



INDEPENDENT AUDITOR'S REPORT

To the Members of **Shreedhar Spinners Private Limited**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the financial statements of Shreedhar Spinners Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss 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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules 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.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Ind AS financial statements and our auditor's report thereon.

- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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



Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements 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 to governance regarding, among other matters, the planned scope and timing of the audit and significant audit finding, 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

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure 1**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2.
- A. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 as amended.
 - e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure 2**".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:



- a) The Company does not have any pending litigations which would impact its financial position;
- b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- d)
 - i. The management has represented that, to the best of its knowledge and belief, as disclosed in note 46 to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
 - ii. The management has represented, that, to the best of its knowledge and belief, as disclosed in note 46 to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
 - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries
 - iii. Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material misstatement
- e) No Dividend was declared / paid during the year under audit.
- f) On the basis of our examination of the Accounting Software maintained by the Company for its books of accounts does have a feature of recording audit trail facility and the same has been operated throughout the year for all transactions recorded in



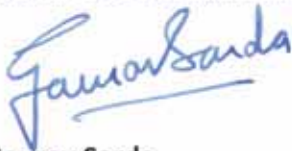
the software and the audit trail feature has not been tampered with and the audit trail has been preserved by the Company as per the Statutory Requirements for record retention.

- g) In our opinion and according to the information and explanations given to us, section 197 read with Schedule V to the Act for managerial remuneration is not applicable to Private Limited Company.

For **SARDA & PAREEK LLP**

Chartered Accountants

FRN no. 109262W/W100673



Gaurav Sarda

Partner

Membership No. 110208

Mumbai

Date: June 14, 2024

UDIN: 24110208BKAKTO2601



ANNEXURE 1 TO THE INDEPENDENT AUDITORS' REPORT

Annexure referred to in Independent Auditors' Report of even date to the members of Shreedhar Spinners Private Limited on the financial statements for the year ended March 31, 2024.

1. Fixed Assets

a. Maintenance of Records

- The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment (PPE);

b. Physical verification

There is a regular programme of physical verification of all fixed assets, annually which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In our opinion and as per the information given by the Management, the discrepancies observed were not material and have been appropriately accounted in the books.

c. Title Deeds

The Title deeds of all the Immovable properties disclosed in the Financial Statements are held in the name of the Company.

d. Revaluation

During the year, the company has not revalued its PPE or Intangible assets. Hence reporting under clause 3(i)(d) is not applicable.

e. Benami Transactions

During the year, no proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder hence no disclosure is required to this extent under clause 3(i)(e) is not applicable.

2. Inventory

a. Physical Verification

In our opinion, physical verification of inventory has been conducted at reasonable intervals by the management. In our opinion, the coverage and procedures of physical verification of inventory followed by the management are adequate in relation to the size of the Company and the nature of its business. The Company has maintained proper



records of inventory. No Discrepancies exceeding 10% or more in the aggregate for each class of inventory have been noticed on physical verification between physical stock and book records. In case any discrepancies have been observed they have been properly dealt with.

b. Details to the Bank

As stated in Note no. 26 to the Notes to Accounts, the Company has been sanctioned working capital limits in excess of Rs. 5.00 Crores from Banks on the basis of Security of the Current Assets. The quarterly returns or statements filed by the Company with such banks are in agreement with the books of accounts of the Company.

3. Investment Made, Loans or Advances Given.

- a. During the year, the company has not made investments, provided loans, provided security or guarantee.
- b. In our opinion and as per the documents and information provided by the Company, the terms and conditions of the Investment made are not prejudicial to the Company's interest;
- c. In our opinion in respect of the Loans and advances in nature of loans, the loans are repayable on Demand & hence the schedule for Repayment during the year is not applicable
- d. During the year, there is no overdue amount for more than 90 days as informed by the company.
- e. During the year, no renewal or fresh loans have been extended by the company;
- f. During the year, the Company has not granted loans and advances in nature of loans which are repayable on demand.

4. Loans, Investments, Guarantees or Securities falling under Section 185 and 186 of the Companies Act.

In our opinion and according to the information and explanations given to us, the Company has not provided any loans, investments, guarantees and security to parties covered under section 185 or 186 of the Companies Act, 2013.

In view of the above reporting under clause 3 (iv) is not applicable.

5. Deposits Accepted

In our opinion and according to the information and explanations given to us, during the year, the company has not accepted deposits or amounts which are deemed to be deposits from the public in terms of the provisions of section 73 to 76 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014, as amended and other relevant provisions of the Act and no deposits are outstanding at the year end.



In view of the above reporting under clause 3(v) is not applicable.

