nr. 200 Feet Ring Road and Shanti Asiatic School Road, Sanand, Ahmedabad -380058

Equitable Mortgage over Factory Land and Building (admeasuring 8660.36 sqft. Meteres) at Weaving Unit 1, Survey No. 297, Dholi Integrated Spinning Park, Dholka, Ahmedabad -382240

Equitable Mortgage over Immovable property (admeasuring 598 sq. mtrs.) at Flat No./ Plot No.: Unit no. 330, Survey No. / House No. Block No. 161, Vraj Garden, Akshat C.J. Society Ltd., behind Applewoods Scheme, Navi Mumbai City, Ahmedabad -380058
Owned by Vedprakash Chiripal

Pledge of units 741048 of SBI corporate bond fund amounting to Rs. 200,00,000/-
(Refer Note No. 13)



SHANTI SPINTEX LIMITED
CIN: U17120GJ2010PLC062084
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Amounts in Lacs

(D) Guarantee

Personal Guarantee

(i)	Shri Bharatbhushan Agarwal
(ii)	Shri Rikin Agarwal
(iii)	Shri Vedprakash Chiripal
(iv)	Smt. Urmiladevi Chiripal
(v)	Smt. Savitridevi Chiripal

Corporate Guarantee

(i)	M/s. Krishna Traders (Proprietary Firm)
(ii)	M/s. Star Traders (Proprietary Firm)

(E) Primary Security with Bank for Car Loan

Hypothecation of vehicle purchased out of Bank Finance. It is a multi Utility Vehicle.
24.89% margin with personal gurantee of Directors Bharat Bhushan Agarwal & Rikin Bharat Bhushan Agarwal

Note : 6 OTHER LONG-TERM LIABILITIES	31/03/2023	31/03/2022
	20.69	121.55
Creditors for Goods	<u>20.69</u>	<u>121.55</u>

Trade Payables ageing schedule as at 31-03-2023

Sl. No.	Particulars	Outstanding for following periods from due date of payment				Total
		Less than 1	1-2 years	2-3 years	More than	
(i) MSME (Refer note no. 6.1)			15.32		2.02	3.34
(ii) Others		-				20.69
(iii) Disputed dues- MSME		-	-			-
(iv) Disputed dues - Others		-	-			-
Total		.00	15.32	2.02	3.34	20.69

Trade Payables ageing schedule as at 31-03-2022

Sl. No.	Particulars	Outstanding for following periods from due date of payment				Total
		Less than 1	1-2 years	2-3 years	More than	
(i) MSME (Refer note no. 6.1)		-	-	-	-	-
(ii) Others		-	81.45	-	40.10	121.55
(iii) Disputed dues- MSME		-	-	-	-	-
(iv) Disputed dues - Others		-	-	-	-	-
Total		.00	81.45	.00	40.10	121.55

Note No. 6.1 As per information and explanation the company has not gathered information as regards whether supplier of goods and or services are covered under the MSME Act, 2006. Hence, we are unable to provide the required

Note No.:6.2 Outstanding Balances are subject to confirmation and reconciliation, if any.

Not e : 7 LONG-TERM PROVISIONS	31/03/2023	31/03/2022
	7.29	.42
Provision for Gratuity (Refer Note No. 4.3)	<u>7.29</u>	<u>.42</u>



SHANTI SPINTEX LIMITED

CIN: U17120GJ2010PLC062084

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note : 8 SHORT-TERM BORROWINGS	As at 31st March, 2023	Amounts in Lacs □	
		As at 31st March, 2022	

(a) Secured Loans :

Current Maturities of long-term borrowings (Refer Note:5)	1114.37	931.26
	<u>1114.37</u>	<u>931.26</u>

Note : 9 TRADE PAYABLES	31/03/2023	As at 31st March,	
Total outstanding dues of micro & small enterprises (refer note no. 9.1)	6665.65		3300.66
Total outstanding dues of creditors other than micro & small enterprises		<u>6665.65</u>	<u>3300.66</u>

Trade Payables ageing schedule as at 31st March,2023

Sl. No.	Particulars	Outstanding for following periods from due date of payment					Total
		Less than 1 year	1-2 years		2-3 years	More than 3 years	
(i) MSME							6665.65
(ii) Others	6665.65	-					-
(iii) Disputed dues- MSME	-	-		-			-
(iv) Disputed dues - Others	-	-		-			-
Total	<u>6665.65</u>	-		-			<u>6665.65</u>

Trade Payables ageing schedule as at 31st March,2022

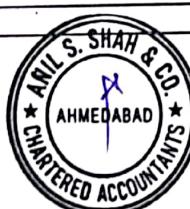
Sl. No.	Particulars	Outstanding for following periods from due date of payment					Total
		Less than 1 year	1-2 years		2-3 years	More than 3 years	
(i) MSME							3300.66
(ii) Others	3300.66	-					-
(iii) Disputed dues- MSME	-	-		-			-
(iv) Disputed dues - Others	-	-		-			-
Total	<u>3300.66</u>	-		-			<u>3300.66</u>

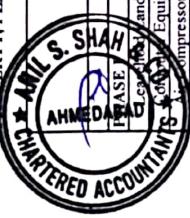
Note No. 9.1 As per information and explanation the company has not gathered information as regards whether supplier of goods and or services are covered under the MSME Act, 2006.

Note No.9.2 Outstanding Balances are subject to confirmation and reconciliation, if any.

Note : 10 OTHER CURRENT LIABILITIES	31/03/2023	31/03/2022	
Statutory Liabilities	11.91		5.66
Other Liabilities	.03		.72
Unpaid Expenses	86.58		41.74
	<u>98.52</u>		<u>48.12</u>

Note : 11 SHORT-TERM PROVISIONS	31/03/2023	31/03/2022	
Provision for Employee Benefits	14.76		26.50
Provision for Current Tax	255.73		31.30
Provision for Gratuity	.19		.00
	<u>270.67</u>		<u>57.80</u>





