

**Independent Auditor's Report**  
**To the Members of M/S Starlite Fashions Private Limited**

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

We have audited the accompanying financial statements of "M/s. Starlite Fashions Private Limited" ("the Company"), which comprise the Balance Sheet as at 31st March 2021, the statement of Profit and Loss Account and the Cash Flow Statements of the Company for the year then ended and 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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles; and "the PROFIT"; and its Cash flows for the year ended on that date.

**Other Matter**

1. *The company is a wholly owned subsidiary of M/s Starlite Global Enterprises (India) Ltd, which holds the total shares of this company; including about 2% of the shareholding (of promoters and others) by way of beneficial interest thereon.*
2. In the present difficult situation going through all over, due to COVID -19, and due to the resultant lockdowns and other disturbances; the entire audit was carried out based on remote access of the data as provided by the management. This has been carried out based on the advisory on "Specific Considerations while conducting Distance Audit/Remote Audit/ Online Audit under current Covid-19 situation" issued by the Auditing and Assurance Standards Board of ICAI. We have been represented by the management that the data provided for our audit purposes is correct, complete, reliable and are directly generated by the accounting system of the Company without any further manual modifications. We have relied upon the same for the purpose of audit and for report thereon.

**Emphasis matter:-**

1. Confirmation of balances in respect of Debtors and Creditors and for short term borrowings from others (Refer note.6,14 & 15) are not available for verification.
2. Debt Equity ratio (total of outside Liabilities/net worth) is at so 7.87:1 as of 31/03/2021.(Previous year 37.47:1)

**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 requirement that are relevant to our audit of the financial statements under the provisions of the Companies act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes the  
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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 internal financial control, 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.

The Board of Directors is also responsible for overseeing company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

**Report on other Legal and Regulatory Requirements.**

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 Act, we give "in the Annexure –A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

**As required by Section 143(3) of the Act, we report that:**

We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

- a) 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.
- b) The Balance Sheet, statement of Profit and Loss, and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- c) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- d) On the basis of written representations received from the Directors as on 31st March 2021, and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March 2021, from being appointed as a Director in terms of Section 164(2) of the Act.
- e) 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 **our report in 'Annexure B**
- f) 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 best of our information and according to the explanations given to us:
  - i) As per the information furnished by the Management, we report that the Company does not have any pending litigations as on the date of Balance sheet, and accordingly the matter as to disclosure of its impact on its financial position does not arise. (Refer Note 25).
  - ii) The Company did not have any long term contracts including derivative contracts, requiring any reporting thereon.
  - iii) There are no amounts which are required to be transferred to the Investor Education and Protection fund by the Company.

**For P.S.IYYENGAR and Co.  
Chartered Accountants  
(Firm Registration No.001174S)**

**Place: Hyderabad  
Date: 25-06-2021**

**M. SATYASRINIVAS  
Partner  
Membership No.206672  
UDIN:21206672AAAAED1618**

*Encl: "Annexure A & B" to the Auditor's Report forming part of this Report.*

**ANNEXURE – A TO THE INDEPENDENT AUDITORS' REPORT**

The Annexure referred to" in item '6' (Report on Legal and other Regulatory Requirements) " of our Independent Auditor's Report to the Members of the Company on the " financial statements" of "M/s. Starlite Fashions Private Limited , ( being the Wholly owned Subsidiary of M/S Starlite Global Enterprises India Ltd)", for the year ended 31<sup>st</sup> March 2021 .

i) **The Company does not have any fixed assets with them as on the date of this Balance sheet or as of previous year. Accordingly the reporting under clause as to item (i) (a to c) of CARO- is Nil**

ii) **The Company does not have any closing stock as of end March 21 and also as of the end of previous year: and the stocks purchased during the year under Audit are fully sold in the relevant year itself.**

The matters as to physical verification and discrepancies if any there to have its limited applicability in view of the above comments. The Management confirms about exercising necessary controls thereof.

iii) **According to the information and explanations given to us; we report that the Company has given advances , and made on account payments , including debits/credits for expenses; to M/S STARLITE GLOBAL ENTERPRISES (INDIA )LTD (SGEIL) (being THE Holding Company and related party); , as covered in the register maintained, u/s 189 of Companies Act 2013 (the Act); on interest terms of 11.50 % p.a ; and outstanding as of 31-3-2021 are rs 871.60 lacs .(refer note no 8 of balance sheet and note no 26 - b(1) and C (1).of notes to Accounts.)**

a. There are no terms and conditions relating to the advances given to Holding Company ; and are repayable on demand and is on interest terms as reported above , and is in the nature of a running account .; and are not prejudicial to the interest of the company.

b. *The advances given , and on account payments/receipts made to/from , Holding Company , are not covered by any agreements / terms , and are recoverable on demand and bearing interest as reported above.:(refer note no 16)*

c. The advances made being recoverable on demand and are in the nature of running account, no over dues thereof are reported; and accordingly, the clause as to overdue for more than 90 days is not applicable.

iv) a. **In our opinion and according to the information and explanations given to us, the Company has made /given advances and /; on account payments/receipts ; and certain other debits/credits; to Holding Company ,(SGEIL) coming under the purview of Section 185 and 186 of the Act; on interest at 11.50% p.a and are repayable on demand.The loans &advances given to HOLDING COMPANY during the year under report/repayments there of ; together with opening balances resulting in an outstanding of Rs 871.60 lakhs ,as on of 31st March 2021; are within the overall lending limits as approved at the AGM held on 30/09/2016.**

b. **Refer to "item viii" of this report as below regarding deployment of short term borrowings obtained towards giving loans and advances to Holding Company.**

v) The Company has not accepted any deposits from the public.

