KUMAR COTTON MILLS PVT LTD

(CIN: U17710GJ1990PTC013562)

Registered Office: 160/A, New Cloth Market, O/s Raipur Gate, Ahmedabad – 380002, Gujarat, India

NOTICE OF 34TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 34th Annual General Meeting of the members of Kumar Cotton Mills Pvt Ltd will be held on Monday, the 30th September, 2024 at 11:00 a.m. at the Registered Office of the Company situated at 160/A, New Cloth Market, O/s Raipur Gate, Ahmedabad – 380002, Gujarat, India, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2024, together with the Reports of the Board of Directors and the Auditors thereon.

SPECIAL BUSINESS:

2. Ratification of remuneration of Cost Auditor for the financial year 2024-2025 — To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

   "**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of M/s. N. D. Birla & Co. (Registration No. 000028), Cost Accountants, Ahmedabad, appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year 2024-2025, at a fee of Rs. 35,000/- (Rupees Thirty-Five Thousand only) plus applicable GST and re-imbursement of out-of-pocket expenses, be and is hereby ratified.

   RESOLVED FURTHER THAT any of the Directors of the Company be and is hereby authorised to submit the necessary form(s) with the appropriate authorities and to do all such acts, deeds, matters and things as may be considered necessary, proper or expedient to give effect to this resolution."

By Order of the Board of Directors

For Kumar Cotton Mills Pvt Ltd

KUMAR COTTON MILLS PVT. LTD. AHMEDABAD

Ajay Ramkumar Agarwal

Director

DIN: 00400818

Place: Ahmedabad

Date: 31/08/2024

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument appointing the proxy, in order to be effective, must be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.

2. Corporate Members intending to send their authorised representative(s) to attend the meeting are requested to send a certified copy of the Board Resolution authorising such representative(s) to attend and vote at the meeting.

3. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Business set out above is annexed hereto and forms part of this Notice.

4. Members/proxies/authorised representatives are requested to bring the duly completed Attendance Slip and their copy of the Annual Report at the meeting.

5. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which the Directors are interested maintained under Section 189 of the Companies Act, 2013 shall be available for inspection by the members at the venue of the meeting.

6. All documents referred to in the Notice and the Explanatory Statement are open for inspection by the members at the Registered Office of the Company on any working day during business hours up to the date of the meeting.

7. Route map to the venue of the AGM is annexed to this Notice as required under Secretarial Standard – 2.

KUMAR COTTON MILLS PVT. LTD. AHMEDABAD

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 2:

The Board of Directors of the Company has, on the recommendation of the management, approved the appointment of M/s. N. D. Birla & Co. (Registration No. 000028), Cost Accountants, Ahmedabad, as the Cost Auditors of the Company to conduct the audit of the cost records of the Company for the financial year 2024-2025 at a fee of Rs. 35,000/- (Rupees Thirty-Five Thousand only) plus applicable GST and re-imbursement of out-of-pocket expenses.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is required to be ratified by the members of the Company.

Accordingly, the consent of the members is sought for passing the Ordinary Resolution as set out at Item No. 2 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year 2024-2025.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the said resolution.

The Board of Directors recommends the Ordinary Resolution as set out at Item No. 2 of the Notice for approval by the members.

By Order of the Board of Directors
For Kumar Cotton Mills Pvt Ltd

KUMAR COTTON MILLS PVT. LTD. AHMEDABAD

Ajay Ramkumar Agarwal
Director
DIN: 00400818

Place: Ahmedabad
Date: 31/08/2024

KUMAR COTTON MILLS PVT LTD

(CIN: U17710GJ1990PTC013562)

Registered Office: 160/A, New Cloth Market, O/s Raipur Gate, Ahmedabad – 380002, Gujarat, India

AGENDA — 34TH ANNUAL GENERAL MEETING

Day & Date: Monday, 30th September, 2024

Time: 11:00 a.m.

Venue: Registered Office of the Company — 160/A, New Cloth Market, O/s Raipur Gate, Ahmedabad – 380002, Gujarat, India.

1. **Preliminary:** Chairperson to take the Chair and to ascertain the quorum under Section 103 of the Companies Act, 2013 read with paragraph 3 of SS-2.
2. **Notice:** To take the Notice convening the Annual General Meeting as read with the consent of the members.
3. **Auditors' Report:** To note that the Auditors' Report does not contain any qualification, reservation or adverse remark.
4. **Ordinary Business — Item 1:** To consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2024 together with the Reports of the Board of Directors and the Auditors thereon.
5. **Special Business — Item 2:** To consider and ratify the remuneration of M/s. N. D. Birla & Co., Cost Accountants (Registration No. 000028), Ahmedabad, fixed at Rs. 35,000/- plus applicable GST and out-of-pocket expenses, for conducting the cost audit of the Company for the financial year 2024-2025.
6. **Any Other Business:** To transact any other business with the permission of the Chair.
7. **Vote of Thanks:** To conclude the meeting with a vote of thanks to the Chair.

By Order of the Board of Directors
For Kumar Cotton Mills Pvt Ltd

Ajay Agarwal

KUMAR COTTON MILLS PVT. LTD. AHMEDABAD

Ajay Ramkumar Agarwal
Director
DIN: 00400818

Place: Ahmedabad
Date: 31/08/2024

DIRECTORS' REPORT

Kumar Cotton Mills Private Limited — Financial Year ended 31st March, 2024

To,
The Members,
M/s. Kumar Cotton Mills Private Limited,
Ahmedabad.

Your Directors have pleasure in presenting the Annual Report and Audited Accounts of the Company for the year ended 31st March, 2024.

FINANCIAL RESULTS

(Amount in Rs. Lacs)

Particulars	Year ended 31/03/2024	Year ended 31/03/2023
Revenue from Operations & Other Income	24,913.88	25,193.27
Profit Before Depreciation	830.41	907.22
Depreciation	529.93	564.72
Profit Before Taxation	300.48	342.50
Provision for Taxation – Current Tax	96.10	103.55
Prior Year Tax Adjustments	—	(18.36)
Deferred Tax	(17.80)	(16.35)
Profit After Taxation carried to Balance Sheet	222.18	273.66

DIVIDEND

The Company does not propose any dividend during the current year (Previous year: Nil).

RESERVES

The Board does not propose any amount to be carried to any specific reserves (Previous year: Nil).

STATE OF COMPANY'S AFFAIRS

During the current financial year, the Company has earned a Net Profit of Rs.222.18 Lacs as compared to a Net Profit of Rs.273.66 Lacs earned in the previous financial year.

MATERIAL CHANGES AND COMMITMENTS

No significant material changes and commitments have occurred between the date of the balance sheet and the date of the audit report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS / COURTS / TRIBUNALS

There are no significant and material orders passed by Regulators / Courts / Tribunals against the Company.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Company has in place proper and adequate internal control systems commensurate with the nature of its business, size and complexity of its operations. Internal control systems comprising policies and procedures are designed to ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedures and applicable laws and regulations, and that all assets and resources are acquired economically and used effectively.

SUBSIDIARY / JOINT VENTURES / ASSOCIATE COMPANIES

There is no Subsidiary Company or Joint Venture or Associate Company of the Company.

DEPOSITS

During the financial year, the Company has not accepted any deposits. Further, no deposits of the previous year are unpaid or unclaimed during the financial year.

AUDITORS AND AUDITORS' REPORT

M/s. N S M S & Associates, Chartered Accountants (FRN: 145283W), were appointed as the Auditors of the Company at the Annual General Meeting held in the year 2022 to conduct the audit for the financial years 2022-23 to 2026-27. Accordingly, there is no appointment / reappointment of the Statutory Auditors required at this Annual General Meeting.

Notes forming part of the accounts are self-explanatory as far as the Auditors' Report is concerned and therefore do not require any further comments. The Auditors have not made any qualification, reservation or adverse remark in their report regarding the financial statements.