Particulars	Gross carrying amount			Depreciation			Net carrying amount As at 31-03- 2022
	As at 01-04- 2022	Additions	Deletions/ adjustments	As at 31-03- 2023	Additions	Deletions/ adjustments	
Tangible assets							
Electrical & Land							
Equipment	216.88	13.50		230.38	13.13	2.20	15.33
Computer Machine	1.50			1.50	0.00		1.50
Air Compressor Machine	65.12			65.12	33.86	6.19	40.05
Air Jet Looms	2435.96			2435.96	1266.32	100.79	1785.58
Electrical Cabling & Other Electrification	192.84	38.80		154.04	93.06	11.65	22.11
H Plant	125.79			125.79	66.38	12.28	78.66
OHTC	13.57			13.57	7.06	1.29	8.35
Profile Reeds	13.58			13.58	6.86	1.29	8.15
Stores & Spares parts of Plant & Machinery	131.65			131.65	68.27	12.51	80.78
Tudo Warp Tying Machine	52.60			52.60	27.35	5.00	32.35
Transformers	16.63			16.63	8.65	1.58	10.23
Office Equipment	2.79	.06		2.85	1.28	.48	1.76
Furniture & Fixtures	3.24			3.24	1.58	.31	1.89
Factory Building	486.42			486.42	242.98	43.77	286.75
PHASE II							
Computer Equipments	1.28			1.28	1.21	.00	1.21
Air Compressor Machine	208.60			208.60	83.89	19.82	105.71
Air Jet Looms	2333.76			2333.76	960.52	94.06	556.21
H Plant	79.11			79.11	32.58	7.52	40.09
Stores & Spares parts of Plant & Machinery	169.72	.80		170.52	67.64	15.58	82.22
Tudo Warp Tying Machine	33.53			33.53	13.80	3.18	16.54
Tudo Tying Machine	39.17			39.17	16.13	3.72	19.85
OHTC	12.23			12.23	3.32	.77	4.09
Electrical Cabling & Other Electrification	139.31	51.27		88.04	55.74	8.36	39.75
Furniture & Fixtures	.72			.72	.34	.07	.40
Vehicles	71.75			71.75	32.18	8.32	40.50
Factory Building	493.02			493.02	199.32	46.84	246.16
Utilities	29.51			29.51	3.53	.93	4.47
CCTV & accessories		16.66		16.66	.00	.34	16.32
Windmill		1266.79		1266.79	.00	42.69	1224.09
Land (Freehold)		279.80		279.80	.00	.00	279.80
Sub Total (a)	7370.29	1577.61	90.07	8837.82	3310.48	451.55	1319.42
							2447.61
							6415.21
							4059.80

Note No 12.1 During the Financial Year 2016-17 the company has provided depreciation on Air Jet Looms and ancillary machineries relying on the Chartered Engineers S.K. PATEL certificate considering the useful life of 10 years instead of 15 years as provided in Schedule II of Companies Act,2013. Now during the year the company has decided to provide depreciation on Air Jet Looms and ancillary machineries considering the life of 25 years relying on chartered engineers Mukesh Shah report and board resolution dated 01-04-2022. Accordingly excess depreciation provided in earlier period from 2016-17 to 2021-22 amounting to \square 1272.94 (Phase I \square 716.73 and Phase II \square 556.21) has been credited to balance of profit & loss account as on 01-04-2022 under the head Reserves & Surplus and debited to respective assets account. (Refer Note No. 4.1)

Note No 12.2 Further due to change in life of assets during the year depreciation is charged less by \square 258.27 to Statement of Profit & Loss and disclosed more profit by \square 258.27 considering of life of assets have not been changed. (Refer Note No.4.2)



SHANTI SPINTEX LIMITED

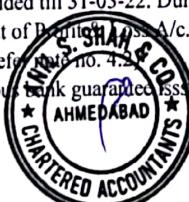
CIN: U17120GJ2010PLC062084

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

		Amounts in Lacs <input type="checkbox"/>
	31/03/2023	As at 31st March,
Note : 13 NON-CURRENT INVESTMENTS		
A Trade Investments	.00	.00
B Other Investments (at cost) (Un-Quoted)		
In SBI Corporate Fund Bond (Unit 74049.38)	200.00	200.00
(Market Value as on 31-03-2023 <input type="checkbox"/> 280,50,006/-)		
(P.Y. <input type="checkbox"/> 267,94,448/-)		
[Refer Note No. 5.1(c)(iv)]	<u>200.00</u>	<u>200.00</u>
Note : 14 DEFERRED TAX ASSETS	31/03/2023	31/03/2022
Opening Balance	-11.97	33.44
Current Year DTA		
i) Difference in WDV between Books & Tax return & Gratuity	-140.24	45.42
ii) Due to change in life of assets (excess depreciation reversed in books)	-585.94	.00
	<u>-738.16</u>	<u>-11.97</u>
Note : 15 LONG-TERM LOANS AND ADVANCES	31/03/2023	31/03/2022
Unsecured Considered Good		
Capital Advances		
Advances against Land (Lease Hold Land)	.00	13.50
Advances against Land (Freehold)	.00	36.00
Loans & Advances to realted parties		
Rikin Fabrics Pvt. Ltd. (interest free)	.00	65.00
Other loans & advances		
Advances to Staff	.00	1.50
Integrum Energy Infrastructure Pvt. Ltd. (Windmill)	.00	1031.76
	<u>.00</u>	<u>1147.76</u>
Note : 16 OTHER NON-CURRENT ASSETS	31/03/2023	31/03/2022
Security Deposits		
Gujarat Pollution Control Board	.50	.50
UGVCL (Refer note no.16.1)	90.07	.00
Vat Deposit	.20	.20
Deposits with Bank (Refer Note No. 16.2)	17.65	25.35
Long term Trade Receivables (Refer Note No. 16.3)		
Secured, considered good	.00	.00
Unsecured considered good	74.46	160.75
Doubtful	.00	.00
	<u>182.88</u>	<u>186.80</u>

Note No. 16.1 The company has made security deposit amounting to 38.79 during Financial Year 2016-17 & of 51.27 during Financial Year 2017-18 totalling to 90.07 which had been capitalised under the head Electrical Cabling & Other Electrification in respective years and depreciation at applicable rate were provided till 31-03-22. During the year the same has been rectified by reversing depreciation amounting to 46.46 to the balance of statement of Profit and Loss A/c. and debiting to UGVCL Deposits as on 01-04-2022. The UGVCL Deposit now stands as on 01-04-22 90.07. (Refer Note no. 4.3)

Note No. 16.2 Deposit with bank are under lien against various bank guarantee issued and are inclusive of accrued interest.