vi) In our opinion and according to the information and explanation given to us, the Central Government has not prescribed maintenance of cost records under sub section (1) of Section148 of the Companies Act, 2013; for any of the services rendered by the Company

vii) a) 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, the undisputed statutory dues of Income tax, TDS, Service tax, Sales Tax, Goods and Service Tax, Customs Duty and Cess as applicable pertaining to the year under audit have been deposited with appropriate authorities" however, with certain delays together" with interest there on". .; except the one reported below:

**INCOME TAX LIABILITY – for F.Y 2020-21 -- . 8,78,932/- as on 31/03/2021 Plus interest till date of remittance. This amount relates to net of tax liability of Rs 18,03,038 (Refer Noteno.17) minus advance tax of 20-21 f.y of Rs 2,00,000 and TDS receivable of Rs.7,24,126) (refer note No.9)**

b) The particulars of dues of Income Tax, Sales Tax, wealth tax, Goods and Service Tax, Service Tax, value added tax, Excise Duty and/ or Cess which have not been deposited by the Company on account of a dispute and outstanding thereof are "NIL" as of 31st March 2021 .

viii) During the year 2020-21, the Company has not obtained any loans from Banks/Financial Institutions, and accordingly the reporting under this clause is NIL.

a) *In respect of the above clause ,the Company has however obtained, short term borrowings from individuals /Body Corporates /HUF; both during the yaer 20-21 and in earlier year ; on interest at 10%-12% p.a , and are repayable on demand and out standings there of as of end Marc,21, are Rs 725.65 lacs (refer note no 14 ) which are within the Borrowing powers as approved by the Company's AGM dated 30/09/2016.*

*The short term Borrowings obtained and outstanding during the year are entirely deployed; (apart from internal accruals and other funds ) towards giving loans and advances to the Holding Company , as disclosed in note no 14 of Balance Sheet.*

b) Reference is made to Note No.16 of Balance Sheet and item No.26(b)(2) and c(4) of Notes to accounts, relating certain expenses of this Company met by the ASSOCIATE COMPANY M/s.Starlite Spintech Limited; resulting in an outstanding of Rs.19.87 lacs which remains payable

ix) The Company didn't raise any money by way of initial public offer or further public offer (including debt instruments)

x) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

xi) According to the information and explanation given to us and based on our examination of records of the Company, the Managerial remuneration has been paid "in accordance with Section 197 read with part-II of Schedule V" of the Companies Act, 2013; and as approved at the AGM of 07/11/2020.(refer note no 22 and 26 (b)(5).)

xii) In our opinion and according to the information and explanation given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the order is not applicable.

xiii) According to the information and explanation given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, and the details have been disclosed in the financial statements as required by the applicable accounting standards. (Refer Note No. 26 A-C, of Notes to Accounts).

ii) According to the information and explanation given to us and based on 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.

iii) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with Directors or persons connected with them during the year under report.

iv) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

For P.S.IYYENGAR and Co.  
Chartered Accountants  
(Firm Registration No.001174S)

Place: Hyderabad  
Date: 25-06-2021

M. SATYASRINIVAS  
Partner  
Membership No.206672  
UDIN:21206672AAAAED1618

Annexure –B to the Independent Auditors' Report

**Report on the internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act"); and as referred to in paragraph 6 (e) of our Independent Audit Report of even date .**

We have audited the internal financial controls over financial reporting of "M/s Starlite Fashions Private Limited" ("the Company"), (being the Subsidiary of M/S Starlite Global Enterprises India Limited); as of 31 March 2021; in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The board of Directors of the company 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 respective 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 internal financial controls over financial reporting of the company 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") issued by Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

### **Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with 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.

### **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, to the best of our information and according to the explanations given to us; 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 March 31, 2021**, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For P.S.IYYENGAR and Co.  
Chartered Accountants  
(Firm Registration No.001174S)**

**Place: Hyderabad  
Date: 25-06-2021**

**M. SATYASRINIVAS  
Partner  
Membership No.206672  
UDIN:21206672AAAAED1618**

**STARLITE FASHIONS PRIVATE LIMITED**  
**Balance Sheet as at March 31, 2021**

(in Actuals)

