

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

Report on the Audit of Financial Statements for the Financial Year- 2023-24

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 2024, the statement of Profit and Loss Account and Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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; ; read together with *NOTES TO ACCOUNTS*, and those reported in *OTHER MATTERS* ; and give a true and fair view in conformity with the accounting principles generally accepted in India, of the Balance Sheet of the Company as at March 31, 2024 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) Limited which holds the total shares of this company; including about 2% of the shareholding (of promoters and others) by way of beneficial interest thereon.*

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 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, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act 2013, we give "in the Annexure –A", 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 2024, and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March 2024, 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'**

Other Regulatory Information

With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:

- i) The company does not have any pending litigations which would impact its financial position.
- ii) The company does not have any long-term contracts requiring a provision for material foreseeable losses.
- iii) The company does not have any amounts required to be transferred to the Investor Education and Protection Fund.
- iv) The company has not advanced any funds 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, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries other than those disclosed in the notes to accounts.
- v) The company has not received any funds from any persons or entities, including foreign entities ("Funding Parties") with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries other than those disclosed in the notes to accounts
- vi) The company has not declared or paid any dividend during the year.
- vii) The Company has used such accounting software for maintaining books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all transactions recorded in the software and the audit trail feature has not been tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention.

For **P.S.IYENGAR & Co.**
Chartered Accountants
(Firm Registration No.001174S)

Place: Hyderabad
Date: 27-05-2024

M.SATYA SRINIVAS
Partner
Membership No.206672
UDIN: 24206672BKAVGS9134

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

CARO 2020 REPORT**ANNEXURE(B) REFERRED TO IN PARAGRAPH 1 OF INDEPENDENT AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF STARLITE FASHIONS PRIVATE LIMITED ON THE FINANCIAL STATEMENTS OF THE COMPANY FOR THE YEAR ENDED 31ST MARCH, 2024.**

In terms of Companies (Auditor's Report) Order 2020, issued by the Central Government of India, in terms of section 143(11) of The Companies Act, 2013, we further report, on the matters specified in paragraph 3 and 4 of the said Order, that:-

1. The company do not have any fixed assets, as such this clause is not applicable.
2. (i) Physical verification of inventory has been conducted at reasonable intervals by management. In our opinion, the coverage and procedure by the management is appropriate. The aggregate of discrepancies of 10% or more in each class of inventory noticed have been properly dealt with in the books of account.
(ii) This sub clause is not applicable.
3. (i) The company has made investments in, provided any guarantee or security granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, LLPs, or any other parties.
 - a. the aggregate amount as of 31.03.2024 was Rs 146.38 lakhs (Rs.262.79 lakhs) being the balance outstanding from wholly owned holding company viz., Starlite Global Enterprises (India) Limited.
 - b. the terms and conditions are not prejudicial to the interests of the company
 - c. schedule of repayment has not been stipulated,
 - d. the account is running account and it is not overdue for more than 90 days,
 - e. this sub-clause is not applicable in view of the sub-clause c above.
 - f. Except as referred in sub=clause a of clause 3 above no other loans were granted or taken or given during the year.
4. The company has been maintaining a running account with its wholly owned holding company and the balance outstanding as of 31.03.2024 was Rs 146.38 lac (Rs.262.79) within the meaning of sections 185 & 186 of The Companies Act, 2013.
The provisions of section 185 and 186 of the Companies Act, 2013 have been duly complied with.
5. The company has not accepted any deposits from the public in terms of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013.
6. The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act, for any of the products manufactured by the company.
7. (i) The company is regular in depositing undisputed statutory dues with appropriate authorities.
(ii) According to records of the company, there are no statutory dues which have not been deposited on account of any dispute.
8. There are no transactions that are not recorded in the books of account to be surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961;
9. This clause is not applicable
10. (i) The company has not made any initial public offer during the year.
(ii) The company has not made any preferential allotment or private placement of shares/debentures during the year.
11. (i) Based upon the audit procedures performed and information and explanations given to us by the management, we report that no fraud by the company or on the company by its officers/employees have been noticed or reported during the course of our audit.
(ii) report under sub-Section (12) of Section 143 of the Companies Act 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.
(iii) Whether the auditor has considered whistle-blower complaints, if any, received during the year by the Company.