SHANTI SPINTEX LIMITED

CIN: U17120GJ2010PLC062084

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Amounts in Lacs

Long Trade Receivables ageing schedule as at 31-03-2023

Sl. No.	Particulars	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years		2-3 years	
(i)	Undisputed Trade receivables - considered good	.00	.00	.17		74.29	.00
(ii)	Undisputed Trade receivables - considered doubtful	-	-	-		-	-
(iii)	Disputed trade receivables - considered good	-	-	-		-	-
(iv)	Disputed trade receivables - considered doubtful	-	-	-		-	-
	Total	<u>.00</u>	<u>.00</u>	<u>.17</u>		<u>74.29</u>	<u>.00</u>
							<u>74.46</u>

Long Trade Receivables ageing schedule as at 31-03-2022

Sl. No.	Particulars	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years		2-3 years	
(i)	Undisputed Trade receivables - considered good	.00	.00	155.23		5.42	.10
(ii)	Undisputed Trade receivables - considered doubtful	-	-	-		-	-
(iii)	Disputed trade receivables - considered good	-	-	-		-	-
(iv)	Disputed trade receivables - considered doubtful	-	-	-		-	-
	Total	<u>.00</u>	<u>.00</u>	<u>155.23</u>		<u>5.42</u>	<u>.10</u>
							<u>160.75</u>

Note : 17 CURRENT INVESTMENTS	31/03/2023	31/03/2022
NIL	<u>.00</u>	<u>.00</u>

Note : 18 INVENTORIES	31/03/2023	31/03/2022
(i) Raw Materials	492.40	368.64
(ii) Work in Progress	520.42	67.25
(iii) Finished Goods		
(a) Grey Fabrics	395.55	136.57
(b) Finshed Fabrics	477.10	116.36
	<u>1885.47</u>	<u>688.82</u>

Note No. 18.1 The closing stock is as taken valued and certified by the management

Note : 19 TRADE RECEIVABLES	31/03/2023	31/03/2022
Secured, considered good	6753.12	5010.35
Unsecured considered good	<u>.00</u>	<u>.00</u>
Doubtful	<u>6753.12</u>	<u>5010.35</u>



SHANTI SPINTEX LIMITED

CIN: U17120GJ2010PLC062084

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Amounts in Lacs

Trade Receivables ageing schedule as at 31-03-2023

Sl. No.	Particulars	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i)	Undisputed Trade receivables - considered good	6737.69	15.43	.00	.00	.00	6753.12
(ii)	Undisputed Trade receivables - considered doubtful	.00	.00	.00	.00	.00	.00
(iii)	Disputed trade receivables - considered good	.00	.00	.00	.00	.00	.00
(iv)	Disputed trade receivables - considered doubtful	.00	.00	.00	.00	.00	.00
Total		6737.69	15.43	.00	.00	.00	6753.12

Trade Receivables ageing schedule as at 31-03-2022

Sl. No.	Particulars	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i)	Undisputed Trade receivables - considered good	4980.67	29.68	.00	.00	.00	5010.35
(ii)	Undisputed Trade receivables - considered doubtful	.00	.00				.00
(iii)	Disputed trade receivables - considered good	.00	.00	.00	.00	.00	.00
(iv)	Disputed trade receivables - considered doubtful	.00	.00	.00	.00	.00	.00
Total		4980.67	29.68	.00	.00	.00	5010.35

Note No.:19.1 Outstanding Balances are subject to confirmation and reconciliation, if any.

Note : 20 CASH AND BANK BALANCES		31/03/2023	31/03/2022
Cash and Cash Equivalents			
Balances with Banks			
	In Current Accounts	476.83	313.47
Cash in Hand		.07	.34
Other Bank Balances			
	Term Deposits with Nationalised Bank		
	Fixed Deposits having maturity of less than 3 months	.00	.00
	Fixed Deposits having maturity of more than 3 months	7.79	.00
	Fixed Deposits having maturity of more than 12 months	17.65	25.35
Less:	Fixed Deposits having maturity of more than 12 months (Refer Note No.16)	17.65	25.35
		<u>484.69</u>	<u>313.81</u>

Note No. 20.1 : Fixed Deposits are inclusive of accrued interest thereon.

Note : 21 SHORT TERM LOANS AND ADVANCES		31/03/2023	31/03/2022
Unsecured considered good			
Loan and Advances to related parties			
(a) MEABAD (b) Subsidiaries (c) Others		.00	.00
		.00	.00



SHANTI SPINTEX LIMITED
CIN: U17120GJ2010PLC062084
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

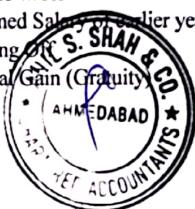
Amounts in Lacs □

Other Loans and Advances		31/03/2023	31/03/2022
Balances with Statutory Authorities	.00	.00	
Inverted IGST Claim Refund	6.03	5.95	
State GST Refund Receivable (Phase 1)	755.86	177.66	
State Interest Subsidy Receivable	.00	26.04	
Tuff Capital Subsidy Receivable A/c (Phase 1)	56.96	56.96	
Tuff Capital Subsidy Receivable A/c (Phase 2)	229.05	229.05	
GST receivable	109.54	101.78	
TDS / TCS Receivable	44.29	40.54	
Other advances recoverable in cash or in kind or for value to be received			
Advance for purchase of commercial property	251.35	.00	
Receivable for rate difference & quality claims	144.00	.00	
Others	31.52	1.06	
Prepaid Expenses	5.99	6.37	
	1634.59	645.41	

Note : 22 OTHER CURRENT ASSETS	31/03/2023	31/03/2022
Income Receivable for WindMill Power Generation	32.38	.00
	32.38	.00

Note : 23 REVENUE FROM OPERATIONS	31/03/2023	31/03/2022
(a) Sale of Products		
Sale of Traded Goods	.00	.00
Fabrics Sales	31097.36	2351.79
Weaving Job Work Sales	4.02	5.37
Grey Fabrics Sale	.00	13629.89
Yarn Sales	5738.80	9503.90
(b) Supply of Services		
Wind Mill Power Generation Income (Gross)	193.04	.00
	37033.22	25490.94

Note : 24 OTHER INCOME	31/03/2023	31/03/2022
Interest Income	3.83	5.05
Interest on Fixed Deposit	1.42	.03
Interest Income on I.T. Refund	.59	.00
Scrap & Wastage Sales	7.52	1.09
Commission	.00	1.27
Rebate	.44	.03
Vatav Kasar	.17	.05
Discount Received	9.53	1.51
Bad Debts Recovered	.00	9.72
Creditors w/off	2.16	10.31
Unclaimed Sales of earlier years written back	8.44	5.37
Rounding off	.00	.00
Actuarial Gain (Gratuity)	3.95	.00



SHANTI SPINTEX LIMITED
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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

		Amounts in Lacs	
		31/03/2023	31/03/2022
Note : 25 COST OF MATERIALS CONSUMED		31/03/2023	31/03/2022
	MATERIALS CONSUMED :		
Opening Stock		368.64	127.74
Add:	<u>Purchases (Yarn, Fabric & Others, etc.)</u>	33412.84	22581.12
	Purchase (raw material) (Refer Note 25.1)		
Less:	Closing Stock (As taken and valued and certified the management)	492.40	368.64
		<u>33289.08</u>	<u>22340.21</u>

Note No : 25.1 Includes prior period Rs in lakhs 76.29

		31/03/2023	31/03/2022
Note : 26 CHANGES IN INVENTORIES		31/03/2023	31/03/2022
Work in Progress		-453.17	-20.30
Finished Goods			
(a) Grey Fabrics		-258.98	6.12
(b) Finshed Fabrics		-360.74	-112.39
		<u>-1072.89</u>	<u>-126.57</u>