| Particulars   | Note No. | 31-03-2021         | 31-03-2020         |
|---|----------|--------------------|--------------------|
| <b>ASSETS</b>   |          |                    |                    |
| (1) Non-Current Assets  |          |                    |                    |
| (a) Fixed Assets  |          |                    |                    |
| (i) Tangible Assets   | 2        | -                  |                    |
| (ii) Intangible Assets  |          | -                  |                    |
| (iii) Capital Work-in-Progress                                |          | -                  |                    |
| (iv) Intangible Assets Under Development                      |          | -                  |                    |
| (b) Non-Current Investments                                   |          | -                  |                    |
| (c) Deferred Tax Asset (Net)                                  | 3        | -                  |                    |
| (d) Long-Term Loans and Advances                              |          | -                  |                    |
| (e) Other Non-Current Assets                                  | 4        | 1,04,903           | 7,70,065           |
| (2) Current Assets  |          |                    |                    |
| (a) Current Investments                                       |          |                    |                    |
| (b) Inventories   | 5        |                    |                    |
| (c) Trade Receivables   | 6        | 9,93,626           | -                  |
| (d) Cash and Cash Equivalents                                 | 7        | 3,32,151           | 5,46,140           |
| (e) Short-Term Loans and Advances                             | 8        | 8,71,60,835        | 7,67,28,699        |
| (f) Other Current Assets                                      | 9        | 9,40,656           | 16,97,630          |
| <b>TOTAL</b>  |          | <b>8,95,32,171</b> | <b>7,97,42,534</b> |
| <b>EQUITY AND LIABILITIES</b>                                 |          |                    |                    |
| (1) Shareholders' Funds                                       |          |                    |                    |
| (a) Share Capital   | 10       | 55,00,000          | 55,00,000          |
| (b) Reserves and Surplus                                      | 11       | 45,97,571          | (34,27,303)        |
| (c) Money Received Against Share Warrants                     |          | -                  | -                  |
| (d) Share Application Money Pending Allotment                 |          | -                  | -                  |
| (2) Non-Current Liabilities                                   |          |                    |                    |
| (a) Long-Term Borrowings                                      | 12       | -                  | -                  |
| (b) Deferred Tax Liabilities (Net)                            | 13       | -                  | -                  |
| (c) Other Long Term Liabilities                               |          | -                  | -                  |
| (d) Long-Term Provisions                                      |          | -                  | -                  |
| (3) Current Liabilities                                       |          |                    |                    |
| (a) Short-Term Borrowings                                     | 14       | 7,25,65,295        | 6,49,40,320        |
| (b) Trade Payables  | 15       | 19,97,567          | 1,29,465           |
| (c) Other Current Liabilities                                 | 16       | 19,87,808          | 1,11,03,937        |
| (d) Short-Term Provisions                                     | 17       | 28,83,930          | 14,96,115          |
| <b>TOTAL</b>  |          | <b>8,95,32,171</b> | <b>7,97,42,534</b> |
| <i>Summary of Significant Accounting Policies</i>             | 1        |                    |                    |
| <i>Notes forming an integral part of Financial Statements</i> | 1-29     |                    |                    |

As per our report of even date  
For P.S IYYENGAR & CO.  
Chartered Accountants  
Firm Registration No.0011745

For and on behalf of the Board of Directors  
Of Starlite Fashions Private Limited

M.Satya Srinivas  
Partner  
Membership No.206672  
UDIN:21206672AAAAED1618

Sandeep Patwari  
Director  
DIN:00253286

Shailaja Patwari  
Whole time Director  
DIN:01458166

Place: Hyderabad  
Date:25-06-2021

**STARLITE FASHIONS PRIVATE LIMITED**  
**Statement of Profit and Loss for the year ended March 31, 2021**

(in Actuals)

| Particulars |   | Note No. | 31-03-2021         | 31-03-2020         |
|-------------|---|----------|--------------------|--------------------|
| I           | Revenue From Operations   | 18       | 35,61,198          | 43,53,259          |
| II          | Other Income  | 19       | 2,08,21,781        | 95,77,908          |
|             | <b>Total Revenue</b>  |          | <b>2,43,82,979</b> | <b>1,39,31,167</b> |
| III         | III Expenses:   |          |                    |                    |
|             | Cost of Materials Consumed  |          | -                  | -                  |
|             | Purchases of Traded Goods   | 20       | 32,13,316          | 13,80,030          |
|             | Changes in Inventories of Finished Goods Work- In-Progress and Stock - In - Trade (Increase)/Decrease | 21       | -                  | 12,05,939          |
|             | Employee Benefits Expenses  | 22       | 26,88,210          | 9,94,347           |
|             | Finance Costs   | 23       | 80,12,351          | 40,69,060          |
|             | Depreciation and Amortisation Expenses  | 24       | -                  | 10,50,910          |
|             | Other Expenses  | 25       | 9,76,029           | 4,06,190           |
|             | <b>Total Expenses</b>   |          | <b>1,48,89,906</b> | <b>91,06,476</b>   |
| IV          | Profit Before Exceptional and Extraordinary Items and Tax   |          | 94,93,073          | 48,24,691          |
| V           | Extraordinary Items   |          | -                  | -                  |
| VI          | <b>Profit before Tax</b>  |          | <b>94,93,073</b>   | <b>48,24,691</b>   |
| VII         | Tax expense:  |          |                    |                    |
|             | (i) Current Tax   |          | 18,03,038          | 8,53,287           |
|             | ii) Less: MAT Credit Entitlement  |          | (6,65,161)         | (8,53,287)         |
|             | (iii) Deferred Tax  |          | -                  | (9,83,829)         |
|             | <b>Profit (Loss) for the period</b>   |          | <b>70,24,874</b>   | <b>38,40,862</b>   |
|             | <i>Summary of Significant Accounting Policies</i>   | 1        |                    |                    |
|             | <i>Notes forming an integral part of Financial Statements</i>   | 1-29     |                    |                    |

As per our report of even date  
For P.S IYYENGAR & CO.  
Chartered Accountants  
Firm Registration No.0011745

For and on behalf of the Borad of Directors  
Of Starlite Fashions Private Limited