12. The transactions entered into with related parties are in compliance with section 177 & 188 of The Companies Act 2013 and the details have been disclosed in the financial statements as required by the applicable accounting standards.
13. (i) The company has an internal audit system on its own and the management themselves are closely monitoring the same commensurate with the size and nature of its business.
14. The company has not entered into any non-cash transactions with directors or persons connected with directors, during the year.
15. (i) The company is not required to be registered under section 45-IA of The Reserve Bank of India Act, 1934. In view of this, sub-clauses (ii), (iii) and (iv) are not applicable.
- (ii) the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act 1934.
16. The company has not incurred cash losses in the Financial Year and in the immediately preceding Financial Year.
17. There has not been any resignation of the statutory auditors during the year.
18. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
19. (i) In respect of other than ongoing projects, the company has not transferred unspent amount to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act.
- (ii) In respect of other than ongoing projects, the company has not transferred any amount remaining unspent under section (5) of section 135 of Companies Act to special account in compliance with provision of sub section (6) of section 135 of the said Act
20. There are no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements.
21. The company is not a Nidhi Company and as such, this clause is not applicable.

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

Place: Hyderabad
Date: 27-05-2024

M.SATYA SRINIVAS
Partner
Membership No.206672
UDIN: 24206672BKAVGS9134

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 Spintech Limited" ("the Company") as of 31 March 2024 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, and to the best of our information and according to the explanations given to us **and subject to above observations**; 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, 2024, 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 & Co.**
Chartered Accountants
(Firm Registration No.001174S)

Place: Hyderabad
Date: 27-05-2024

M.SATYA SRINIVAS
Partner
Membership No.206672
UDIN: 24206672BKAVGS9134

STARLITE FASHIONS PRIVATE LIMITED
Balance sheet for the year ended March 31, 2024

Particulars	Note No.	31-03-2024	31-03-2023
		₹	₹
ASSETS			
(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	1,04,903
(2) Current Assets			
(a) Current Investments			
(b) Inventories	5		
(c) Trade Receivables	6		-
(d) Cash and Cash Equivalents	7	44,063	54,451
(e) Short-Term Loans and Advances	8	1,46,38,834	2,62,79,316
(f) Other Current Assets	9	8,06,805	14,68,193
TOTAL		1,55,94,605	2,79,06,863
EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	10	55,00,000	55,00,000
(b) Reserves and Surplus	11	81,07,217	70,81,087
(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	-	1,29,92,615
(b) Trade Payables	15	8,12,489	13,07,195
(c) Other Current Liabilities	16	3,51,121	-
(d) Short-Term Provisions	17	8,23,778	10,25,967
TOTAL		1,55,94,605	2,79,06,864

Summary of significant Accounting Policies

Notes forming an integral part of Financial Statements

As per our report of even date attached

For P.S. IYYENGAR & CO.,
Chartered Accountants
Firm Registration No:001174S

For and on behalf of the Board of Directors
of Starlite Fashion Private Limited

M.SATYA SRINIVAS
Partner
Membership No. 206672

Sandeep Patwari
Director
DIN:00253286

Shailaja Patwari
Whole-time Director
DIN:01458166

Place : Hyderabad
Date : 27-05-2024

STARLITE FASHIONS PRIVATE LIMITED
Profit and Loss Account for the year ended March 31, 2024

Particulars		Note No.	Mach 31, 2024	March 31, 2023
I	Revenue From Operations	18	29,08,400	40,08,925
II	Other Income	19	40,25,385	59,15,963
	Total Revenue		69,33,785	99,20,888
III	Expenses:			
	Cost of Materials Consumed		-	-
	Purchases of Traded Goods	20	22,30,000	31,57,000
	Changes in Inventories of Finished Goods Work- In-Progress and Stock - In - Trade (Increase)/Decrease	21	-	-
	Employee Benefits Expenses	22	21,12,752	15,58,524
	Finance Costs	23	2,46,767	30,42,429
	Depreciation and Amortization Expenses	24	-	-
	Other Expenses	25	10,13,703	9,95,314
	Total Expenses		56,03,222	87,53,267
IV	Profit Before Exceptional and Extraordinary Items and Tax		13,30,563	11,67,621
V	Extraordinary Items			
VI	Profit before Tax		13,30,563	11,67,621
Vii	Tax expense:			
	(i) Current Tax		3,04,433	3,24,082
	(ii) Less: MAT Credit Entitlement			
	(iii) Deferred Tax			
	Profit (Loss) for the period		10,26,130	8,43,539
	Earning Per Share		1.86	1.53
	<i>Summary of Significant Accounting Policies</i>	1		
	<i>Notes forming an integral part of Financial Statements</i>	1-30		