6. Maintenance of Cost Records

The Central Government has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013 for any of the activities of the company and accordingly the reporting under clause 3(vi) is not applicable.

7. Depositing Statutory Dues

- a. The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, duty of custom, cess and other statutory dues applicable to it.
- b. There are no statutory dues which have not been deposited on account of any dispute.

8. Disclosure in Tax Assessments

According to the information and explanations given to us and on the basis of our examination of the books of account, there are no transactions surrendered or disclosed as income during the year in the tax assessments under Income Tax Act, 1961 which are not recorded in books of accounts.

9. Default in Repayment of Loan or Other Borrowings

In our opinion and according to the information and explanations given to us, the Company has no outstanding dues or has not defaulted in repayment of the loans or other borrowings or in the payment of interest thereon to any lender.

In view of the above, reporting under clause 3 (ix) (b), (c), (d), (e) and (f) is not applicable.

10. Moneys Raised

- a. During the year the company has not raised money through initial public offer or further public offer (including debt instruments).
- b. According to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or (fully, partially or optionally convertible) debentures during the year and therefore provisions of section 42 of the Act are not applicable to the Company.

In view of the above reporting under clause 3(x)(a) and (b) is not applicable.

11. Fraud Reported or Noticed

- a. As represented to us by the management and based on our examination of the books and records of the Company in accordance with the generally accepted auditing practices in India, we have neither come across any material fraud on or by the Company noticed or



reported during the year nor we have been informed of any such case by the management that causes the financial statements to be materially misstated.

- b. In view of the above reporting under clause (xi) (b) of the order is not applicable.
- c. The company does not have an approved whistle blower policy, hence we are unable to comment on the same.

12. Nidhi Company

In our opinion and according to the information and explanations given to us, the Company is not a nidhi company and therefore the reporting under clause 3(xii) is not applicable.

13. Transaction with Related Parties

In our opinion and according to the information and explanations given to us the Company is in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable Indian accounting standards.

14. Internal Audit

- a. In our opinion, the company has an internal audit system commensurate with its size and the nature of its business.
- b. In our opinion and based on the conditions stated under section 138 of Companies Act, 2013, reporting under clause 3(xiv) (a) and (b) is not applicable.

15. Non-Cash Transactions

In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of Section 192 of the Companies Act, 2013 and reporting under clause (xv) is not applicable.

16. Applicability of Section 45-IA of Reserve Bank of India Act, 1934

- a. In our opinion and according to the information and explanations given to us, the Company is not required to register under Section 45 – IA of the Reserve Bank of India Act, 1934.
- b. In our opinion and according to the information and explanations given to us, the company has not conducted any Non Banking Financial or Housing Finance activities as per the Reserve Bank of India, 1934



- c. In our opinion and according to the information and explanations given to us, the company is not a Core Investment Company (CIC) as defined in the regulation made by the Reserve Bank of India.
- d. In our opinion and according to the information and explanations given to us, the group does not have a Core Investment Company (CIC) as defined in the regulation made by the Reserve Bank of India.

Hence, Clause 3 (xvi) of the Order is not applicable to the Company

17. Cash Losses Incurred

The Company has not incurred any cash loss during the financial year ended March 31, 2024 and in the immediately preceding financial year the Company has incurred cash loss of Rs. 2070.67/- lakhs.

18. Any Resignation of Statutory Auditors

During the year, there has been no resignation of the statutory auditors.

19. Existence of any Material Uncertainty

On the basis of the analysis of the financial ratios stated in Note No. 39 of the Notes to Accounts, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

20. Corporate Social Responsibility.

- a. In our opinion and according to the information and explanations given to us, the clauses of the section 135 of the Companies Act, 2013 is not applicable.
- b. Hence reporting under clause (xx) (b) is not applicable.



21. Qualifications in CARO Report.

The company does not have any subsidiary, joint venture or associates and hence consolidated financial statements are not prepared.

In view of the above, reporting under clause (xxi) is not applicable.

For **SARDA & PAREEK LLP**

Chartered Accountants

FRN No. 109262W / W100673



Gaurav Sarda

Partner

Mumbai

Date: June 14, 2024

UDIN : 24110208BKAKTO2601



ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

Annexure Referred to in Independent Auditors' Report on the Financial Statements of Even date to the members of **Shreedhar Spinners Private Limited** for the year ended March 31, 2024.

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Shreedhar Spinners Private Limited ("the Company") as of March 31, 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 Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's 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 the 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.



Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 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 **SARDA & PAREEK LLP**

Chartered Accountants

FRN no. 109262W/W100673



Gaurav Sarda

Partner

Membership No. 110208

Mumbai.

Date: June 14, 2024

UDIN : 24110208BKAKTO2601



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 Control 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;

(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.