M.Satya Srinivas  
Partner

Sandeep Patwari  
Director

Shailaja Patwari  
Whole time  
Director

Membership No.206672  
UDIN:21206672AAAAED1618

DIN:00253286

DIN:01458166

Place: Hyderabad  
Date:25-06-2021

**STARLITE FASHIONS PRIVATE LIMITED**  
**Cash Flow Statement for the year ended March 31, 2021**

(in Actuals)

| Particulars |  |                 | 31-03-2021           | 31-03-2020           |
|-------------|--|-----------------|----------------------|----------------------|
| <b>A</b>    | <b>CASH FLOW FROM OPERATION ACTIVITES</b>                          |                 |                      |                      |
|             | Net Profit After tax and Extraordinary Items                       |                 | 70,24,874            | 38,40,862            |
|             | Adjustments for:   |                 |                      |                      |
|             | Depreciation (Non Cash Transaction)                                |                 | -                    | 10,50,910            |
|             | Deferred Tax Liability(non Cash Transaction)                       |                 | -                    | 9,83,829             |
|             | Profit On sale of Assets-Non Cash Trnscation                       |                 | -                    | (24,763)             |
|             | Financial Transaction  |                 | 80,12,351            | 40,69,060            |
|             | <b>Operating Profit Before Working Capital Change</b>              | <b>(i)</b>      | <b>1,50,37,225</b>   | <b>99,19,898</b>     |
|             | Adjustments for:   |                 |                      |                      |
|             | (Increase)/ Decrease in Inventories                                |                 | -                    | 12,05,939            |
|             | (Increase)/ Decrease in Trade & Other Receivable                   |                 | (9,93,626)           | -                    |
|             | (Increase)/ Decrease in Current Assets                             |                 | (96,75,162)          | (7,74,87,313)        |
|             | (Increase)/ Decrease in Non Current Assets                         |                 | 6,65,162             | 40,91,256            |
|             | (Increase)/ Decrease in Current Liabilities                        |                 | (58,60,212)          | 1,23,44,655          |
|             | Cash Flow from extraordinary items                                 | <b>(ii)</b>     | <b>(1,58,63,838)</b> | <b>(5,98,45,463)</b> |
|             | <b>Net Cash Flow from Operating Activities</b>                     | <b>A (i+ii)</b> | <b>(8,26,613)</b>    | <b>(4,99,25,565)</b> |
| <b>B</b>    | <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                         |                 |                      |                      |
|             | Cash Flow From Sale of Assets                                      | <b>B</b>        | -                    | 11,35,000            |
| <b>C</b>    | <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                         |                 |                      |                      |
|             | Financial Charges  |                 | (80,12,351)          | (40,69,060)          |
|             | Proceeds From Short Term Borrowing                                 |                 | 76,24,975            | 5,25,44,937          |
|             | <b>Cash Flow From Financing Activities</b>                         | <b>C</b>        | <b>(3,87,376)</b>    | <b>4,84,75,877</b>   |
|             | <b>Net Increase/(Decrease) in Cash &amp; Cash Equivalent A+B+C</b> |                 | <b>(2,13,988)</b>    | <b>(3,14,688)</b>    |
|             | Cash and Cash Equivalents-Opening Balance                          |                 | 5,46,140             | 8,60,827             |
|             | Cash and Cash Equivalents-Closing Balance                          |                 | 3,32,151             | 5,46,140             |
|             | <b>Cash Surplus &amp; Deficit for the Year</b>                     |                 | <b>(2,13,989)</b>    | <b>(3,14,687)</b>    |

As per our report of even date

For P.S IYYENGAR & CO.  
Chartered Accountants  
Firm Registration No.0011745

For and on behalf of the Borad of Directors  
Of Starlite Fashions Private Limited

M.Satya Srinivas  
Partner  
Membership No.206672  
UDIN:21206672AAAAED1618

Sandeep Patwari  
Director  
DIN:00253286

Shailaja Patwari  
Whole time Director  
DIN:01458166

Place: Hyderabad  
Date:25-06-2021

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021****NOTE NO .1****COMPANY REVIEW:**

The Company was incorporated on 9<sup>th</sup> July 1999. The Company is a wholly owned subsidiary of "M/s. Starlite Global Enterprises (India) Limited" (SGEIL) by virtue of the said company (SGEIL) holding 100% share capital of this Company; including 2% holdings of promoters and others, by way of beneficial interest there on .

The Company has commenced its retail operations from October 2010 offering designer/branded garments and other fashion items; and same trading activity is continued as of now.

The Company has taken up in earlier years, the contract for maintenance of TULIP A Block constructed by the Associate Company, with an agreement with them, resulting in yielding additional income by way of maintenance receipts, ; and the same activity is continued during the year 19-20 & 20-21 also, extending the maintenance contract to TULIP B block also. The company has broad based its activities to augment its income and profits and improve the working funds/net worth in the system; and in line with the same have taken up in the earlier year and also during the year 2020-21: the activity concerning purchase of land from Holding Company and sale of such land to others and further the Company has also started obtaining short term borrowings on interest from Body Corporates/NBFC's/ /others, and has been deploying such funds, fully towards making loans and advances only to Holding Company on interest basis.

**SIGNIFICANT ACCOUNTING POLICIES:****A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS:**

The Financial Statements have been prepared on the basis of generally accepted accounting principles which govern the preparation and presentation of such statements, on a going concern concept.

**B. REVENUE RECOGNITION:**

The Company adheres to mercantile method of accounting and recognizes income and expenditure on accrual basis.