As per our report of even date attached

For P.S. IYENGAR & CO.,
Chartered Accountants
Firm Registration No:001174S

For and on behalf of the Board of Directors
of Starlite Fashion Private Limited

M.SATYA SRINIVAS
Partner
Membership No. 206672

Sandeep Patwari
Director
DIN:00253286

Shailaja Patwari
Whole-time Director
DIN:01458166

Place : Hyderabad
Date : 27-05-2024

STARLITE FASHIONS PRIVATE LIMITED
Cash Flow Statement for the year ended March 31, 2024

Particulars		March 31, 2024	March 31, 2023
A	CASH FLOW FROM OPERATION ACTIVITES		
	Net Profit After tax and Extraordinary Items	10,26,130	8,43,539
	Adjustments for:		
	Depreciation (Non Cash Transaction)	-	-
	Deferred Tax Liability(Non-Cash Transaction)	-	-
	Profit On sale of Assets-Non Cash Transaction	-	-
	Financial Transaction	2,46,767	30,42,429
	Operating Profit Before Working Capital Change	12,72,897	38,85,968
	Adjustments for:		
	(Increase)/ Decrease in Inventories		-
	(Increase)/ Decrease in Trade & Other Receivable		
	(Increase)/ Decrease in Current Assets	1,23,01,870	3,79,16,401
	(Increase)/ Decrease in Non-Current Assets		-
	(Increase)/ Decrease in Current Liabilities	(3,45,774)	38,416
	Cash Flow from extraordinary items	1,19,56,096	3,79,54,817
	Net Cash Flow from Operating Activities	1,32,28,993	4,18,40,784
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Cash Flow From Sale of Assets		-
	Cash Flow From Investing Activities		-
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Financial Charges	(2,46,767)	(30,42,429)
	Proceeds From Short Term Borrowing	(1,29,92,614)	(3,90,57,768)
	Cash Flow From Financing Activities	(1,32,39,381)	(4,21,00,197)
	Net Increase/(Decrease) in Cash & Cash Equivalent A+B+C	(10,388)	(2,59,412)
	Cash and Cash Equivalents-Opening Balance	54,451	3,13,864
	Cash and Cash Equivalents-Closing Balance	44,063	54,451
	Cash Surplus & Deficit for the Year	(10,388)	(2,59,412)

As per our report of even date attached

For P.S. IYYENGAR & CO.,
Chartered Accountants
Firm Registration No:001174S

For and on behalf of the Board of Directors
of Starlite Fashion Private Limited

M.SATYA SRINIVAS
Partner
Membership No. 206672

Sandeep Patwari
Director
DIN:00253286

Shailaja Patwari
Whole-time Director
DIN:01458166

Place : Hyderabad
Date : 27-05-2024

NOTES FORMING PART OF ACCOUNTS AS OF MARCH 31, 2024**NOTE NO .1**
COMPANY REVIEW:

The Company was incorporated on 9th 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 thereon. 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 2021-22 & 2022-23 & 2023-24 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 2022-23: and further the Company has also started in 2020-21 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 the same being continued in 2023-24 also.

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) 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.
- ii) The maintenance income and expenses there against are shown separately in Profit & Loss a/c

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 impairment do not arise.

G. FOREIGN EXCHANGE TRANSACTIONS:

The Company has not taken up any Foreign Exchange transactions, monetary or otherwise during the year 2023-24.

H. INVENTORIES:

The Company does not have any closing stock as of end March 2024 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 does not have any fixed assets during the year 2023-24 and as the end of previous year.

ii) INCOME TAX LIABILITY – for F.Y. 2023-24 Rs.3,04,433/- as on 31/03/2024 (gross sum) (Plus interest till date of remittance / adjustment), (Refer Note 17) (PY Rs.3,24,082/-) minus advance tax of Rs. 1,00,000/- (PY Rs.1,00,000/-) and TDS receivable of Rs.2,72,556 (PY Rs.10,73,693/-) (refer note No.9) as on the date of Balance sheet and as of the date of this report.

iii) The income tax provision of Rs 3.04 Lakhs. (PY Rs.3.24 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 of NIL in CY and also the same pertaining to previous years.(Refer Note.No.4)

K. RELATED PARTY DISCLOSURE:

Disclosures of related party transactions as per "AS-18" are made under Note No.27

L. SEGMENT REPORTING:

The Company has three segments of operations during the year 2023-24; 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. The turnover/ income, under each segment are separately disclosed as per Note No. 28.