SHARE CAPITAL

During the financial year, the Company has not issued any equity shares with differential rights, any sweat equity shares or any employee stock options.

EXTRACT OF ANNUAL RETURN

The extract of Annual Return is no longer required to be attached with the Directors' Report under Section 134(3)(a) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management & Administration) Rules, 2014, vide MCA notifications dated 28/08/2020 and 05/03/2021.

Pursuant to Sub-section 3(a) of Section 134 and Sub-section (3) of Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the copy of the Annual Return of the Company for the financial year ended on 31.03.2024 and the draft Annual Return for FY 2023-24 in Form MGT-7 is available on the website of the Company at www.kumarcotton.com.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

(I) Conservation of Energy

The Company continues to take all possible steps to conserve energy. These include modern electric fittings / equipments which consume less energy than conventional ones.

Form A — Power and Fuel Consumption:

Particulars	Year 31/03/2024	Year 31/03/2023
Electricity – Purchased Units	1,42,27,360	1,27,53,920
Total Amount (Rs.)	12,95,15,040	10,63,88,670
Rate / Unit (Rs.)	9.10	8.34
Own Generation – Diesel Generator	Nil	Nil
Own Generation – Steam Turbine /	Nil	Nil

Particulars	Year 31/03/2024	Year 31/03/2023
Generator		
Coal – Purchased Quantity (MT)	37,378	36,835
Coal – Total Amount (Rs.)	21,26,02,169	30,58,74,807
Coal – Rate / Unit (Rs.)	5,687.90	8,303.91
Fire Wood (Rs.)	82,28,950	55,30,487
Other / Internal Generation	Nil	Nil

Consumption per Unit of Production (Fabric – Per Meter):

Particulars	Year 31/03/2024	Year 31/03/2023
Electricity (KWH)	0.53	—
Coal (Kg)	0.16	—

(II) Technology Absorption

Research & Development Expenditure: Capital – Nil; Recurring – Nil; Total – Nil; Total R&D Expenditure as % of total turnover – Nil.

(III) Foreign Exchange Earnings and Outgo

The details of expenditure and earnings in foreign currency are given under the Notes on Financial Statements.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company's net worth, turnover and net profit for the year ended 31st March, 2024 being below the limits prescribed under Section 135 of the Companies Act, 2013, the Company is under no statutory obligation relating to Corporate Social Responsibility.

CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONS

There is no change in Directors and Key Managerial Persons by way of appointment, re-designation, resignation, death, disqualification or variations made or withdrawn, during the financial year.

NUMBER OF MEETINGS OF THE BOARD

The Board of Directors held four (4) meetings during the financial year, in compliance with the provisions of the Companies Act, 2013.

LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

Details of loans, guarantees and investments, if any, covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All related party transactions entered during the financial year were on an arm's length basis and in the ordinary course of business. A detailed report on material contracts and arrangements made during the year 2023-24, being arm's length transactions, has been reported and annexed in Form AOC-2 as Annexure-B and forms part of this report. There were no materially significant related party transactions made by the Company which may have a potential conflict with the interest of the Company at large.

Disclosure of particulars of contracts / arrangements at arm's length basis (extract from Form AOC-2):

Related Party (Associate Concern)	Nature	Duration	Value (Rs. Lacs)	Date of Board Approval
Venus Denim	Sales	2023-24	60.24	06/05/2023
Jash Trading	Labour Purchase	2023-24	9.98	06/05/2023
Avon Trading	Labour Purchase	2023-24	9.00	06/05/2023
Aarjay Enterprise	Purchase of Fabrics	2023-24	819.38	06/05/2023
Jyoti Traders	Labour Purchase	2023-24	9.00	06/05/2023
Vishal Spintex	Purchase of Yarn	2023-24	85.85	06/05/2023
Aarjay Enterprise	Sale of Fabrics	2023-24	7,456.72	06/05/2023
Aarjay Enterprise	Rent Income (Factory premises)	2023-24	4.96	06/05/2023
Karan Trader	Labour Purchase	2023-24	10.94	06/05/2023

There are no contracts or arrangements or transactions with related parties which are not at arm's length basis. No advances were paid against any of the above transactions.

SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

There were no incidents of sexual harassment reported during the year under review, in terms of the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

SECRETARIAL STANDARDS

Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) are applicable to the Company. The Company has complied with the provisions of both these Secretarial Standards.

PARTICULARS REGARDING EMPLOYEES

Particulars of employees under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable this year, as there were no employees drawing remuneration of Rs.1.02 Crore or more per annum or Rs.8.50 Lacs or more per month during the financial year.

MANAGERIAL REMUNERATION

The Company has paid Rs.66,80,000/- as managerial remuneration during the financial year as per the details given below:

Name of Director	Amount (Rs.)
Ajay R. Agarwal	12,00,000
Rajendraprasad R. Agarwal	24,00,000
Kumar R. Agarwal	24,00,000
Khusal M. Goyle	6,80,000
Total	66,80,000

RISK MANAGEMENT POLICY

A statement is annexed with the report indicating development and implementation of a risk management policy for the Company including identification of elements of risk which, in the opinion of the Board, may threaten the existence of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) of the Companies Act, 2013, your Directors confirm that:

- In the preparation of the accounts for the financial year ended 31st March, 2024, the applicable Accounting Standards have been followed along with proper explanations relating to material departures;
- The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the said financial year and of the profit of the Company for the said financial year;
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Directors have prepared the accounts for the year ended 31st March, 2024 on a 'going concern' basis;
- The Directors have laid down internal financial controls in the Company that are adequate and were operating effectively;
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENTS

Your Company takes this opportunity to thank all the Shareholders and investors of the Company for their continued support. Your Directors wish to place on record their appreciation for the co-operation and support received from employees, staff and other people associated with the Company and look forward to their continued support.

For and on behalf of the Board of Directors

For and on behalf of the Board of Directors
Kumar Cotton Mills Private Limited

For, Kumar Cotton Mills P. Ltd

Director

KUMAR COTTON MILLS PVT. LTD AHMEDABAD

Rajendraprasad R. Agarwal
Director
DIN: 00400787

Ajay R. Agarwal
Director
DIN: 00400798

Place: Ahmedabad
Date: 31/08/2024

N S M S & ASSOCIATES
CHARTERED ACCOUNTANTS

C-820, East Wing,
Venus Stratum,
Opp. Jhansi Ni Rani,
Nehrunagar,
Ahmedabad. – 380 015.
Phone : O : 46007316

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
KUMAR COTTON MILLS PRIVATE LIMITED

Report on the Financial Statements

Opinion

We have audited the financial statements of Kumar Cotton Mills Private Limited ("the Company"), which comprise the balance sheet as at 31st March 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 31st March, 2024, its 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.

Information other than the financial statements and Auditor's Report thereon

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

N S M S & ASSOCIATES C/820, Venus Stratum, Nehrunagar, Ahmedabad-15

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone 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 and presentation 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 maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility 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 Standards on Auditing, 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for explaining 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.

- Obtain sufficient audit evidence regarding the financial statements of the company to express an opinion on the financial statements.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, .makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.

2. 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 purposes of our audit.

N S K & ASSOCIATES C/820, Venus Stratum, Nehrunagar

(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, the statement of profit and loss and cashflow 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 the written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 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, refer to our separate 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 the best of our information and according to the explanations given to us:

   i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 27 to the financial statements;

   ii. In our opinion and as per the information and explanations provided to us, the company has not entered into any long-term contracts including derivative contracts, requiring provision under applicable laws or accounting standards, for material foreseeable losses; and

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

   iv. (a) The management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes 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 person(s) or entity(ies), 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;

   (b) The management has represented, that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), 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; and

   (c) Based on such audit procedures that have been 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 (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.