- i) The income from sale of land is recognized as the net of purchase and sale value thereof and is shown under "Other Income" in P&L A/c.
- ii) Interest paid/credited on short term borrowings obtained; and interest received on advances given, on account payments/receipts; to/from holding company; both; are accounted separately.
- iii) The maintenance income and expenses there against are shown separately in P & L Account.

**C. USE OF ESTIMATES:**

The preparation of Financial Statements requires the Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as on the date of the financial statements and also as to reported amount of income and expenses during the period. Difference between the actual and estimates are recognized in the year in which the results are known/ materialized.

**D. FIXED ASSETS:**

The Company does not have any fixed assets with them as on the date of this Balance sheet or as of previous year.

**E. DEPRECIATION:**

The Company does not have any fixed assets with them as on the date of this Balance sheet or as the end of the previous year, hence this item is not applicable.

**F. IMPAIRMENT OF ASSETS:**

The Company does not have any fixed assets with them as on the date of this Balance sheet and accordingly the matter as to no impairment do not arise. .

**G. FOREIGN EXCHANGE TRANSACTIONS:**

The Company has not taken up any Foreign Exchange transactions, monetary or otherwise during the year, 2020-21

**H. INVENTORIES:**

The Company does not have any closing stock as of end March 21 and also as of the end of previous year: and the stocks purchased during the year under Audit are fully sold in the relevant year itself.

**I. RETIREMENT BENEFITS:**

The Company is having only few employees as such the norms as to retirement benefit are not applicable.

**J. TAXES ON INCOME AND DEFERRED TAX:**

- i) There is no Deferred tax liability" on timing difference in respect of depreciation as per Companies Act and Tax Laws: since the Company do not have any fixed assets during the year 2020-21 and as the end of previous year.
- ii) INCOME TAX LIABILITY – for F.Y 2020-21 -- 8,78,932/-as on 31/03/20219(net sum) (Plus interest till date of remittance),being the net of tax liability of Rs. 18,03,038 (Refer Noteno.17) minus advance tax of 20-21 F.y of Rs. 2,00,000 and TDS receivable of Rs.7,24,126) (refer note No.9) is outstanding for remittance as on the date of Balance sheet and as of the date of this report.
- iii) The income tax provision of Rs.18.03 Lakhs (as per Note No.17) is made as per Income tax Act; as per the normal computation, after setting off the MAT credit entitlement as of Rs.6,65,161, pertaining to previous year.(Refer Note.No.4)

**K. RELATED PARTY DISCLOSURE:**

Disclosures of related party transactions as per "AS-18" are made under Note No.25

**L. SEGMENT REPORTING:**

The Company has four segments of operations during the year 2020-21; being (i) retail Sales of Garments and other fashion items (ii) and income from maintenance of flats/apartments; and (iii) interest income in respect of advances to Holding Company and also (iv) net income from purchase and sale of land. The turnover/ income, under each segment are separately disclosed as per Note No. 27.

**Note No.3**  
**Deferred Tax Asset**

| Particulars  | 31-03-2021 | 31-03-2020 |
|--|------------|------------|
| Opening Deferred Tax   |            | 9,83,829   |
| Adjustment of Timing difference of Depreciation for the year |            | (9,83,829) |
| <b>Total</b>   | -          | -          |

**Note No.4**  
**Non Current Assets**

| Particulars  | 31-03-2021      | 31-03-2020      |
|--|-----------------|-----------------|
| Unsecured  |                 |                 |
| Deposit With Airtel  | 4,000           | 4,000           |
| Deposit of ACD for electricity connection  | 1,00,903        | 1,00,904        |
| MAT Credit   | -               | 6,65,161        |
| <b>Total</b>   | <b>1,04,903</b> | <b>7,70,065</b> |
| Mat credit entitlement of previous year of Rs 6.65 lacs is sett off during this year 2020-21, against the tax assessed and payable as per normal computation |                 |                 |

**Note No.5**  
**Inventories**

| Particulars              | 31-03-2021 | 31-03-2020 |
|--------------------------|------------|------------|
| Finished Goods (At Cost) | -          | -          |
| <b>Total</b>             | -          | -          |

**Note No.6**  
**Trade Receivables**

| Particulars                     | 31-03-2021      | 31-03-2020 |
|---------------------------------|-----------------|------------|
| Unsecured - Considered Good     |                 |            |
| Due for less than six months    |                 | -          |
| Receivable against Fixed Assets | 9,93,626        |            |
| <b>Total</b>                    | <b>9,93,626</b> | -          |

**Note No.7**  
**Cash and Bank Balances**

| Particulars        | 31-03-2021      | 31-03-2020      |
|--------------------|-----------------|-----------------|
| Cash in Hand       | 70,261          | 1,45,432        |
| Balance with Banks | 2,61,890        | 4,00,708        |
| <b>Total</b>       | <b>3,32,151</b> | <b>5,46,140</b> |

**Note No.8****Short term loan & Advances**

| Particulars                | 31-03-2021         | 31-03-2020         |
|----------------------------|--------------------|--------------------|
| Advance to Holding Company | 8,71,60,835        | 7,67,28,699        |
| <b>Total</b>               | <b>8,71,60,835</b> | <b>7,67,28,699</b> |

Loan to Holding company is repayable on demand carrying interest rate @ 11.5% P.A, and is in the nature of current account being balance of credit/ debit during the year.