As per our report of even date attached

For P.S. IYYENGAR & CO.,
Chartered Accountants
Firm Registration No:001174S

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

M.SATYA SRINIVAS
Partner
Membership No. 206672
UDIN:

Sandeep Patwari
Director
DIN:00253286

Shailaja Patwari
Whole-time Director
DIN:01458166

Place : Hyderabad
Date: 27-05-2024

Note No.3
Deferred Tax Assets

Particulars	March 31, 2024	March 31, 2023
Opening Deferred Tax		
Adjustment of Timing difference of Depreciation for the year		
Total	-	-

Note No.4
Non-Current Assets

Particulars	March 31, 2024	March 31, 2023
<u>Unsecured</u>		
Deposit With Airtel	4,000	4,000
Deposit of ACD for electricity Connection	1,00,903	1,00,903
MAT Credit	-	-
Total	1,04,903	1,04,903

Note No.5
Inventories

Particulars	March 31, 2024	March 31, 2023
	-	-
Total	-	-

Note No.6
Trade Receivables

Particulars	March 31, 2024	March 31, 2023
Unsecured - Considered Good		
Due for less than six months		-
Receivable against Fixed Assets	-	-
Total	-	-

Note No.7
Cash and Bank Balances

Particulars	March 31, 2024	March 31, 2023
Cash in Hand	4,496	8,496
Balance with Banks	39,567	45,955
Total	44,063	54,451

Note No.8
Short Term Loans & Advances

Particulars	March 31, 2024	March 31, 2023
Advance to Holding Company	1,46,38,834	2,62,79,316
Total	1,46,38,834	2,62,79,316
Loan to Holding company is repayable on demand carrying interest rate @ 11.5% per annum, and is in the nature of current account being balance of credit/ debit during the year.		

Note No.9**Other Current Assets**

Particulars	March 31, 2024	March 31, 2023
Unsecured and considered good		
TDS receivable	2,72,556	10,73,693
Advance Tax Paid	-	-
Receivable against Fixed Assets	-	-
Maintenance receipts Receivable	4,70,773	3,94,500
Starlite Spintech Ltd	63,476	-
Total	8,06,805	14,68,193

Note No.10**Share Capital**

Particulars	March 31, 2024	March 31, 2023
Authorized:		
15,00,000 Equity Shares of ₹10 each	1,50,00,000	1,50,00,000
Issued, Subscribed and Paid up:		
5,50,000 Equity Shares of ₹10 each, fully paid	55,00,000	55,00,000
Total	55,00,000	55,00,000

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

Particulars	March 31, 2024		March 31, 2023	
	No. of Shares	Amount	No. of Shares	Amount
<u>Equity Shares</u>				
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	-	-	-	-
Shares Outstanding at the year end	5,50,000	55,00,000	5,50,000	55,00,000

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

Particulars	March 31, 2024		March 31, 2023	
	No. of Shares held	% of Shares held	No. of Shares held	% of Shares held
Starlite Global Enterprises (India) Limited (Holding company)	5,50,000	55,00,000	5,50,000	55,00,000
Total	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 Mr. Sandeep Patwari (2,500 Shares), Mrs. Shailja Patwari (2,500 Shares), Mr. Sanjay Patwari (500 shares), Mrs. Prachi Patwari (500 shares), Mr. Ram Gopal Patwari (500 shares), Mrs. Chanda Patwari (500 shares), Ms Vedika Patwari (500 shares), Mr. Vedant Patwari (500 shares), Mr. Uddhav Patwari (500 shares), Mrs. Sangeeta Tibrewala (500 shares), Mr. Rajesh Tibrewala (500 shares) and Mr. Mukund Tibrewala (500 shares) who hold these shares on behalf of the Holding Company having no interest of their own.

C. Aggregate number of Shares bought back during the period of five years immediately preceding the reporting date:

Particulars	March 31, 2024	March 31, 2023
	No. of shares	No. of shares
NIL		
Total		

D. Rights attached to Equity Share holders

The Company has only one class of equity shares having a face value of ₹10/- each. Shareholders are entitled to one vote per share.