		31/03/2023	31/03/2022
Note : 27 EMPLOYEE BENEFITS EXPENSE		31/03/2023	31/03/2022
Managerial Remuneration		6.00	.00
Salary & Wages		243.40	214.85
Contribution to Employee Deposit Linked Insurance Scheme		.06	.03
Staff Welfare Expenses		1.65	.14
Gratuity Expenses		3.71	.00
		<u>254.82</u>	<u>215.01</u>

		31/03/2023	31/03/2022
Note.27.1 Retirement Benefits		31/03/2023	31/03/2022
A) Defined Benefit Plans:			
Particulars			
i) Amounts recognised in the Balance Sheet in respect of Gratuity			
Present Value of the funded Defined Benefit Obligations at the end of the year		7.47	
Fair Value of Plan Assets		.00	
Net (Asset)/ Liability		<u>-7.47</u>	

		31/03/2023	31/03/2022
Employee Benefits		31/03/2023	31/03/2022
Current Service Cost		3.13	
Interest on Net Defined Benefit Liability /Assets)		.58	
Net actuarial (gain)/loss recognised in the period		-3.95	
Expenses to be recognised in P&L		<u>-24</u>	

ii) Reconciliation of Present Value of the Obligation and the Fair Value of the Plan of Assets :

		31/03/2023	31/03/2022
Change in Net Liabilities/ (Assets)		31/03/2023	31/03/2022
Opening Net Defined Benefit Liabilities/(Assets)		7.71	
Expenses Charged to Profit & Loss		-.24	
Amount Reconciled Outside Profit and Loss -OCI			
Employee Benefit			
Closing Net Defined Benefit Liabilities/ (Assets)		<u>7.47</u>	



SHANTI SPINTEX LIMITED

CIN: U17120GJ2010PLC062084

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

		Amounts in Lacs <input type="checkbox"/>	
		31/03/2023	31/03/2022
Note : 25 COST OF MATERIALS CONSUMED			
Opening Stock		368.64	127.74
Add:	<u>Purchases (Yarn, Fabric & Others, etc.)</u>	33412.84	22581.12
	Purchase (raw material)		
Less:	Closing Stock (As taken and valued and certified the management)	492.40	368.64
		<u>33289.08</u>	<u>22340.21</u>
Note : 26 CHANGES IN INVENTORIES		31/03/2023	31/03/2022
Work in Progress		-453.17	-20.30
Finished Goods			
(a) Grey Fabrics		-258.98	6.12
(b) Finshed Fabrics		-360.74	-112.39
		<u>-1072.89</u>	<u>-126.57</u>
Note : 27 EMPLOYEE BENEFITS EXPENSE		31/03/2023	31/03/2022
Managerial Remuneration		6.00	.00
Salary & Wages		243.40	214.85
Contribution to Employee Deposit Linked Insurance Scheme		.06	.03
Staff Welfare Expenses		1.65	.14
Gratuity Expenses		3.71	.00
		<u>254.82</u>	<u>215.01</u>
Note.27.1 Retirement Benefits		31/03/2023	31/03/2022
A) Defined Benefit Plans:			
Particulars			
i) Amounts recognised in the Balance Sheet in respect of Gratuity			
Present Value of the funded Defined Benefit Obligations at the end of the y		7.47	
Fair Value of Plan Assets		.00	
Net (Asset)/ Liability		<u>-7.47</u>	
Employee Benefits			
Current Service Cost		3.13	
Interest on Net <u>Defined Benefit</u> Liability / (Assets)		.58	
Net actuarial (gain)/loss recognised in the period		-3.95	
Expenses to be recognised in P&L		<u>-.24</u>	
ii) Reconciliation of Present Value of the Obligation and the Fair Value of the Plan of Assets :			
Change in Net Liabilities/ (Assets)			
Opening Net Defined Benefit Liabilities/(Assets)		7.71	
Expenses Charged to Profit & Loss		<u>-.24</u>	
Amount Recognised Outside Profit and Loss -OCI			
Employer Contribution			
Closing Net Defined Benefit Liabilities/ (Assets)		<u>7.47</u>	



SHANTI SPINTEX LIMITED

CIN: U17120GJ2010PLC062084

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Amounts in Lacs

iii) Quantitive Sensitivity Analysis for Significant Assumption Is as below :

Increase/ Decrease in Present Value of Defined Benefits Obligation at the end of the year

Particulars	
Defined Benefit Obligation (Base)	7.47
Liability with 1.00 % Increase in Discount Rate	6.70
Liability with 1.00 % Decrease in Discount Rate	8.41
Liability with 1.00 % Increase in Rate of Salary Increase	8.42
Liability with 1.00 % Decrease in Rate of Salary Increase	6.68
Liability with 1.00 % Increase in Withdrawal Rate	7.54
Liability with 1.00 % Decrease in Withdrawal Rate	7.36

Particulars	
Principal Actuarial Assumptions at the Balance Sheet Date	
Discount Rate	7.50% per annum
Salary Escalation	
Salary Escalation - Staff	5.00% per annum
Mortality Rate during Employment	IAKM 2012-14
Rate of Employee Turnover	5.00% per annum

Current Liability	
Current Liability (Short Term)	.19
Non Current Liability (Long Term)	7.29
Total Liability	7.47

Benefits Valued			
Normal Retirement Age	60 Years	60 Years	
Salary	Last drawing qualifying salary	Last drawing qualifying salary	
Vesting Period	5 years of service	5 years of service	
Benefits on Normal Retirement	15/26*Salary*Past service (yr.)	15/26*Salary*Past service (yr.)	
Benefit on early exit due to death and disability	As above except that no vesting conditions apply		As above except that no vesting conditions apply
Limit	20.00	20.00	

Note : 28 FINANCE COSTS	31/03/2023	31/03/2022
Interest on Wind Mill Loan	77.66	.00
Interest on Car Loan	1.46	1.99
Interest on Term Loan	187.73	164.47
Interest on GECL Loan	69.37	68.35
Other Borrowing Costs (Bank charges)	1.06	3.23
Interest on Late payment of GST	.00	2.49
Interest on Late payment of TDS	.09	.08
	337.38	240.61