**Note No.9****Other Current Assets**

| Particulars                     | 31-03-2021      | 31-03-2020       |
|---------------------------------|-----------------|------------------|
| Unsecured and considered good   |                 |                  |
| TDS receivable                  | 7,24,106        | 5,54,630         |
| Advance Tax Paid                | 2,00,000        |                  |
| Receivable against Fixed Assets | -               | 11,35,000        |
| Maintenance receipts Receivable | 16,550          | 8,000            |
| <b>Total</b>                    | <b>9,40,656</b> | <b>16,97,630</b> |

Amount of Rs 9.93 Lacs relate to amount receivable (being part of sale consideration) from buyers towards sale of land to them in 2020-21, and the same is recovered in ensuing year

**Note No.10****Share Capital**

| Particular   | 31-03-2021       | 31-03-2020       |
|--|------------------|------------------|
| <b>Authorized :Capital</b>                         |                  |                  |
| 15,00,000 Equity Shares of Rs.10/- each            | 1,50,00,000      | 1,50,00,000      |
| <b>Issued,subscribed and Paid up Capital :</b>     |                  |                  |
| 5,50,000 Equity Shares of Rs.10/- each, fully paid | 55,00,000        | 55,00,000        |
| <b>Total</b>                                       | <b>55,00,000</b> | <b>55,00,000</b> |

**A. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period :**

| Particulars                                     | 31-03-2021      |                  | 31-03-2020      |                  |
|---|-----------------|------------------|-----------------|------------------|
|   | No. of Shares   | Amount           | No. of Shares   | Amount           |
| Equity Shares                                   |                 |                  |                 |                  |
| Shares Outstanding at the beginning of the year | 5,50,000        | 55,00,000        | 5,50,000        | 55,00,000        |
| Add:  |                 |                  |                 |                  |
| Shares issued during the year                   | -               | -                | -               | -                |
| <b>Shares Outstanding at the year end</b>       | <b>5,50,000</b> | <b>55,00,000</b> | <b>5,50,000</b> | <b>55,00,000</b> |

**A. Details of Shareholders holding more than 5% of Shares in the Company are as follows :**

| Particulars   | 31-03-2021         |           | 31-03-2020         |           |
|---|--------------------|-----------|--------------------|-----------|
|   | No. of Shares held | Amount    | No. of Shares held | Amount    |
| Starlite Global Enterprises (India) Limited (Holding company) | 5,50,000           | 55,00,000 | 5,50,000           | 55,00,000 |

The Holding company is holding 5,40,000 Shares in its name and remaining 10,000 shares in the name of Sri Sandeep Patwari (2,500 Nos), Smt Shailja Patwari (2,500 Nos), Sri Sanjay Patwari (500 Nos), Smt Prachi Patwari (500 Nos),

Sri Ram Gopal Patwari ( 500 Nos), Smt Chanda Patwari ( 500 Nos), Ms Vedika Patwari ( 500 Nos.), Shri Vedant Patwari ( 500 Nos), Sri Uddhav Patwari ( 500 Nos), Smt Sangeeta Tibrewala ( 500 Nos), Sri Rajesh Tibrewala ( 500 Nos) and Sri Mukund Tibrewala ( 500 Nos) who hold these shares on behalf of the Holding Company having no interest of their own.

**Note No.11**  
**Reserve and Surplus**

| Particulars                    | 31-03-2021       | 31-03-2020         |
|--------------------------------|------------------|--------------------|
| Surplus in Profit and Loss A/c |                  |                    |
| Opening Balance                | (34,27,303)      | (72,68,165)        |
| Add: Profit for the year       | 70,24,874        | 38,40,862          |
| <b>Total</b>                   | <b>45,97,571</b> | <b>(34,27,303)</b> |

**Note No.12**  
**Long term Borrowings**

| Particulars  | 31-03-2021 | 31-03-2020 |
|--------------|------------|------------|
|              | -          | -          |
| <b>Total</b> | <b>-</b>   | <b>-</b>   |

**Note No.13**  
**Deferred tax Liability**

| Particulars       | 31-03-2021 | 31-03-2020 |
|-------------------|------------|------------|
|                   | -          | -          |
| Refer to Note No: | -          | -          |
| <b>Total</b>      | <b>-</b>   | <b>-</b>   |

**Note No.14**  
**Short term Borrowings**

| Particulars  | 31-03-2021         | 31-03-2020         |
|--------------|--------------------|--------------------|
| UNSECURED    |                    |                    |
| From Others  | 7,25,65,295        | 6,49,40,320        |
| <b>Total</b> | <b>7,25,65,295</b> | <b>6,49,40,320</b> |

The amount represents unsecured loans raised by the company for its future business plans from business associates of the Promoters i.e (Body corporate, HUFs, and Individuals), carrying interest rate varying from 10% to 12% p.a and are repayable on demand. Presently the funds are deployed with its holding company. (Refer Note No -8)

**Note No.15**  
**Trade Payable**

| Particulars  | 31-03-2021       | 31-03-2020      |
|--------------|------------------|-----------------|
| For Good     | 19,97,567        | 1,29,465        |
| <b>Total</b> | <b>19,97,567</b> | <b>1,29,465</b> |