E. Shares held by Promoters as on March 31, 2024

	Promoters Name	No of Shares	% of total Shares	% of change during the year
1	Starlite Global Enterprises (India) Limited	5,50,000	100	-

**Note No.11
Reserve and Surplus**

Particulars	March 31, 2024	March 31, 2023
Surplus in Profit and Loss A/c		
Opening Balance	70,81,087	62,37,548
Add: Profit for the year	10,26,130	8,43,539
Total	81,07,217	70,81,087

**Note No.12
Long Term Borrowings**

Particulars	March 31, 2024	March 31, 2023
Total	-	-

**Note No.13
Deferred Tax Liability**

Particulars	March 31, 2024	March 31, 2023
Net Deferred Tax Liability	-	-

**Note No.14
Short Term Borrowings**

Particulars	March 31, 2024	March 31, 2023
UNSECURED		
From Others	-	1,29,92,615
Total	-	1,29,92,615

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% per annum and are repayable on demand. Presently the funds are deployed with its holding company. (Refer Note No -8)

**Note No.15
Trade Payable**

Particulars	March 31, 2024	March 31, 2023
For Goods	8,12,489	13,07,195
Total	8,12,489	13,07,195

Ageing Schedule (2023-24)

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

MSME	-	-	-	-	-
i) Disputed dues	-	-	-	-	-
Others	-	-	-	-	-

Ageing Schedule (2023-24)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
iv) MSME	-	-	-	-	-
v) Others	-	-	-	-	-
vi) Disputed dues	-	-	-	-	-
MSME	-	-	-	-	-
ii) Disputed dues	-	-	-	-	-
Others	-	-	-	-	-

Note No.16**Other Current Liabilities**

Particulars	March 31, 2024	March 31, 2023
SECURED		
Current Maturities of Term loan	-	-
Interest on Term loan (Matured but not due)	-	-
UNSECURED		
Amount Due to Associate Company	-	-
Advance From Customers -[Maintenance Corpus] - Imperia Block	3,51,121	-
Total	3,51,121	-

Note No.17**Short Term Provisions**

Particulars	March 31, 2024	March 31, 2023
Outstanding Expenses	2,26,845	2,06,031
TDS- Payable	22,500	3,15,854
Provision For Income Tax	3,04,433	3,24,082
Audit Fees	2,70,000	1,80,000
Total	8,23,778	10,25,967

Note No.18**Revenue from Operations**

Particulars	March 31, 2024	March 31, 2023
Textiles & Garments Division	29,08,400	40,04,925
Total	29,08,400	40,04,925

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

Note No.19**Other Income**

Particulars	March 31, 2024	March 31, 2023
Maintenance Income	20,55,000	16,36,490
Interest Received from Holding Company	17,25,561	40,87,965
Credit Balance written off		1,72,908
Miscellaneous Income		18,600

Interest on IT Refund A/c	23,624	-
Income from Club House	1,43,200	-
Maintenance Income from Villas	78,000	-
Total	40,25,385	59,15,963

iii) The amount of ₹ 17.26 lakhs refers to the interest received from Holding Company reckoned at 11.5% per annum in respect of on account advances / repayments to/ from computed on average balances. (Refer Note No 8) (Refer note no 8)

iv) The amount of ₹ 20.55 lakhs relate to maintenance income received /receivable by the company from the owners of the TULIP Block A B & C.; 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	March 31, 2024	March 31, 2023
Purchases	22,30,000	31,57,000
Total	22,30,000	31,57,000

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

Particulars	March 31, 2024	March 31, 2023
(Valued at cost)		
Closing Stock	-	-
Opening Stock	-	-
Net Decrease	-	

Note No.22**Employee Benefit Expenses**

Particulars	March 31, 2024	March 31, 2023
Salaries	6,12,752	3,58,524
Whole Time Director's Remuneration (Managerial Remuneration)	15,00,000	12,00,000
Total	21,12,752	15,58,524

The Whole time Directors remuneration has been approved by the members at the Annual General Meeting held on November 7, 2020.