SHANTI SPINTEX LIMITED

CIN: U17120GJ2010PLC062084

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

		Amounts in Lacs □
	31/03/2023	31/03/2022
Note : 29 OPERATING AND OTHER EXPENSES		
MANUFACTURING EXPENSES :		
Drawing & Knotting Charges	29.48	20.18
Inspection Charges	12.15	10.25
Electricity Charges	705.80	498.06
Windmill Operating Expenses	29.24	.00
Stiching Expenses	.00	.49
Job Work	1200.49	903.45
	<u>1977.16</u>	<u>1432.43</u>
OTHER DIRECT EXPENSES :		
Loading & Unloading Expenses	18.40	15.35
Catch Code Yarn	5.46	.83
Insurance Expenses	14.93	13.16
Rent, Rates & Taxes	.43	.00
Freight Expenses	76.70	35.56
Plant Expenses	.68	.00
Plant Sundry Material	.66	.63
Stores & Spares	69.58	32.12
Rate Difference & Quality Claim	49.22	206.96
Packing Expenses	80.20	.00
Clearing & Forwarding	.65	.00
Damages	8.21	.00
	<u>325.09</u>	<u>304.60</u>
Payments to Auditor (Refer Note : 29.1)	1.00	1.18
Audit Fees -GST	.25	.25
Bank -Guarantee Commission	1.17	1.31
Canteen Expenses	7.74	5.49
Car Hire	4.30	5.02
Car petrol Expenses	4.64	5.62
Conveyance Expenses	.69	.38
Commission & Brokerage	1.06	5.55
Computer Repairing	.22	.65
Consultancy & Professional Fess	5.61	1.88
Donation	.15	.00
Excess income on Bank FD booked earlier W/off	.82	.00
Housekeeping Expenses	13.01	12.22
Factory Licence Fees	.28	.28
GST Expenses	1.54	.00
TCS Expenses (write off)	.02	.00
Insurance Charges- Volvo Car	.94	.79
Internet Broadband Expenses	.06	.00
Internet Leased Line Expenses	.50	.50
Late Fees GST	.00	.00
Lease Rent Expense	.19	.04
Legal and Professional Fees	7.87	11.81
Medical Expenses	.00	.31
Mending Charges	.18	.00
Mobile Expenses	.50	.53
Office Expenses	.91	.17
Other Expenses	.10	5.16
Outward Freight Expenses	6.24	.00
Park Maintenance Expenses	5.46	5.50
Penalty	.74	.00
Postage & Courier	.01	.00
Prior Period Expenses (Net off)	2.99	.00
Printing & Stationery	2.23	1.88
Reed Repairing	.64	.71
Repairs and Maintenance	.58	5.29
ROC Expenses	.36	.00
Round Off	.00	.00



SHANTI SPINTEX LIMITED
 CIN: U17120GJ2010PLC062084
 NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Amounts in Lacs

Sales Promotion Expense	.25	.00
Security Charges	4.43	6.51
Service Charges	.30	.00
Shortage	.08	.00
Sundry Debtors/ Creditors w/off	6.08	.00
Bad debts w/off	.00	58.98
Tally Cloud User Fees	.09	.00
Tally License Renewal Fees	.10	.00
Travelling Expenses	1.80	3.68
Vehicle Repairing	8.71	2.68
Water Expenses	.35	.59
	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
	95.20	144.97
	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
	2397.45	1882.00

Note: 29.1

Payments to the Auditor		
As auditors - statutory audit fees	.50	.59
Tax Audit report	.25	.30
Income Tax Return	.25	.30
Company Law Matter	.00	.00
	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
	1.00	1.18
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Note : 30 Disclosure required under companies Act, 2013.

Directors Remuneration

Particulars	This year (Rs)	Last year (Rs)
Remuneration to director - Rikin BharatBhushan Agarwal	6.00	NIL
Contribution to superannuation fund	Nil	Nil

Note: 31 LEASE EXPENSES

Operating Lease : Rental is expenses with reference to lease terms and other considerations

(a) The company has taken on sub- lease land at Village Likhala, Taluka Savar Kundla, District Amreli, owned by Government of India and leased by Gujrat Fluorochemicals . The total lease rent paid on the same amounting to Rs. 0.19 and taken on lease w.e.f. 29.12.2021

(b) The company has taken on lease land at Survey No. 402, Dholi Integrated Spinning Park Limited from Dholi Integrated Spinning Park Limited. The total lease rent paid on the same amounting to Rs. 0.04 and taken on lease w.e.f. 21-09-2015.

Particulars	This year (Rs)	Last year (Rs)
Not later than one year	.19	.04
Later than one year and not later than five years	.77	.17
Later than five years	4.54	3.98
Lease payment recognised in profit & loss A/c for the period	.19	.04
The total yearly lease payment is	.19	.04
Minimum lease per annum	.19	.04

In accordance with accounting standard 22 "Accounting for Taxes on Income" (AS22) issued by the ICAI. The company has accounted for deferred taxes during the year.

Note: 32

Following are the major components of deferred tax assets/ (liabilities) :

Component	Deferred	Current	Deferred
Opening Balance	-11.97		-11.97
1) Difference in depreciation between accounting books and tax return & Gratuity		-140.24	-140.24
2) Due to change in life of assets (excess depreciation reversed in books)		-585.94	-585.94
Total	-11.97	-726.18	-738.16



Note No.33 Note No 33.1 During the Financial Year 2016-17 the company has provided depreciation on Air Jet Looms and ancillary machineries relying on the Chartered Engineers S.K. PATEL certificate considering the useful life of 10 years instead of 15 years as provided in Schedule II of Companies Act,2013. Now during the year the company has decided to provide depreciation on Air Jet Looms and ancillary machineries considering the life of 25 years relying on chartered engineers Mukesh Shah report and board resolution dated 01-04-2022. Accordingly excess depreciation provided in earlier period from 2016-17 to 2021-22 amounting to ₹ 1292.40 (Phase I ₹ 716.73 and Phase II ₹ 556.21) has been credited to balance of profit & loss account as on 01-04-2022 under the head Reserves & Surplus and debited to respective assets account. (Refer Note No. 4.1 & 12.1)
 Note No 33.2 Further due to change in life of assets during the year depreciation is charged less by ₹ 258.26 to Statement of Profit & Loss and disclosed more profit by ₹ 258.26 cosidering of life of assets have not been changed. (Refer Note No.4.2 & 12.2)

Note No 33.2 The deferred tax liability arose due to such change pertaining to prior period adjustment is being given effect in Reserve & Surplus.

Note: 34 Earning Per Share

Particulars	31/03/2023	31/03/2022
Numerator used for calculating Basic and Diluted Earning Per Share (Profit After Tax)	1012.80	222.15
Nominal Value per Share	10.00	10.00
Weighted Average No. of Shares used as denominator for calculating Basic and Diluted Earning Per Share	142.00	142.00
Basic and Diluted earning per share (Rupees)	7.13	1.56

Note: 35 Related party Discloser (Accounting Standard 18)

Description of relationship	Names of related parties
Key Management Personnel	1) Bharatbhusan Agrawal 2) Rikin Agarwal
Associates	Rikin Fabrics Pvt. Ltd. Sparsh Fabric Pvt. Ltd
Relatives Of Key Management Personnel	1) Urmiladevi Agrawal 2) Deepika Agrawal

List of Relatives of Key Managerial Personnel and Enterprise over which Key Management Personnel and their relative exercise significant influence with whom transaction have taken place during the year.