Venus Stratum, Nehrunagar, Ahmedabad-15

v. No dividend has been declared or paid during the year by the company.

vi. Based on our examination, which included test checks, the Company has used accounting softwares for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

*for **N S M S** **& Associates***
Chartered Accountants
Firm's registration number: 145283W

N S M S & ASSOCIATES
C/820,
Venus Stratum,
Nehrunagar,
Ahmedabad-15
CHARTERED ACCOUNTANTS

Nitin C Shah

Nitin C Shah
Partner
Membership number: 034633
UDIN: 24034633BKLTOW3058

Ahmedabad
31st August 2024

Annexure – A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2024, we report that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property Plant & Equipment.

(B) The company is maintaining proper records showing full particulars of intangible assets;

(b) The Company has a regular programme of physical verification of its Property Plant & Equipment by which Property Plant & Equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain Property Plant & Equipment were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its Property Plant & Equipment.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company. except for the following land.

Description of Property	Gross carrying value (Rs. in Lacs)	Held in name of	Whether promoter, director or their relative or employee	Period held - indicate range, where appropriate	Reason for not being held in name of company
109/7 and 109/8	4.51	Karishma R. Agarwal	Yes		Registration Process Pending
207	33.75	Balvantrai Ramkumar Agarwal	Yes		Registration Process Pending
208/2	5.00	Abid Aiyub Rangrej	No		Registration Process Pending

(d) The company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) As explained to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals. The Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

NSMS & ASSOCIATES C/820, Venus Stratum, Nehrunagar, Ahmedabad-15

(b) The company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets during any point of time of the year. The quarterly returns or statements filed by the company with such banks or financial institutions are not in agreement with the books of account of the Company in respect of following:

(Rs. In Lacs)

Particulars	Qtr/Month	As per books	As per statement	Reason of difference
Sundry Debtors	Q1	6,811.41	6,918.71	Difference due to submission of monthly data on the basis of provisional data.
Creditors	Q1	3,840.40	3,670.85	
Sundry Debtors	Q2	6,913.47	7,008.78	
Creditors	Q2	3,330.05	3,117.37	
Sundry Debtors	Q3	7,072.67	7163,32	
Creditors	Q3	3,490.00	3,245.60	
Sundry Debtors	Q4	7,299.81	7,376.22	
Creditors	Q4	2,862.06	2,724.77	
Inventories	Q4	1,923.18	1,874.73	

(iii) The Company has not made investments in, nor granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under section 189 of the Companies Act, 2013 ('the Act').

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

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

(vi) The maintenance of cost records have been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, goods and service tax, income-tax, duty of customs, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, goods and service tax, income tax, duty of customs, cess and other material statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no material dues of duty of customs, sales tax, duty of excise, service tax and goods and service tax which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of excise have not been deposited by the Company on account of disputes.

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (Rupees)
Excise	Central excise duty	High Court	2001-02	10,70,322

(viii) According to the information and explanations given by the management, no transactions not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(ix) (a) The Company has not defaulted in repayment of loans or borrowings to a financial institution, bank, government or dues to debenture holders.

(b) According to the information and explanations given by the management, the company is not declared willful defaulter by any bank or financial institution or other lender;

(c) In our opinion and according to the information and explanations given by the management, the Company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained.

(d) In our opinion and according to the information and explanations given by the management, funds raised on short term basis have not been utilised for long term purposes.

(e) In our opinion and according to the information and explanations given by the management, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures,

(f) In our opinion and according to the information and explanations given by the management, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

N S M S & ASSOCIATES C/820, Venus Stratum, Nehrunagar, Ahmedabad-15

(x) (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

(b) The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.

(xi) (a) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(b) No 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;

(c) According to the information and explanations given to us by the management, no whistle-blower complaints had been received by the company.

(xii) In our opinion and according to the information and explanations 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 explanations 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 where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given by the management, the company has an internal audit system commensurate with the size and nature of its business.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) Based on our examination, the company has not incurred cash losses in the financial year and in the immediately preceding financial year.

(xvii) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

(b) In our Opinion and based on our examination, 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,

(c) In our Opinion and based on our examination, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

NSMS & ASSOCIATES C/620, Venus Stratum, Nehrunagar, Ahmedabad 15

(d) According to the information and explanations given by the management, the Group does not have not more than one CIC as part of the Group.

(xviii) There has been no resignation of the statutory auditors during the year.

(xix) On the information obtained from the management and audit procedures performed and on the basis of the financial ratios, ageing and expected dates of realisation 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;

(xx) Based on our examination, the provision of section 135 are not applicable on the company. Hence this clause is not applicable on the company.

(xxi) The company is not required to prepare Consolidate financial statement hence this clause is not applicable.

for ***N S M S*** **& Associates**
Chartered Accountants
Firm's registration number: 145283W

N S M S & ASSOCIATES C/320, Venus Stratum, Nehrunagar, Ahmedabad-15 CHARTERED ACCOUNTANTS

Nitin C Shah

Nitin C Shah
Partner
Membership number: 034633
UDIN: 24034633BKLTOW3058

Ahmedabad
31st August 2024

Annexure - B to the Auditors' Report

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

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

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C/820, Venus Stratum, Nehrunagar, Ahmedabad-15
CHARTERED ACCOUNTANTS

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 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 ***N S M S*** **& Associates**
Chartered Accountants
Firm's registration number: 145283W

N S M S & ASSOCIATES
C/820, Venus Stratum, Nehrunagar, Ahmedabad-15
CHARTERED ACCOUNTANTS

Nitin C Shah
Partner
Membership number: 034633
UDIN: 24034633BKLTOW3058

Ahmedabad
31st August 2024

KUMAR COTTON MILLS PRIVATE LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2024

(₹ in Lacs)

Particulars	Note	As at 31 March 2024 (₹)	As at 31 March 2023 (₹)
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	1	**179.67**	179.67
Reserves and surplus	2	**3,027.86**	2,805.68
		3,207.53	2,985.35
Non-current liabilities			
Long Term Borrowings	3	**2,000.71**	2,380.65
Other Long Term Liability		-	-
Long Term Provisions		-	-
		2,000.71	2,380.65
Current liabilities			
Short Term Borrowings	4	**4,519.57**	3,272.18
Trade Payables	5	**2,862.06**	4,220.46
Other Current Liabilities	6	**153.93**	51.50
Short Term Provisions	7	**109.80**	115.13
		7,645.36	7,659.27
TOTAL		**12,853.60**	13,025.27
ASSETS			
Non Current Assets			
Property, Plant & Equipment and Intangible Assets			
Property, Plant & Equipment	8	**2,778.50**	3,098.24
Intangible Assets	8	-	-
Capital Work-in-Progress	8	-	-
Non Current Investments	9	**0.12**	0.12
Deferred Tax Assets (net)	10	**24.40**	6.61
Long Term Loans and Advances	11	**22.67**	4.76
		2,825.69	3,109.73
Current assets			
Inventories	12	**1,923.17**	2,221.32
Trade Receivables	13	**7,299.81**	6,499.64
Cash and Bank Balances	14	**123.85**	116.89
Short Term Loans and Advances	15	**662.01**	1,059.17
Other Current Assets	16	**19.07**	18.52
		10,027.91	9,915.54
TOTAL		**12,853.60**	13,025.27
Significant Accounting Policies			
Notes on Financial Statements	1 to 33		

As per our Report of even date

For, N S M S & Associates
Chartered Accountants

Nitin C. Shah
Partner
Membership No. 34633

N S M S & ASSOCIATES C/820, Venus Stratum, Nehrunagar, Ahmedabad-15 CHARTERED ACCOUNTANTS