Note No.23**Finance Cost**

Particulars	March 31, 2024	March 31, 2023
Interest on delayed payment of GST/TDS	-	78,848
Bank Charges	2,129	4,032
Interest on Short Term Borrowings (Refer Note No:6)	2,44,638	58,04,397
Total	2,46,767	30,42,429

The amount of ₹ 29.59 lakhs represents total interest paid /credited at 10% & 12% per annum, on short-term borrowings obtained from Corporates / HUF's and individuals. (Refer note no14)

Note No.24**Depreciation**

Particulars	March 31, 2024	March 31, 2023
Depreciation (Refer Note No 10)	-	-
Total	-	-

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

Particulars	March 31, 2024	March 31, 2023
Audit Fees	1,00,000	1,00,000
Professional Charges	23,600	15,930
Maintenance Charges	5,42,598	7,26,942
Electricity expenses	1,73,144	12,818
GST Paid	1,65,356	1,38,425
Registration & Filing Charges	9,005	1,200
Total	10,13,703	9,95,314
GST paid on Sales Turnover and on Maintenance received by the company under Composite Scheme		

Note No.26**Contingent Liabilities**

S. No.	Particulars	March 31, 2024	March 31, 2023
1	-	-	-

Note No.27**RELATED PARTY DISCLOSURES:****a) Related parties:**

Name of the related party	Designation	Nature of Relationship
Mrs. Shailaja Patwari	Whole-Time Director	Key Managerial personnel
Mr. Sandeep Patwari	Director	Key Managerial personnel
Mr. Sanjay Patwari	Director	Key Managerial personnel
Mr. Ram Gopal Patwari	Director	Key Managerial personnel
M/s Starlite Spintech Limited (SSL)	Associate Company	Associate Company
M/s Starlite Global Enterprises (India) Limited (SGEIL)	Holding Company	Holding Company

b) Transactions during the year**(Amounts in lakhs)**

S.No.	Particulars	March 31, 2024	March 31, 2023
1.	Advances and on account payments/ receipts and other debits/credits to /from Holding Company (SGEIL) (net amount thereof; being differences between opening/ closing balances) (Refer Note No -14) -(includes amounts denoted under items 3 and 4 below)	(116.40)	(381.61)
2	Expenses of this company (Maintenance expenses and salaries of staff relating to this activity) incurred by Associate company (SSL), and remains payable; (Note no 16)	1.35	7.09
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)	17.25	40.87
4	Whole time Directors Remuneration (as per the approvals made at the Annual General Meeting November 7, 2020)	15.00	12.00

c) Balances Outstanding**(Amounts in lakhs)**

S.No.	Particulars	March 31, 2024	March 31, 2023
1.	Holding Company's shareholdings in the paid-up capital of the Company (Refer Note No.10)	55.00	55.00

2	Advances to/Amounts receivable from Starlite Global Enterprises (India) Limited (Holding Company). (Refer Note No.16)	146.39	262.79
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Note No: 28**Segment wise turnover/Net Income (refer to Item L above)**

Particulars	March 31, 2024	March 31, 2023
Retail sales/trading in garments	29,08,400	40,04,925
Income from maintenance of buildings /Apartments	20,55,000	16,36,490
Interest income received /on advances toHolding Company	17,25,561	40,87,965
Net Income from purchase/sale of land	0.00	0.00

Note No.29**Basic And Diluted Earnings Per Share**

SNo.	Particulars	March 31, 2024	March 31, 2023
I	Net Profit after tax in ₹		
	Basic	10,26,130	8,43,539
	Diluted	10,26,130	8,43,539
II	Average Number of Equity Shares outstanding during the year		
	Basic	5,50,000	5,50,000
	Diluted	5,50,000	5,50,000
III	Nominal Value per Share	₹10/- each	₹10/- each
IV	Earnings Per Share		
	Basic (In ₹)	1.87	1.53
	Diluted (In ₹)	1.87	1.53
V	Reconciliation of Basic and Diluted Earnings per Share	1.87	1.53

Note No.30**Financial Ratio**

Sl. No	Particulars	March 31, 2024	March 31, 2023	% Change
1	Current ratio	7.79	1.81	50.00%
2	Debt Equity Ratio	-	-	N.A
3	Return on Equity	0.08	0.07	14.28%
4	Trade Payables Turnover Ratio	2.10	4.05	(1.95)%
5	Capital Turnover Ratio	0.22	0.32	33.33%
6	Net Profit Ratio	0.15	0.17	30.76%
7	Return on Capital Employed	0.34	0.68	(100%)
8	Return on Investment	0.0368	0.013	2.38%