NIL



A Transaction with related parties

PARTICULARS	Key Managerial Personnel		Relatives of Key Managerial Personnel		Associates	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
1) LOAN TAKEN						
(Un secured)	.00	.00	.00	.00	.00	.00
2) LOANS GIVEN						
Rikin Fabrics Pvt. Ltd.	.00	.00	.00	.00	NIL	65.00
Deepika Agarwal	.00	.00	.00	50.00	.00	.00
3) LOAN RECEIVED BACK						
Rikin Fabrics Pvt. Ltd.	NIL	NIL	.00	.00	65.00	NIL
Deepika Agarwal	.00	.00	.00	50.00	.00	.00
4) LOAN PAID BACK						
Bharat Bhushan Agarwal	17.66	NIL	.00	.00	.00	.00
4) PURCHASES						
Sparsh Fabrics Pvt. Ltd.					247.16	139.57
Rikin Fabrics Pvt. Ltd.					67.07	NIL
5) SALES						
Sparsh Fabrics Pvt. Ltd.					1303.58	137.34
7) OUTSTANDING BALANCES:-						
1) LOAN TAKEN						
Bharat Bhushan Agarwal	387.34	405.00				
2) LOAN GIVEN						
Rikin Fabrics Pvt. Ltd.					NIL	65.00
Deepika Agarwal			.00	.00		
4) DEBTORS						
4) CREDITORS						
Rikin Fabrics Pvt. Ltd.					2.07	.00
5) SALARY PAYABLE						
RIKIN AGARWAL					.84	.00



Note: 36

		Foreign Exchange Earnings/o utgoings	Foreign Exchange Earnings/o utgoings
Particular		2022-23	2021-22
Revenue in foreign		0	0
Out going Expenditure in foreign currency		0	0

Note: 37 Contingent liabilities and commitments (to the extent not provided for)

₹ in lakhs

Contingent liabilities	As at 31 March, 2023	As at 31 March, 2022
(a) Claims against the Company not acknowledged as debt	NIL	NIL
(b) Unexpired Guarantees		
(i) Export Obligation under "0" duty EPCG in favour of DGFT amounting to ₹ 19.30 cr	48.40	48.40
(ii) GEDCO against the transmission cahrges	31.20	31.20
(c) Other money for which the Company is contingently liable	NIL	NIL
(f) Other commitments : The estimated amount of contracts remaining to be executed on capital account and not provided for against which advance have been paid	0	1239.67

Note 38 Provision for current year's income tax aggregating Rs.255.73 (P.Y. Rs. 31.30) has been made on estimated basis for the accounting year ended on 31.03.2023. The actual tax liabilities of the company will be determined on the basis of taxable income of the company for F.Y year 2022-23.

Note 39: Others

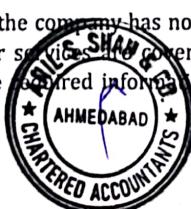
39.1 In the opinion of the Board, all the current assets, Loans and advances have a value on the realization in the ordinary course of the business at least equal to the amount at which they are stated.

39.2 Balances of sundry debtors, sundry creditors and loans and advances etc., are subject to confirmation and reconciliation, and consequential adjustment, if any.

39.3 Previous year figures have been regrouped/ rearranged so as to make them comparable with current year's figures.

Note : 40 There is no Expenditure incurred on employees in receipt of remuneration of not less than Rs.24.00(Rupees twenty four lakh only) per annum or Rs 2.00(rupees two lac only) per month, if employed throughout the year or part of the year.

Note : 41 As per information and explanation given, the company has not gathered information as regards whether supplier of goods and or services are covered under the MSME Act, 2006. Hence, we are unable to provide the required information for the year ended on 31.03.2023 and 31.03.2022.



Note: 42 Segment Reporting

For Management Purpose, the Company is currently organised into two major operating activities – 1) Textile Manufacturing and 2) Windmill Operations. These divisions are the basis on which the Company reports its primary segment information

(i) Segment assets and liabilities:

Company is having two segments of business, Assets and Liabilities are bifurcated segment wise.

(ii) Segment revenue and expenses

Segment revenue and expenses are taken directly as attributable to the segment. It does not include interest income on inter- corporate deposits, Profit on sale of investments, Interest expense, Provision for Contingencies and Income-tax.

The company operates primarily in India and there is no other significant geographical segment

PARTICULARS	31/03/2023	31/03/2023	31/03/2023	31/03/2022	31/03/2022	31/03/2022
	Textile	Windmill	TOTAL	Textile	Windmill	TOTAL
REVNUE						
Domestic Income	36840.18	193.04	37033.22	25490.94	NIL	25490.94
Export Income	NIL	NIL	NIL	NIL	NIL	NIL
Inter-segment Income	NIL	NIL	NIL	NIL	NIL	NIL
RESULTS	NIL	NIL	NIL	NIL	NIL	NIL
Segment Results	NIL	NIL	NIL	NIL	NIL	NIL
Unallocated Corporate Exps	NIL	NIL	35320.01	NIL	NIL	24985.90
Operating Profit	NIL	NIL	NIL	NIL	NIL	NIL
Interest Expense	259.72	77.66	337.38	240.61	NIL	240.61
Interest Income	NIL	NIL	NIL	NIL	NIL	NIL
Other Income	38.05	NIL	38.05	34.44	NIL	34.44
Deferred tax	NIL	NIL	140.24	NIL	NIL	45.42
Income tax	NIL	NIL	260.84	NIL	NIL	31.30
Net Profit	NIL	NIL	1012.80	NIL	NIL	222.15
OTHER INFORMATION						
Segment assets	16168.78	1266.79	17435.57	12267.91	NIL	12267.91
Unallocated Corporate Asset	NIL	NIL		NIL	NIL	
Total Assets	16168.78	1266.79	17435.57	12267.91	NIL	12267.91
Segment Liabilities	10188.78	956.45	11145.23	8397.19	NIL	12267.91
Unallocated Corporate Liabit	NIL	NIL	NIL	NIL	NIL	NIL
Capital Expenditure	NIL	NIL	NIL	NIL	NIL	NIL
Depreciation	408.86	42.69	451.55	675.25	NIL	675.25
Other on Capital Expenditure	NIL	NIL	NIL	NIL	NIL	NIL



Notes to Financial statements for the year ended 31st March, 2023

Note: 43 Other Statutory Disclosure

- 43.1 (a) There is no such property wherein there is an issue with the title, hence the title deeds related disclosures are not made.
 (b) The company does not have any investment in property hence, comment related to revaluation is not made.
 (c) During the year, the company has not revalued its intangible assets or any asset of Property, Plant & Equipment, hence, disclosure related to revaluation is not made.
 (d) The company has given loans and advances which are either repayable on demand or are without specifying any terms or period of repayment. The disclosures related to loans and advances given to related party are given as under:-

Type of Borrower	31.03.23		31.03.22	
	Amount of loan or advance in the nature of loan outstanding 31.03.2023	percentage to the total loans and advances in the nature of loans	Amount of loan or advance in the nature of loan outstanding	percentage to the total loans and advances in the nature of loans
Promoters	NIL	NIL	NIL	NIL
Directors	NIL	NIL	NIL	NIL
KMPs	NIL	NIL	NIL	NIL
Related Parties	NIL	NIL	65.00	.00

43.2 Ageing schedule of CWIP is given during the year:

For FY 2022-23

(a) For Capital-work-in progress

(Amount in Rs.)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
No such Project	-	-	-	-	-
	-	-	-	-	-

There is no capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original

(Amount in Rs.)