Place : Ahmedabad

For and On Behalf of the Board of Directors
KUMAR COTTON MILLS PRIVATE LIMITED

DIRECTOR DIRECTOR

Place : Ahmedabad

KUMAR COTTON MILLS PRIVATE LIMITED

STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2024

(₹ in Lacs)

Particulars	Note	2023-24 (₹)	2022-23 (₹)
INCOME			
Revenue from Operations	17	**24,862.13**	25,117.25
Other Income	18	**51.75**	76.02
Total Income		**24,913.88**	25,193.27
EXPENDITURE			
Cost of Materials Consumed	19	**10,595.19**	10,893.42
Purchases of Stock-in-Trade	20	-	-
Changes in Inventories of Finished goods, Stock-in-Process and Stock-in-Trade	21	**344.97**	(317.57)
Employee Benefits Expense	22	**843.95**	717.76
Finance Costs	23	**619.74**	507.46
Depreciation and Amortization Expense	9	**529.93**	564.72
Other Expenses	24	**11,679.62**	12,484.97
Total Expenses		**24,613.40**	24,850.77
Profit Before Tax		**300.48**	342.50
Tax Expenses			
Current Tax		**96.10**	103.55
Prior Year Tax Adjustments		-	(18.36)
Deferred Tax		**(17.80)**	(16.35)
		78.30	68.84
Profit for the year		**222.18**	273.66
Earnings per equity share of face value of ₹ 100 each	25		
Basic and Diluted (in ₹)		**123.66**	152.31
Significant Accounting Policies			
Notes on Financial Statements	1 to 33		

As per our Report of even date

For, N S M S & Associates
Chartered Accountants

Nitin C. Shah
Partner
Membership No. 34633

Place : Ahmedabad
Date : 31/08/2024

N S M S & ASSOCIATES
C/820, Venus Stratum, Nehrunagar, Ahmedabad-15
CHARTERED ACCOUNTANTS

For and On Behalf of the Board of Directors
KUMAR COTTON MILLS PRIVATE LIMITED

DIRECTOR DIRECTOR

Place : Ahmedabad
Date : 31/08/2024

KUMAR COTTON MILLS PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

(₹ in Lacs)

		As at 31 March 2024 (₹)		As at 31 March 2023 (₹)	
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net profit before tax as per the Profit and Loss Account		300.48		342.50
	Adjustments for :				
	Depreciation	529.93		564.72	
	Bad Debts	-		-	
	Interest and Financial Expenses	619.74		507.46	
	Profit on sale of Fixed Assets (Net)	(9.00)		(10.20)	
	Interest Received	(25.01)	1,115.66	(5.60)	1,056.38
	Operating profit before working capital changes		1,416.14		1,398.88
	Adjustments for :				
	Trade Receivables	(800.17)		(391.17)	
	Loans & Advances	378.70		(205.47)	
	Inventories	298.15		(125.49)	
	Trade Payables	(1,253.85)	(1,377.17)	(430.39)	(1,152.52)
	Cash Generated From Operations		38.97		246.36
	Prior Year Adjustments - Income/(Expenses)	-	-	-	-
	Income Taxes Paid	(103.57)	(103.57)	(60.52)	(60.52)
	Net Cash From Operating Activities		(64.60)		185.84
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of Property Plant & Equipment	(241.41)		(367.14)	
	Capital Subsidy received under TUFs	-		-	
	Sale of Property Plant & Equipment	40.22		21.85	
	Interest Received	25.01		5.60	
	Net Cash From Investing Activities		(176.18)		(339.69)
C.	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceeds from Issue of Share Capital	-		-	
	Proceeds from Share Application Money	-		-	
	Proceeds from Financial Institutions (Net)	(80.57)		173.34	
	Proceeds/ (Repayment) of Secured Borrowings (Net)	1,143.97		181.53	
	Proceeds/ (Repayment) of Unsecured Borrowings (Net)	(195.92)		300.96	
	Interest & Finance cost	(619.74)		(507.46)	
	Net Cash Generated in Financing Activities		247.74		148.37
	Net changes in Cash & Cash Equivalents (A+B+C)		6.96		(5.48)
	Cash and Cash Equivalents at the beginning of the year		116.89		122.37
	Cash and Cash Equivalents at the end of the year		123.85		116.89

Notes to the Cash Flow Statement

1. Cash and Cash Equivalents represent Cash and Bank Balance (Refer Note - 14)
2. The above cash flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statements, issued by the Institute of Chartered Accounts of India.
3. Previous year figures have been regrouped/ rearranged wherever considered necessary.

Cash and Bank Balances		
Cash on Hand	8.16	6.84
Balance with Scheduled Banks		
In Current Accounts	0.00	0.00
In Fixed Deposit Accounts	115.69	110.05
	123.85	116.89

As per our Report of even date

For, N S M S & Associates
Chartered Accountants

Nitin C. Shah
Partner
Membership No. 34633

N S M S & ASSOCIATES
C/030, Venus Stratum, Nehrunagar, Ahmedabad-15
CHARTERED ACCOUNTANTS

For and On Behalf of the Board of Directors
KUMAR COTTON MILLS PRIVATE LIMITED

DIRECTOR DIRECTOR

KUMAR COTTON MILLS PRIVATE LIMITED

SIGNIFICANT ACCOUNTING POLICIES

Corporate Information

KUMAR COTTON MILLS PRIVATE LIMITED (the company) is a private company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The company is engaged in the manufacturing and selling cotton fabrics and Printing & Dying of Grey Cotton & MM Fabrics.

Basis of Preparation

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 of the Companies Act, 2013 ("the 2013 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention.

SIGNIFICANT ACCOUNTING POLICIES

a. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which results are known / materialized.

b. Property Plant & Equipment and Intangible Assets

Tangible and Intangible Assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises of all expenses incurred to bring the assets to its present location and condition. Borrowing costs directly attributable to the acquisition / construction are included in the cost of fixed assets.

In case of new projects / expansion of existing projects, expenditure incurred during construction / preoperative period including interest and finance charges on specific / general purpose loans, prior to commencement of commercial production are capitalized. The same has been allocated to the respective fixed assets on completion of construction / erection of the capital project / fixed assets.

Capital assets (including expenditure incurred during the construction period) under erection / installation are stated in the Balance Sheet as "Capital Work in Progress."

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CHARTERED ACCOUNTANTS

c. Impairment of Property Plant & Equipment and Intangible Assets

At each balance sheet date, the Company reviews the carrying amounts of its fixed assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the asset.

d. Depreciation on Property Plant & Equipment and Intangible Assets

All Tangible assets, except freehold land, leasehold land and capital work in progress, are depreciated on a written down value method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Depreciation on additions to / deletions from fixed assets made during the period is provided on pro-rata basis from / up to the month of such addition / deletion as the case may be.

e. Investments

Long term investments are stated at cost. Current investments are stated at lower of cost and market price. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary in the opinion of the management.

f. Inventories

Inventories are measured at lower of cost and net realizable value. Cost of raw materials, stores & spares parts are ascertained on FIFO basis. Cost for finished goods and process stock is ascertained on full absorption cost basis. Cost of inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing them to their present location & condition.

g. Government Grants:

Government grants are recognized when there is reasonable assurance that the same will be received. Revenue grants are recognized in the Profit and Loss account. Capital grants relating to specific fixed assets are reduced from the gross value of the respective fixed assets.

h. Revenue Recognition

Sales are recognized when goods are supplied. Sales are net of trade discounts, rebates and GST. It does not include interdivisional sales.

Revenue in respect of other item is recognized when no significant uncertainty as to its determination or realization exists. Export Incentives are recognized on receipt basis.