Sl. No	Particulars	March 31, 2024	March 31, 2023	% Change
1	Current ratio			
	Current Assets (1)	1,54,89,702	2,78,01,960	
	Current Liabilities (2)	19,87,388	1,53,25,772	
	Current ratio (1/2)	7.79	1.81	50.00%
2	Debt Equity Ratio			
	Total Debt (1)	-	-	
	Shareholder's Equity (2)	N.A	N.A	
	Debt Equity Ratio (1/2)	-	-	N.A
2.1	Total Debt			
	Total Non-Current Liabilities	-	-	
	Total Current Liabilities	19,87,388	1,53,25,777	
		19,87,388	1,53,25,777	
2.2	Shareholder's Equity			
	Equity share capital	55,00,000.00	55,00,000.00	

	Retained Earnings	81,07,217.00	70,81,086.00	
	Other Components of Equity	-	-	
		1,36,07,217.00	1,25,81,086.00	
3	Return on Equity			
	PAT (1)	10,26,130	8,43,539	
	Shareholder's Equity (2)	1,36,07,217	1,25,81,086	
	Return on Equity (1/2)	0.08	0.07	14.28%
4	Trade Payables Turnover Ratio			
	Credit Purchases (1)	22,30,000	31,57,000	
	Average Account Payables (2)	1059842	7,78,589	
	Trade Payables Turnover Ratio (1/2)	2.10	4.05	(1.95)%
4.1	Average Account Payables			
	Opening Account Payables	13,07,195	5,28,606	
	Closing Account Payables	8,12,489	13,07,195	
		1059842	7,78,589	
5	Net Capital Turnover Ratio			
	Total Sales (1)	29,08,400	40,04,925	
	Shareholder's Equity (2)	1,36,07,217	12,581,086	
	Net Capital Turnover Ratio (1/2)	0.22	0.32	33.33%
6	Net Profit Ratio			
	PAT (1)	10,26,130	8,43,539	
	Net Income (2)	69,33,785	99,20,888	
	Net Profit Ratio (1/2)	0.15	0.17	30.76%
7	Return on Capital employed			
	EBIT(1)	42,10,050	80,55,418	
	Capital Employed (2)	1,25,81,086	1,17,37,548	
	Return on Capital employed (1/2)	0.34	0.68	(100%)
7.1	EBIT			
	EBITDA	42,10,050	80,55,418	
	Less: Depreciation	-	-	
		42,10,050	80,55,418	
7.2	Capital Employed at the beginning of the year			
	Equity	1,25,81,086	1,17,37,548	
	Total non-current liabilities			
		1,25,81,086	1,17,37,548	
8	Return on Investment			
	PAT (1)	10,26,130	8,43,539	
	Total Assets at the beginning of the year	2,79,06,863	6,60,82,697	
		0.0368	0.013	2.38%

NOTE NO.31
OTHER DISCLOSURES

I	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.
II	There are no dues to Micro, Small and medium enterprises in terms of the relevant Act based on the information available with the Company.
III	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.
IV	Debt Equity ratio (Total Liability/Shareholders Equity) is at so NIL as of March 31, 2024 (Previous year 1.21:1). The Company has taken steps to improve the ratio and thus this improvement over the previous year.
V	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.
VI	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, 24 are Nil .(refer note no. 5)
VII	The Company do not have any Benami Property, where any proceeding has been initiated or pending against the Company for holding any Benami Property.
VIII	The Company do not have transactions with Companies Struck off.

IX	The Company do not have charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
X	The Company have not advanced or loaned or invested funds of any other person(s) or entity(ies) including foreign entities (intermediaries) with the understanding 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
XI	The Company have not advanced or loaned or invested funds of any other person(s) or entity(ies) including foreign entities (intermediaries) with the understanding 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
XII	The Scheme of Arrangement has not been approved by the Competent Authority in terms of Section 230 to 237 of the Companies Act, 2013. Therefore, the Company shall not requires to disclose the effect of such scheme of Arrangements which have been accounted for in the books of account of the Company in accordance with the scheme and accordance with accounting standards and deviation in this regard.
XIII	The Company has availed the services of a practicing Company Secretary to ensure compliance to various provisions of the Companies Act, 2013.

As per our report of even date attached
For P.S. IYYENGAR & CO.,
Chartered Accountants
Firm Registration No:001174S

For and on behalf of the Board of Directors
of Starlite Fashion Private Limited

M.SATYA SRINIVAS
Partner
Membership No. 206672

Sandeep Patwari
Director
DIN:00253286

Shailja Patwari
Whole-time Director
DIN:01458166

Place : Hyderabad
Date : 27-05-2024