**Note No.16**  
**Other Current Liabilities**

| Particulars                                 | 31-03-2021       | 31-03-2020         |
|---|------------------|--------------------|
| <b>SECURED</b>                              |                  |                    |
| Current Maturities of Term loan             | -                | -                  |
| Interest on Term loan (Matured but not due) | -                | -                  |
| <b>UNSECURED</b>                            |                  |                    |
| Amount Due to Associate Company             | 19,87,808        | 2,03,937           |
| Advances Received towards sale of Land      | -                | 1,09,00,000        |
| <b>Total</b>                                | <b>19,87,808</b> | <b>1,11,03,937</b> |

**Note No.17**  
**Short term Provisions**

| Particulars              | 31-03-2021       | 31-03-2020       |
|--------------------------|------------------|------------------|
| Outstanding Expenses     | 2,80,578         | 3,06,317         |
| TDS- Payable             | 6,80,454         | 4,47,277         |
| Provision For Income Tax | 18,03,038        | 6,65,161         |
| Audit Fees               | 1,19,860         | 77,360           |
| <b>Total</b>             | <b>28,83,930</b> | <b>14,96,115</b> |

**Note No.18**  
**Revenue from Operations**

| Particulars                  | 31-03-2021       | 31-03-2020       |
|------------------------------|------------------|------------------|
| Textiles & Garments Division | 35,61,198        | 43,53,259        |
| <b>Total</b>                 | <b>35,61,198</b> | <b>43,53,259</b> |

The sale are relate to counter sales in cash and are net of GST Under Composite Scheme.

**Note No.19**  
**Other Income**

| Particulars                              | 31-03-2021         | 31-03-2020       |
|--|--------------------|------------------|
| Maintenance Income                       | 19,20,000          | 14,52,000        |
| Interest Recived on Deposit for premises | -                  | 3,21,798         |
| Interest Recived from Holding Company    | 96,54,741          | 41,45,547        |
| Profit on Sale of Land                   | 92,47,040          | 36,33,800        |
| Profit on Sale of Assets                 | -                  | 24,763           |
| <b>Total</b>                             | <b>2,08,21,781</b> | <b>95,77,908</b> |

The amount of Rs 96.54 lacs refers to the interest received from Holding Company recokned at 11.5% p.a in respect of on account advances / repayments to/from;coumputed on avg balances.(Refer Note No 8)

The amopunt of Rs.19.20 lacs relate to maintenance income received /receivable by the company from the owners of the TULIP Block A&B.; as per the contract/arrangement with Associate Company (Starlite Spintech Limited),with the responsibility to maintain the flats.

**Note No.20**  
**Purchase of Traded Goods**

| Particulars  | 31-03-2021       | 31-03-2020       |
|--------------|------------------|------------------|
| Purchases    | 32,13,316        | 13,80,030        |
| <b>Total</b> | <b>32,13,316</b> | <b>13,80,030</b> |

**Note No.21**  
**Increase/Decrease in Inventories**

| Particulars         | 31-03-2021 | 31-03-2020       |
|---------------------|------------|------------------|
| (Valued at cost )   |            |                  |
| Closing Stock       | -          |                  |
| Opening Stock       | -          | 12,05,939        |
| <b>Net Decrease</b> | <b>-</b>   | <b>12,05,939</b> |

**Note No.22**  
**Employee Benefit Expenses**

| Particulars                        | 31-03-2021       | 31-03-2020      |
|------------------------------------|------------------|-----------------|
| Salaries                           | 16,88,210        | 3,94,347        |
| Whole Time Director's Remuneration | 10,00,000        | 6,00,000        |
| <b>Total</b>                       | <b>26,88,210</b> | <b>9,94,347</b> |

**Note No.23**  
**Finance Cost**

| Particulars  | 31-03-2021       | 31-03-2020       |
|--|------------------|------------------|
| Interest on delayed payment of GST/TDS             | 48,622           | 24,971           |
| Bank Charges                                       | 4,245            | 9,304            |
| Interest on Short Term Borrowings(Refer Note No:6) | 79,59,484        | 40,34,785        |
| <b>Total</b>                                       | <b>80,12,351</b> | <b>40,69,060</b> |

The amount of Rs 79.59 lacs represents total interest paid /credited at 10% & 12%p.a, on short term borrowings obtained from Corporates / HUF,s; and individuals.(Refer Note No 14)

**Note No.24**  
**Depreciation**

| Particulars                     | 31-03-2021 | 31-03-2020       |
|---------------------------------|------------|------------------|
| Depreciation (Refer Note No 10) | -          | 10,50,910        |
| <b>Total</b>                    | <b>-</b>   | <b>10,50,910</b> |

**Note No.25**  
**Administrative & Sales Expenses**

| Particulars                 | 31-03-2021 | 31-03-2020 |
|-----------------------------|------------|------------|
| Audit Fees                  | 1,00,000   | 1,00,000   |
| Professional Charges        | 12,000     | 20,000     |
| Maintenance Charges         | 6,69,142   | 2,03,937   |
| Debit Balance Written Off   | 1,40,075   | -          |
| Business Promotion Expenses | -          | -          |

|   |                 |                 |
|---|-----------------|-----------------|
| GST Paid  | 54,812          | 58,053          |
| Telephone Expenses  | -               | -               |
| Registration & Filing Charges   |                 | 24,200          |
| <b>Total</b>  | <b>9,76,029</b> | <b>4,06,190</b> |
| GST paid on Sales Turnover and on Maintenance received by the company under Composite Scheme; |                 |                 |

**Note No.25****Contingent Liabilities not provided for**

| S.No | Particulars | 31-03-2021 | 31-03-2020 |
|------|-------------|------------|------------|
|      |             | Nil        | Nil        |