NSMS & ASSOCIATES C/320, Venus Stratum, Nehrunagar, Ahmedabad-15 CHARTERED ACCOUNTANTS

SIGNIFICANT ACCOUNTING POLICIES

i. **Borrowing Cost**

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

j. **Foreign Currency Transactions**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate prevailing at time of transaction. Monetary items denominated in foreign currencies and outstanding at the year-end are translated at year-end rates. Exchange differences arising on settlement of short-term monetary items at rates different from those at which they were initially recorded are recognized as income or as expenses in the year in which they arise.

k. **Employee Benefits**

Short –term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

Post employment and other long term employee benefits are recognized as an expense in the profit and loss account for the year in which the employee has rendered services.

l. **Financial Derivatives and Commodity Hedging Transactions**

In respect of financial derivatives and commodity hedging contracts, premium paid, losses on restatement and gains/losses on settlement are charged to the profit and loss account.

m. **Taxes on Income**

Income tax expenses for the year comprises of current tax and deferred tax. Current tax provision is determined on the basis of taxable income computed as per the provisions of the Income Tax Act. Deferred tax is recognized for all timing differences that are capable of reversal in one or more subsequent periods subject to conditions of prudence and by applying tax rates that have been substantively enacted by the balance sheet date.

n. **Provision, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

Contingent liabilities are not recognized but are disclosed in the notes.

Contingent assets are neither recognized nor disclosed in the financial statements.

N S M S & ASSOCIATES
C/920
Venus Stratum,
Nehrunagar,
Ahmedabad-15
CHARTERED ACCOUNTANTS

KUMAR COTTON MILLS PRIVATE LIMITED

Notes on Financial Statements for the Year ended 31st March, 2024

1. Share Capital

(₹ in Lacs)

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number	Amount (₹)	Number	Amount (₹)
Authorised				
Equity Shares of ₹ 100/- each	**3,00,000**	**300.00**	3,00,000	300.00
Issued				
Equity Shares of ₹ 100/- each fully paid up	**1,79,675**	**179.67**	1,79,675	179.67
Subscribed & Paid up				
Equity Shares of ₹ 100/- each fully paid up	**1,79,675**	**179.67**	1,79,675	179.67
Subscribed but not fully Paid up	-	-	-	-
Total	**1,79,675**	**179.67**	1,79,675	179.67

1.1 Reconciliation of the number of Equity shares outstanding at the beginning and at the end of the Year;

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number	Amount (₹)	Number	Amount (₹)
Shares outstanding at the beginning of the year	**1,79,675**	**179.67**	1,79,675	179.67
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	**1,79,675**	**179.67**	1,79,675	179.67

1.2 Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of ₹ 100 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31 March 2024, the amount of per share dividend recognized as distributions to equity shareholders was ₹ Nil (31 March 2023: ₹ Nil).

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

1.3 Details of shareholders holding more than 5 percent shares in the company

Name of Shareholder	As at 31 March 2024		As at 31 March 2023	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Ajay R. Agarwal	**53,516**	**29.78**	53,516	29.78
Ashadevi R Agarwal	**17,505**	**9.74**	17,505	9.74
Vishal Balvantrai Agarwal	**15,000**	**8.35**	15,000	8.35
Kumar R. Agarwal	**12,970**	**7.22**	12,970	7.22
Nilesh Tradelink Pvt. Ltd.	**9,795**	**5.45**	9,795	5.45
Rajendraprasad R. Agarwal	**37,019**	**20.60**	37,019	20.60

NSMS & ASSOCIATES C/620, Venus Stratum, Nehrunagar, Ahmedabad-15 CHARTERED ACCOUNTANTS

1.4 Shares held by promoters at the end of the year (₹ in Lacs)

Name of Promoter	As at 31 March 2024		As at 31 March 2023		% of change during the year
	No of Shares	% of Total Shares	No of Shares	% of Total Shares	
Balwantrai Ramkumar Agarwal	2,694	1.54	2,694	1.54	
Rajendraprasad Agarwal	37,019	20.62	37,019	20.62	
Vimladevi Balwantrai Agarwal	2,020	1.12	2,020	1.12	
Ajaykumar Agarwal	53,516	29.78	53,516	29.78	
Ashadevi Agarwal	17,500	9.74	17,500	9.74	
Rajendraprasad R. Agarwal HUF	7,200	4.00	7,200	4.00	
Anjuben Ajay Agarwal	1,945	1.08	1,945	1.08	
Kumar Rajendraprasad Agarwal	12,970	7.22	12,970	7.22	
Ajay R. Agarwal HUF	4,290	2.39	4,290	2.39	
Ramkumar & Sons HUF	3,000	1.67	3,000	1.67	
Vishal Balwantrai Agarwal	15,000	8.35	15,000	8.35	
Pragati Kumar Agarwal	1,430	0.80	1,430	0.80	
Vishal Jitendra Dave	240	0.13	240	0.13	

2 Reserves and Surplus

Particulars	As at 31 March 2024 Amount (₹)	As at 31 March 2023 Amount (₹)
Securities Premium		
As per Last Balance Sheet	684.10	684.10
Add : On shares issued	-	-
	684.10	684.10
Profit and Loss Account		
As per Last Balance Sheet	2,121.58	1,847.92
Add : Profit (Loss) for the year	222.18	273.66
	2,343.76	2,121.58
Total	3,027.86	2,805.68

3 Long Term Borrowings

Particulars	As at 31 March 2024 Amount (₹)	As at 31 March 2023 Amount (₹)
Secured		
Term loans (Refer Note 1 & 2 below)		
From banks	106.16	378.13
Less: Current maturities of long-term Loan	98.66	267.21
	7.50	110.92
Other loans		
Vehicle Loans (Refer Note 3 below)	334.90	391.73
Less: Current maturities of long-term Vehicle Loans	105.57	90.98
	229.33	300.75
Loan Against Property (Refer Note 4 below)	86.74	94.86
Less: Current maturities of long-term Loans	8.17	7.14
	78.57	87.72
	315.40	499.39

NSMS & ASSOCIATES C/320, Venus Stratum, Nehrunagar, Ahmedabad-15

(₹ in Lacs)

3 Long Term Borrowings (Continue)

Particulars	As at 31 March 2024	As at 31 March 2023
	Amount (₹)	Amount (₹)
Unsecured		
Loans from related parties	**705.16**	1,248.52
Loans from Intercorporate	**980.15**	632.74
	1,685.31	1,881.26
Total	**2,000.71**	2,380.65

Nature of Securities:

1. Secured by way of hypothecation of respective plant and machineries financed by the bank and other movable assets.
2. Secured by mortgage on the factory land and building in the name of company situated at Narol, Ahmedabad and secured by personal property of directors and guarantee of all directors.
3. Secured by way of hypothecation of respective motor vehicles purchased.
4. Secured by way of mortage of Mayfair Flat.

3.1 Term of Repayment

(i) Term Loan

Particulars	Repayment Shedule
KMB WTL NO.0159CL0100000032	36 Monthly inst. Starting from 01/10/21 of ₹ 10,38,888 each
KMB TERM LOAN NO. 0159TL0100000134	Monthly installment of ₹ 2,50,000 each

(ii) Vehicle Loans

Particulars	Repayment Shedule
ICICI Bank Ltd.	60 Monthly inst. Starting from 01/10/22 of ₹ 2,03,434 each including Int./Hire charges
ICICI Bank Ltd.	60 Monthly inst. Starting from 01/06/23 of ₹ 82,835 each including Int./Hire charges
BMW Financial Services	60 Monthly inst. Starting from 16/10/22 of ₹ 87,485 each including Int./Hire charges
HDFC Bank Ltd.	60 Monthly inst. Starting from 07/03/22 of ₹ 1,66,190 each including Int./Hire charges
HDFC Bank Ltd.	60 Monthly inst. Starting from 05/011/22 of ₹ 1,45,646 each including Int./Hire charges
HDFC Bank Ltd.	60 Monthly inst. Starting from 05/01/23 of ₹ 1,46,191 each including Int./Hire charges
Axis Bank Ltd.	48 Monthly inst. Starting from 10/06/21 of ₹ 2,43,657 each including Int./Hire charges