CWIP	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects	No such CWIP				

For FY 2021-22

(b) For Capital-work-in progress

(Amount in Rs.)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in progress	27.12				27.12

(Amount in Rs.)

CWIP	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects	No such CWIP				

43.3 The company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.

43.4 As on the reporting date, the company has no borrowings from banks or financial institutions on the basis of security of current assets and for which quarterly returns are submitted and these are in agreement with books of account of the company



43.5 The company is not declared a wilful defaulter by any bank or financial institution or other lender.

43.6 The company does not have any transactions with struck off Companies.

43.7 The company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

43.8 Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017

43.9 Ratios for FY 22-23 and FY 21-22 are presented as under:

Ratio	Numerator	Denominator	Current period	Previous period	% variance
- Current Ratio	Current Assets	Current Liabilities	1.499	1.461	0.026
- Debt-Equity Ratio	Total Debt	Shareholder's Equity	0.855	1.258	-0.320
- Debt Service Coverage Ratio	Earnings for debt service	Debt service (Interest & Lease Payments + Principal Repayments)	0.242	0.046	4.313
- Return on Equity Ratio	Net profit after tax - Preference Dividend	Average shareholder's equity	0.207	0.057	2.614
- Inventory turnover ratio	Cost of goods sold	Average Inventory	25.863	47.416	-0.455
- Trade Receivables turnover ratio	Net Credit sales (Gross credit sales - sales return)	Average Trade Receivables	14.120	5.685	1.484
- Trade payables turnover ratio	Net credit purchase (Gross credit purchases - purchase return)	Average Trade payables	6.680	7.902	-0.155
- Net capital turnover ratio	Net sales (Total sales - sales Return)	Working capital (Current assets - Current liabilities)	14.022	10.987	0.276
- Net profit ratio	Net profit	Net sales (Total sales - Sales Return)	0.027	0.009	2.138
- Return on Capital employed	Earnings before interest and tax	Capital Employed (Tangible Net worth + Total Debt + Deferred Tax Liability)	0.252	0.075	2.354
- Return on investment	Interest (Financial Income)	Investment	0.026	0.025	0.033

43.10 During the year, company has not entered in any scheme of arrangements as specified in Section 230 to Section 237 of the Companies Act, 2013

43.11 The company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(i) 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
(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries,

43.12 The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall :

(i) 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
(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

43.13 The company have not traded or invested in Crypto currency or Virtual Currency during the financial year.



43.14 The Company has received notice dated March 30, 2023 under section 147 of the Income Tax Act, 1961 for the re-assessment of income of A.Y. 2019-20, notice dated August 09, 2023 u/s 143(2) read with Section 147 of the Income Tax Act, 1961 regarding the scrutiny proceedings and notice dated August 26, 2023 issued u/s 142(1) of the Income Tax Act, 1961 seeking information and documents in respect of ongoing scrutiny proceedings. These scrutiny proceedings have been initiated pursuant to a search & seizure operation carried by the Income Tax Authorities on Chirpal Group and their key persons on 20.07.2022 in which our Company's name has been mentioned in warrant. In the opinion of Management prima facie the Company does not expect material additional liability as a result of Notice U/S 147 r.w.s. 132, hence no provision for the additional income tax liability has been made by the Company.

43.15 The company is not covered under section 135 of the Companies Act. Hence, CSR related disclosures are not made

Signatures to Notes on Account Note no :1 to 43

UDIN: 23016613BGZEZA2147

For M/s ANIL SHAH & CO.

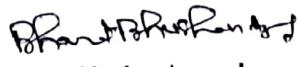
Chartered Accountants
FRN : 100474W


Anil Shah
Partner
Membership No : 016613

Place: Ahmedabad
Date: 01.09.2023



For and on behalf of the Board


Bharatbhusan Agarwal
Director
DIN: 44287


Rikin Agarwal
Director
DIN: 100474W




Mohini Singhal
Company Secretary
Membership No. A47724

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31.03.2023

NOTE NO: 1: COMPANY INFORMATION

The company was incorporated as private limited company on 23/08/2010 under the Companies Act, 1956, in the state of Gujarat at Bidaj.

The company was engaged in trading of textile products, and has successfully implemented, at Block No. 297, admeasuring 8660 Sq.Mtrs on lease hold land from M/s. Dholi Integrated Spinning Park Ltd. Weaving Project phase -1 and phase -2 , at Dholi Integrated Spinning Park, Village Dholi, TA : Dholka, Dist.: Ahmedabad.

NOTE NO: 2: SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation of Financial Statements:-

These financial statements have been prepared under historical cost convention from books of accounts maintained on an accrual basis in conformity with accounting principles generally accepted in India and comply with the Accounting Standards issued by the Institute of Chartered Accountants of India and referred to Sec 129 & 133 of the Companies Act, 2013, of India. The accounting policies applied by the company are consistent with those used in previous year.

2.2 Disclosure of Accounting Policies:-

The Accounting Principles and policies recognized as appropriate for measurement and reporting of the financial performance and the financial position on mercantile system and recognize items of income and expenditure on accrual basis. The statement on Significant Accounting policy excludes disclosures regarding Accounting Standards in respect of which there are no material transactions during year.

2.3 Revenue recognition:-

Revenue is recognized to the extent that it is probable that economic benefits will flow to the company and the revenue can be reliably measured. Commission/adat Income has been recognized on accrual basis.

2.4 Valuation of Inventories:-

Inventories are measured at cost and net realizable value, whichever is lower. Net realizable value is the estimated selling price in the ordinary course of business less estimated cost necessary to make the sale. Cost in respect of raw materials and stock in trade are determined on FIFO basis. Costs in respect of all other Inventories are computed on weighted average basis method. Finished goods and process stock include cost of conversion and other costs incurred in acquiring the inventory and bringing them to their present location and condition.