**NOTE No.26****RELATED PARTY DISCLOSURES:****a) Related parties:**

| Name of the related party                            | Designation         | Nature of Relationship               |
|--|---------------------|--------------------------------------|
| ShailajaPatwari                                      | Whole Time Director | Key Management personnel             |
| SandeepPatwari                                       | Director            | Husband of key Management personnel  |
| Sanjay Patwari                                       | Director            | Relative of Key Management personnel |
| R.G. Patwari   | Director            | Relative of Key Management personnel |
| StarliteSpintech Limited (SSL)                       | Associate Company   | Associate Company                    |
| Starlite Global Enterprises (India ) Limited (SGEIL) | Holding Company     | Holding Company                      |

**b) Transactions during the year 2020-21**

(in lakhs)

| S.No. | Particulars  | Amount         |
|-------|--|----------------|
| 1     | Advances and on account payments/receipts and other debits/credits to /from Holding Company (SGEIL) (net amount there of; being diff between opg/clgbal) (Refer Note No -14)-(includes amounts denoted under items 3 and 4 below ) | 104.32 (SGEIL) |
| 2     | Expenses of this company(Maintenance expenses and salaries of staff relating to this activity) incurred by Associate company (SFL), and remains payable; (Note no 16)  | 17.83(SFL)     |
| 3     | Interest income (net) from Holding Company; on advances given/amounts received ; and in respect of other debits/credits for expenses /others(note no 19)   | 96.54          |
| 4     | Purchase of land from Holding Company – ( towards trading in land )  | 98.47          |
| 5     | Whole time Directors Remuneration (note no 22)(as per the approvals made at AGM OF 07/11/2020)   | 10.00          |

**c) Outstanding as of 31<sup>st</sup> March 2021**

(in lakhs)

| S.No. | Particulars   | Amount        |
|-------|---|---------------|
| 1.    | Holding Company's share holdings in the paid-up capital of the Company (Refer Note No.10) | 55.00         |
| 2     | Advances to /Amounts receivable from Holding Company. (Refer Note No.16)                  | 871.60(SGEIL) |
| 3     | Part of Whole Time Directors remuneration remaining payable (Note no -17)                 | 1.74          |

|   |   |            |
|---|---|------------|
| 4 | Amounts payable to Associate company(SSL) (including opening balance) and outstanding as of end March,21 (note no 16) | 19.87(SFL) |
|---|---|------------|

**Note No : 27****Segment wise turnover/Net Income (refer to Item L above)**

(in lakhs)

| Particulars   | 31-03-2021 | 31-03-2020 |
|---|------------|------------|
| Retail sales/ trading in garments                         | 35.61      | 43.53      |
| Income from maintenance of buildings / Apartments         | 19.20      | 14.52      |
| Interest income received / on advances to Holding Company | 96.54      | 41.45      |
| Net Income from purchase/sale of land                     | 92.47      | 36.33      |

**NOTE NO.28****Other Disclosures**

|   |  |
|---|--|
| 1 | In the opinion of the Management, all current assets, loans and advances and other Non-current Assets as on the Balance Sheet date have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.   |
| 2 | There are no dues to Micro, Small and medium enterprises in terms of the relevant Act based on the information available with the Company.   |
| 3 | During the year 20-21 the company has purchased land admeasuring 1600 s q.yds from holding company at Rs 98.47 lacs and the same is confirmed to have been made, at arms length price. Together with the registration charges of Rs 6.01 lacs which have been met by the company the total cost of land amounted to Rs 104.48 lacs. The company has sold the entire land in the year 20-21 itself to various unrelated parties for a total sale value of Rs 196.95 lacs.The net income arising there from being Rs 92.47 lacs is grouped under other income under note no 19 of P& L A/c.(also refer to item 26 b 4 and item 27 as above). |
| 4 | Confirmation of balances in respect of Debtors and Creditors and for short term borrowings from others (Refer note.6 &14) are yet to be obtained.<br><br>The debtors of Rs 9.83 lacs as per note no 6 of Balance sheet , are recoverable and are being pursued for its early recovery  |
| 5 | Debt Equity ratio (Total Liability/ Shareholders Equity) is at so 7.87:1 as of 31/03/2021(Previous year 37.47:1).The Company is taking steps to improve the ratio.   |
| 6 | The short term Borrowings obtained and outstanding during the year are entirely deployed:(apart from internal accruals and other funds) towards giving loans and advances to the Holding Company , as disclosed in note no 14 of Balance Sheet.  |
| 7 | The debit balances written off of Rs.1.40 lacs as per note no.25 relates to TDS receivables of earlier years.  |
| 8 | The stocks of garments and others purchased from time to time during the year are sold fully in the relevant year itself and the inventories as at the close of March ,21 are nil .(refer note no 5)   |

(in actuals)

| 9 | Audit Fees           | 31-03-2021     | 31-03-2020      |
|---|----------------------|----------------|-----------------|
|   | Statutory Audit Fees | 100,000        | 1,00,000        |
|   | <b>Total</b>         | <b>100,000</b> | <b>1,00,000</b> |

(in actuals)

| 10 | Managerial Remuneration                              | 31-03-2021 | 31-03-2020 |
|----|--|------------|------------|
|    | Whole Time Directors Remuneration.(refer note no 22) | 10,00,000  | 6,00,000   |