(₹ in Lacs)

3.2 Registration of charges or satisfaction with Registar of Companies

Particular of Charge	Statutory period of Registration	Actual Date of Registration	Reason if Charge is registered beyond statutory period
Supplemental Deed Of Hypothecation	29/10/2023	25/10/2023	
Mortage of Immovable Properties	29/10/2023	27/10/2023	

4 Short Term Borrowings

Particulars	As at 31 March 2024	As at 31 March 2023
	Amount (₹)	Amount (₹)
Secured		
Loans from banks		
- Working Capital Loans (Refer Note 1 & 2 below)	**4,307.17**	1,708.21
- Working Capital Term Loans (Refer Note 1 & 2 below)	-	1,198.64
Current maturities of long-term debt	**212.40**	365.33
Total	**4,519.57**	3,272.18

Nature of Securities:

1. Secured against charge over the stocks, book debts and other current assets of the Company.
2. Secured by mortgage on the factory land and building in the name of company situated at Narol, Ahmedabad also secured by personal property of directors and guarantee of all directors.

KUMAR COTTON MILLS PRIVATE LIMITED

Notes on Financial Statements for the Year ended 31st March, 2024

5 Trade Payables

(₹ in Lacs)

Particulars	As at 31 March 2024 Amount (₹)	As at 31 March 2023 Amount (₹)
Micro, Small and Medium Enterprises	-	-
Others Trade Payables Outstanding for following periods from due date of payment		
Less than 1 year	**2,843.95**	4,198.16
1-2 years	**0.13**	5.35
2-3 years	**3.67**	2.64
More than 3 years	**14.31**	14.31
Total	**2,862.06**	4,220.46

The Details of amounts outstanding to Micro, Small and Medium Enterprises based on availale information with the Company is as under:

Particulars	As at 31 March 2024 Amount (₹)	As at 31 March 2023 Amount (₹)
Principal amount due and remaining unpaid	-	-
Interest due on above and the unpaid interest	-	-
Interest paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and paybale in succeeding years	-	-
Total	-	-

6 Other Current Liabilities

Particulars	As at 31 March 2024 Amount (₹)	As at 31 March 2023 Amount (₹)
Other Liabilities		
Interest accrued but not due on borrowings	-	-
Interest accrued and due on borrowings	-	-
Other payables		
- Other Current Liabilities	**18.79**	12.97
-Advance received from Customers	**135.14**	38.53
Total	**153.93**	51.50

7 Short Term Provisions

Particulars	As at 31 March 2024 Amount (₹)	As at 31 March 2023 Amount (₹)
Provision for Taxation	**96.10**	103.55
Provision for Gratuity	**13.70**	11.58
Total	**109.80**	115.13

NSMS & ASSOCIATES C/820, Venus Stratum, Nehrunagar,

IAR COTTON MILLS PRIVATE LIMITED

es on Financial Statements for the Year ended 31st March, 2024

Property Plant & Equipment

(₹ in Lacs)

Fixed Assets	GROSS BLOCK (AT COST)				DEPRECIATION/ AMORTISATION				NET BLOCK	
	As at 01/04/2023	Additions	Sales / Adjustment	As at 31/03/2024	As at 01/04/2023	Provided during the year	Adjustment due to Sale\W.off	Total up to 31/03/2023	As at 31/03/2024	As at 31/03/2023
Tangible Assets										
Lease hold land	-	-	-	-	-	-	-	-	-	-
Land & Land Develop.	62.48	-	-	**62.48**	-	-	-	-	**62.48**	62.48
Residential Buildings	-	-	-	-	-	-	-	-	-	-
Factory Buildings	1,525.57	-	**10.25**	**1,515.32**	781.25	**52.21**	-	**833.46**	**681.86**	744.32
Office Buildings	48.79	-	-	**48.79**	29.86	**1.84**	-	**31.70**	**17.09**	18.93
Plant & Machineries	6,876.87	**100.19**	**25.00**	**6,952.06**	5,080.88	**328.95**	**7.45**	**5,402.38**	**1,549.68**	1,795.99
Furniture & Fixtures	125.85	-	-	**125.85**	116.71	**1.62**	-	**118.33**	**7.52**	9.14
Vehicles	813.70	**141.22**	**39.55**	**915.37**	351.01	**142.47**	**36.13**	**457.35**	**458.02**	462.69
Computer	30.98	-	-	**30.98**	26.30	**2.84**	-	**29.14**	**1.84**	4.68
Cycle	0.09	-	-	**0.09**	0.08	-	-	**0.08**	**0.01**	0.01
Total	9,484.33	**241.41**	74.80	**9,650.94**	6,386.09	**529.93**	**43.58**	**6,872.44**	**2,778.50**	3,098.24
Intangible Assets										
Computer software	-	-	-	-	-	-	-	-	-	-
Total	9,484.33	**241.41**	74.80	**9,650.94**	6,386.09	**529.93**	**43.58**	**6,872.44**	**2,778.50**	3,098.24
Capital WIP									-	-
Total	9,484.33	**241.41**	74.80	**9,650.94**	6,386.09	**529.93**	**43.58**	**6,872.44**	**2,778.50**	3,098.24
Intangible assets under Development	-	-	-	-	-	-	-	-	-	-
Total	9,484.33	**241.41**	74.80	**9,650.94**	6,386.09	**529.93**	**43.58**	**6,872.44**	**2,778.50**	3,098.24
Previous Year	9,222.71	367.14	105.52	9,484.33	5,915.24	564.72	93.87	6,386.09	3,098.24	3,307.47

NSMS & ASSOCIATES C/820, Venus Stratum, Nehrunagar, Ahmedabad-15 CHARTERED ACCOUNTANTS

s :

(₹ in Lacs)

Title deeds of Immovable Property not held in name of the Company

Description of item of Property	Gross carring Value	Whether Title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
109/7 and 109/8	4.51	Yes	04/01/2022	
207	33.75	Yes	20/10/2021	
208/2	5.00	Yes	08/09/2016	

Capital Work In Progress (CWIP) & Intangible Assets- Ageing schedule

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

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CHARTERED ACCOUNTANTS

KUMAR COTTON MILLS PRIVATE LIMITED

Notes on Financial Statements for the Year ended 31st March, 2024

(₹ in Lacs)

9 Non current Investment

Particulars	As at 31 March 2024 Amount (₹)	As at 31 March 2023 Amount (₹)
Trade Investments	-	-
Total (A)	-	-
Other Investments Unquoted		
Investment in 200 (P.Y. 200) Fully paid up Equity Shares of ₹ 50/- each in Social Co. Op. Bank Limited at cost	**0.10**	0.10
Investment in 40 (P.Y. 40) Fully paid up Equity Shares of ₹ 25/- each in Ellisbridge Co. Op. Bank Limited at cost	**0.01**	0.01
Investment in 5 (P.Y. 5) Fully paid up Equity Shares of ₹ 100/- each in Naroda Nagrik Co. Op. Bank Limited at cost	**0.01**	0.01
Total (B)	**0.12**	0.12
Grand Total (A + B)	**0.12**	0.12

10 Deferred Tax Assets (Net)

Particulars	As at 31 March 2024 Amount (₹)	As at 31 March 2023 Amount (₹)
Deferred Tax Assets		
Related to fixed assets	**24.40**	6.61
Deferred Tax Liability		
Related to fixed assets	-	-
Deferred Tax Assets (Net)	**24.40**	6.61

11 Long Term Loans and Advances (Unsecured and considered Good)

Particulars	As at 31 March 2024 Amount (₹)	As at 31 March 2023 Amount (₹)
Capital Advances	**21.87**	3.96
Security Deposits	**0.80**	0.80
Other loans and advances	-	-
Loans and Advances to Related Parties	-	-
	22.67	4.76