2.5 Property Plant & Equipment and Capital Work in Progress :-

a)Fixed assets are stated at cost of acquisition or construction. All cost relating to the acquisition and installation of fixed assets (Net of CENVAT/VAT/gst credits where ever applicable) are capitalized and include borrowing costs directly attributable to construction or acquisition of fixed assets, up to the date of asset is put to use and adjustment arising out of exchange rate variation relating to liabilities attributable to those fixed assets.

b)Advances paid towards the acquisition of fixed assets outstanding at each balance sheet date and cost of fixed assets not ready for their intended use before such date are disclosed under capital work-in progress. Capital work-in progress excludes expenditure pending for capitalization..

2.6 Depreciation :

Depreciation of Property, Plant and Equipment Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately



on straight-line method. Parts of plant and equipment that are technically advised to be replaced at prescribed intervals / periods of operation, insurance spares and cost of inspection/ overhauling are depreciated separately based on their specific useful life provided these are of significant amounts. The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset. Depreciable amount of an item of property, plant and equipment is arrived at after deducting estimated residual value. The depreciable amount of an asset is allocated on a systematic basis over its useful life. The Company reviews the residual value and useful life at each financial year-end and, if expectations differ from previous estimates, the residual value and useful lives are changed prospectively and accounted for as a change in accounting estimate. Depreciation commences when the item of property, plant and equipment is in the location and condition necessary for it to be capable of operating in the manner intended by management.

2.7

Leases:-

At inception of contract, the Company assesses whether the Contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At inception or on reassessment of a contract that contains a lease component, the Company allocates consideration in the contract to each lease component on the basis of their relative standalone price.

As a lessee

i) Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and estimate of costs to dismantle. Right- of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The Company presents right-to-use assets that do not meet the definition of investment property in 'Property, plant and equipment'.

ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Company generally uses its incremental borrowing rate at the lease commencement date if the discount rate implicit in the lease is not readily determinable.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. The carrying amount is remeasured when there is a change in future lease payments arising from a change in index or rate. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

The Company presents lease liabilities under financial liabilities in the Balance Sheet.

iii) Short term leases and leases of low value of assets

The Company applies the short-term lease recognition exemption to its short-term leases. It also applies the lease of low value assets recognition exemption that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.



As a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

2.8 Employee Benefits

Short Term Employee Benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided. Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months as at the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period.

Other Long Term Employee Benefits

The known liabilities for earned leaves that are not expected to be settled wholly within twelve months are measured as the present value of the expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method.

Post Employment Benefits

• Defined Benefit Plans

The known liability, if any, recognised in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods. If any liability in a financial year it is charged to Statement of Profit and Loss account. The defined benefit obligation if any, is calculated annually by Actuaries using the projected unit credit method. In other cases, such expenditure are charged to Statement of Profit and Loss Account considering it as Short Term Benefits when it is crystallized.

• Defined Contribution Plan

Defined contributions, if any, to Statutory Schemes are charged to the statement of profit and loss of the year.

Termination Benefit

Expenditure incurred on Voluntary Retirement Scheme is charged to the statement of profit and loss immediately.

2.9

Government grants

Assistance by government in the form of transfers of resources to the Company in return for past or future compliance with certain conditions relating to operating activities of the entity other than those which cannot reasonably have a value placed upon them or those that cannot be distinguished from normal trading transactions of the Company are termed as government grants. All government grants are identified as either relating to assets or relating to income. Government grants whose primary condition is that a Company qualifying for them should purchase, construct or otherwise acquire long-

term assets are identified as grants related to assets. Grants other than those related to assets are identified as related to income. Government grants are recognised when there is a reasonable assurance that the Company will comply with the conditions attaching to them and the grants will be received. A forgivable loan from government is treated as a government grant when there is a reasonable assurance that the entity will meet the terms for forgiveness of the loan. The Company recognises Government grants in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Grants related to assets, including non-monetary grants at fair value, are presented in the balance sheet as deferred income. Deferred income is recognised in profit or loss on the basis the related assets are depreciated or amortised if they are related to asset or under other income when the grant becomes receivable. Grants related to income are presented in profit or loss under other income. Grants received in advance before fulfilment of conditions are recognised as Other Liability classified into current or non-current, as appropriate in the circumstances of the case.

2.10 Borrowing Costs

Interest and other costs that the Company incurs in connection with the borrowing of funds are identified as borrowing costs. The Company capitalises borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which it is incurred. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. The Company identifies the borrowings into specific borrowings and general borrowings. Specific borrowings are borrowings that are specifically taken for the purpose of obtaining a qualifying asset. General borrowings include all other borrowings except the amount outstanding as on the balance sheet date of specific borrowings for assets that are not yet ready for use. Borrowing cost incurred actually

2.11 Accounting for Investments:-

Investment, that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments.

2.12 Taxes on Income:-

Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax is recognized, on timing differences, being the Difference between taxable incomes and accounting income that originates in one period and are capable of reversal in one or more subsequent periods, if any.

Minimum Alternate Tax (MAT) Credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during specified period. In the year in which the MAT credit becomes eligible, to be recognized as an asset. In accordance with recommendation contained in the guidance note issued by ICAI, said asset is created by way of credit/reversal of provisions to Profit and Loss A/c and shown as MAT Credit Entitlements in Loans and Advances. The company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that company will pay normal Income Tax during the specified period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, unabsorbed losses and tax credits to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unabsorbed losses and tax credits will be utilised. The carrying amount of deferred tax



assets is reviewed at the end of financial year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is expected to be settled or the asset realised, based on tax rates and tax laws that have been substantively enacted by the balance sheet date. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

2.13 Contingencies and Events occurring after Balance sheet date:-

Material Events occurring after Balance sheet date are taken into cognizance. There have been no material changes or events since the date of balance sheet affecting financial statements as on the Balance sheet date. Further, the dates of Balance sheet, no events or circumstances have occurred, through properly excluded from the accounts, are of such importance that they should be disclosed through any medium.

2.14 Preliminary Expenditure:-

Preliminary Expenditure is to be apportioned in five equal installments, commencing from the year in which operation has commenced.

2.15 Preoperative Expenses:-

As regards in direct expenditure on project implementation/ construction, are treated as preoperative expenditure pending allocation to fixed assets in progress and is shown as "Preoperative Expenses" under "Other Non Current Assets". The same is transferred to fixed assets on progressive basis and is capitalized along with fixed assets on commencement of commercial activities on pro-rata basis to respective assets.

2.16 Earnings per Share

Basic earnings per share is calculated by dividing the profit or loss for the period attributable to the equity holders of the Company by the weighted average number of ordinary shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. (Refer Note 32)

2.17 Provisions:-

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an out flow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to present value and are determine based on best estimate required to settle the obligations at the balance sheet date these are review at each balance sheet date and adjusted to reflect the best estimates.

2.18 Contingent Liabilities

Contingent liabilities are determined on the basis of available information and explanations given to us and are disclosed by way of note to the accounts, if any.