12 Inventories

Particulars	As at 31 March 2024 Amount (₹)	As at 31 March 2023 Amount (₹)
Raw Materials	**419.83**	523.38
Stock-in-Process	**143.95**	290.75
Finished Goods	**263.01**	461.18
Stores, Chemicals and Packing Materials	**1,096.38**	946.01
Total	**1,923.17**	2,221.32

NSMS & ASSOCIATES C/330, Venus Stratum, Nehrunagar,

KUMAR COTTON MILLS PRIVATE LIMITED

Notes on Financial Statements for the Year ended 31st March, 2024

(₹ in Lacs)

13 Trade Receivables (Unsecured and considered Good)

Particulars	As at 31 March 2024	As at 31 March 2023
	Amount (₹)	Amount (₹)
Outstanding for following periods from due date of payment		
Less than 6 Months	**6,772.10**	5,756.23
6 Months - 1Year	**279.89**	644.27
1 - 2 years	**142.47**	27.68
2 - 3 years	**36.14**	6.67
More than 3 years	**69.21**	64.79
Total	**7,299.81**	6,499.64

Trade Receivable stated above include:	Amount (₹)	Amount (₹)
Private companies in which any director is a director or member		
- Bonanza Textiles Pvt. Ltd.	**0.15**	-
Firm /HUF in which director is a partner/proprietor		
- Venus Denim	**18.54**	-
- Vedant Denim	-	-
- Aarjay Enterprise	**2,271.42**	1,762.29
	2,290.11	1,762.29

14 Cash and Bank Balances

Particulars	As at 31 March 2024	As at 31 March 2023
	Amount (₹)	Amount (₹)
Cash on hand	**8.16**	6.84
Balances with banks		
Bank deposits with more than 12 months maturity	-	-
Others Deposits	**115.69**	110.05
Other Bank Balance	-	-
Total	**123.85**	116.89

15 Short-term loans and advances
(Unsecured and considered Good)

Particulars	As at 31 March 2024	As at 31 March 2023
	Amount (₹)	Amount (₹)
Advance to Suppliers	**36.26**	137.04
Advance Tax & TDS Receivable	**259.33**	474.84
Security Deposits	**9.39**	9.39
Loans to Staff	**88.84**	96.99
Balances with Revenue Authorities	**227.84**	308.35
Loans and Advance to Others	**40.35**	32.56
Total	**662.01**	1,059.17

NSMS & ASSOCIATES C/820, Venus Stratum, Nehrunagar, Ahmedabad-15 CHARTERED ACCOUNTANTS

Notes on Financial Statements for the Year ended 31st March, 2024

(₹ in Lacs)

16 Other current assets

Particulars	As at 31 March 2024 Amount (₹)	As at 31 March 2023 Amount (₹)
Prepaid Expenses	**19.07**	18.52
Total	**19.07**	18.52

17 Revenue from Operations

Particulars	2023-24 Amount (₹)	2022-23 Amount (₹)
Sale of products	**24,862.13**	25,117.25
Sale of services	-	-
Other operating revenues	-	-
Total	**24,862.13**	25,117.25
Less: Excise duty	-	-
Total	**24,862.13**	25,117.25

17.1 Particulars of Sale of Products

Fabrics/Other Goods	**1,155.99**	1,603.07
Fabric Processing charges	**11,849.36**	12,339.49
Colour Chemical	**319.40**	118.69
Weaving Job Work	-	-
Yarn Sales	**3,061.09**	533.65
Grey	**8,476.29**	10,522.35
Total	**24,862.13**	25,117.25

18 Other Income

Particulars	2023-24 Amount (₹)	2022-23 Amount (₹)
Interest from Current Investments	**25.01**	5.60
Rent Received	**5.20**	5.42
Profit on Sale of Fixed Assets	**9.00**	10.20
Gratuity Provision Written Back	-	-
Foreign Currency Exnchange Gain/(Loss)	**0.16**	-
Export Incentives	**12.38**	31.98
Insurance Claim	-	22.82
Total	**51.75**	76.02

19 Cost of Materials Consumed

Particulars	2023-24 Amount (₹)	2022-23 Amount (₹)
Imported	-	-
% of Consumption	**0.00%**	0.00%
Indigeneous	**10,595.19**	10,893.42
% of Consumption	**100.00%**	100.00%
Total	**10,595.19**	10,893.42

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Notes on Financial Statements for the Year ended 31st March, 2024

(₹ in Lacs)

19.1 Particulars of Materials Consumed

Details of Inventory	2023-24	2022-23
	Amount (₹)	Amount (₹)
Yarn	**9,758.82**	8,849.22
Grey Cloth	**836.37**	2,044.20
Total	**10,595.19**	10,893.42

20 Purchases of Stock in Trade

Particulars	2023-24	2022-23
	Amount (₹)	Amount (₹)
Garment Purchased	-	-
Fabric Purchased	-	-
Total	-	-

21 Changes in Inventories of Finished Goods, Stock-in-Process and Stock-in-Trade

Particulars	2023-24	2022-23
	Amount (₹)	Amount (₹)
Inventories (at close)		
Stock-in-Process	**143.94**	290.75
Finished Goods/Stock-in-Trade	**263.02**	461.18
	406.96	751.93
Inventories (at commencement)		
Stock-in-Process	**290.75**	212.07
Finished Goods/Stock-in-Trade	**461.18**	222.29
	751.93	434.36
Total	**(344.97)**	317.57

22 Employee Benefits Expense

Particulars	2023-24	2022-23
	Amount (₹)	Amount (₹)
Salaries and Wages	**834.01**	709.05
Contributions to Provident fund, ESI & Others Funds	**7.83**	5.44
Gratuity (Provision)	**2.11**	3.27
Staff Welfare Expenses	-	-
Total	**843.95**	717.76

23 Finance Costs

Particulars	2023-24	2022-23
	Amount (₹)	Amount (₹)
Interest Expenses *	**567.69**	452.73
Other Borrowing Costs	**52.05**	54.73
Total	**619.74**	507.46

23.1 Interest Expenses are net of interest subsidy received under TUFS scheme and State

(₹ in Lacs)

24 Other Expenses

Particulars	2023-24 Amount (₹)	2022-23 Amount (₹)
Manufacturing Expenses		
Consumption of Colour Chemicals	**3,861.67**	4,058.97
Consumption of Stores and Spare Parts	**585.46**	600.57
Power and Fuel	**3,574.71**	4,133.63
Repairs to Building	**5.63**	16.55
Repairs to Machineries	**36.68**	3.54
Vat, Duties and Other Taxes Paid	-	-
Job Work Charges	**499.20**	446.58
Packing Materials	**345.38**	417.28
Screen & Designing	**287.31**	495.65
Labour Charges	**1,951.45**	1,814.14
Factory Expenses	**44.63**	46.77
Environment Expenses	**82.29**	78.22
	11,274.42	12,111.90
Selling and Distribution Expenses		
Advertisement, Publicity & Sales Promotion	-	-
Commission & Brokerage	**61.02**	69.11
	61.02	69.11
Establishment Expenses		
Rent	-	-
Repairs to Others	**23.74**	20.56
Insurance	**29.86**	27.70
Rates & Taxes	**31.59**	2.01
GST Expenses	-	0.26
Office Expenses	**9.56**	9.62
Stationery & Printing	**17.40**	15.21
Telephone Expenses	**5.84**	10.87
Postage & Telegram	**1.70**	1.00
Travelling, Vehical & Conveyance	**79.47**	82.29
Freight & Forwarding	**27.58**	40.69
Managerial Remuneration	**66.80**	66.00
Audit Fees	**5.41**	5.25
Donation	**7.52**	-
Professional Fees and Charges	**20.42**	11.54
Sundary Balances Written off	**9.98**	4.14
Computer Repairing Expense	**6.44**	4.36
Loss on Sale of Fixed Assets	-	-
Foreign Currency Exnchange Gain/(Loss)	-	1.62
Miscellaneous Expenses	**0.87**	0.84
	344.18	303.96
Total	**11,679.62**	12,484.97

Notes on Financial Statements for the Year ended 31st March, 2024

(₹ in Lacs)

24.1 Value of Stores, Colour Chemicals and Packing Materials

Particulars	2023-24 Amount (₹)	2022-23 Amount (₹)
Imported	**12.72**	-
% of Consumption	**0.27%**	0.00%
Indigeneous	**4,779.80**	5,076.83
% of Consumption	**99.73%**	100.00%
Total	**4,792.52**	5,076.83

24.2 Value of Imports on CIF Basis in Respect of

Particulars	2023-24 Amount (₹)	2022-23 Amount (₹)
Raw Materials and Stock-in-Trade	-	-
Stores, Colour Chemicals and Packing Materials	**12.72**	-
Capital Goods	-	-

24.3 Expenditure in Foreign Currency

Particulars	2023-24 Amount (₹)	2022-23 Amount (₹)
Commission on Export	-	-
Total	-	-

24.4 Payments to the auditor as

Particulars	2023-24 Amount (₹)	2022-23 Amount (₹)
As auditor		
- Statutory Audit Fees	**5.41**	5.25
- Tax Audit Fees	**0.35**	0.35
In other capacity		
For Income Tax Consultancy	**0.35**	0.35
For Other Services (Certification Fees)	-	-
Total	**6.11**	5.95

25 Earning Per Share (EPS)

Particulars	2023-24 Amount (₹)	2022-23 Amount (₹)
Profit after Tax and Exceptional / Non- Recurring Item as per Statement of Profit & Loss account	**222.18**	273.66
Less : Preference Dividend and Dividend Tax	-	-
Profit available for Equity Share Holders	**222.18**	273.66
Weighted Average Number of Equity Shares	**1,79,675**	1,79,675
Weighted Average Number of Equity Shares in computing diluted earnings per share	**1,79,675**	1,79,675
Face Value of the Share – ₹	**100**	100
Basic and Diluted Earnings per Share – ₹	**123.66**	152.31

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25.1 Earnings in Foreign Currency

(₹ in Lacs)

Particulars	2023-24	2022-23
	Amount (₹)	Amount (₹)
FOB value of Export Sales	-	-

26 Capital Commitments

The estimated amount of contracts remaining to be executed on capital accounts and not provided for **₹ 319.56 Lacs** (Previous Year ₹ Nil) .

27 Contingent Liabilities in respect of

Particulars	2023-24	2022-23
	Amount (₹)	Amount (₹)
a. Excise Matters disputed in appeal	**10.70**	10.70
b. Custom duty payable on pending export obligations	-	-
c. Letter of Credit	-	-
d. Guarantees given by banks on behalf of the Company	**162.55**	162.55

28 RELATED PARTY DISCLOSURES:

(As identified by Management)

Name of the party and relationships

a) Companies and firms in which Directors/Directors' Relatives exercise control / significant influence:

Companies	
Bonanza Textile Pvt.	Kumar Spintex Pvt. Ltd.
Vishal Spintex	Aarjay Enterprise
Venus Denim	

b) Key management personnel

Rajendraprasad R. Agarwal	Ajay R. Agarwal
Khusal Mithlesh Goyle	Kumar R. Agarwal

c) Relatives of key management personnel

Karishama R. Agarwal	Ajay R. Agarwal (HUF)
Pragati Kumar Agarwal	Jash Trading
Avon Trading	Jyoti Traders
Anjudevi A Agarwal	Ashadevi R Agarwal
Rajendraprasad R Agarwal HUF	Karan Traders
Kumar R Agarwal (HUF)	-

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Transaction carried out with related parties referred in (1) above, in ordinary course of business:

(₹ in Lacs)

	Related Referred in 28 (a) above	Related Referred in 28 (b) above	Related Referred in 28 (c) above	Total Amount (₹)
Part I: Volume of transactions				
Unsecured Loans Taken	-	**622.35**	**63.43**	**685.78**
	-	(853.76)	(75.50)	(929.26)
Unsecured Loan Repaid	-	**1,376.95**	**4.29**	**1,381.24**
	-	(976.76)	(18.48)	(995.24)
Interest on Loans	-	**169.03**	-	**169.03**
	-	(172.59)	-	(172.59)
Remuneration	-	**66.80**	-	**66.80**
	-	(66.00)	-	(66.00)
Salary	-	-	**24.65**	**24.65**
	-	-	(22.18)	(22.18)
Sales/Job Work	**7,516.96**	-	-	**7,516.96**
	(6,801.53)	-	-	(6,801.53)
Purchases	**905.23**	-	**38.92**	**944.15**
	(1,084.49)	-	(43.56)	(1,128.05)
Rent (Income)	**4.96**	-	-	**4.96**
	(4.92)	-	-	(4.92)
Part II: Balance as at year end				
Unsecured Loans	-	**489.28**	**215.88**	**705.16**
	-	(1,061.89)	(156.77)	(1,218.66)
Sundry Debtors	**2,290.11**	-	-	**2,290.11**
	(1,762.29)	-	-	(1,762.29)

Note: Figures in brackets represent Previous Year's amounts.

Disclosure in respect of material transactions with related parties

Transaction	Name of the related party	2023-24 Amount (₹)	2022-23 Amount (₹)
Loans taken	Ajay R. Agarwal	**272.28**	401.76
	Rajendraprasad R. Agarwal	**350.07**	452.00
	Kumar R Agarwal	-	-
	Rajendraprasad R Agarwal HUF	**12.57**	14.68
	Anjudevi A Agarwal	**8.87**	10.75
	Ashadevi R Agarwal	**11.25**	22.75
	Kumar Agarwal HUF	**12.47**	11.54
	Ajay Agarwal HUF	**18.27**	15.78
Loans Repaid	Ajay R. Agarwal	**356.96**	631.58
	Rajendraprasad R. Agarwal	**1,019.99**	345.18
	Kumar Agarwal HUF	-	5.50
	Rajendraprasad R Agarwal HUF	-	0.51
	Tanya Ajay Agarwal	-	10.00
	Anjudevi A Agarwal	**2.54**	-
	Ashadevi R Agarwal	**1.75**	2.47

M.S.M.S & ASSOCIATES

Disclosure in respect of material transactions with related parties (Continued…)

(₹ in Lacs)

Transaction	Name of the related party	2023-24 Amount (₹)	2022-23 Amount (₹)
Interest on Loans	Ajay R. Agarwal	**7.34**	29.58
	Rajendraprasad R. Agarwal	**161.69**	143.01
Sales/ Job Work	Aarjay Enterprise	**7,456.72**	6,670.91
	Kumar Spintex Pvt. Ltd.	-	-
	Venus Denim	**60.24**	105.89
	Bonanza Textile Pvt. Ltd.	-	24.73
Purchases	Aarjay Enterprise	**819.38**	1,010.62
	Jash Trading (Khushal Goyal HUF)	**9.98**	11.42
	Karan Traders (Karan M Goyal)	**10.94**	11.70
	Avon Trading (Mithelesh Goyal HUF)	**9.00**	11.57
	Jyoti Traders (Karan M Goyal HUF)	**9.00**	8.87
	Venus Denim	-	3.63
	Vishal Spintex	**85.85**	70.24
Rent (Income)	Bonanza Textile Pvt. Ltd.	-	1.80
	Aarjay Enterprise	**4.96**	2.10
	Vedant Denim	-	1.02
Remuneration	Ajay R. Agarwal	**12.00**	12.00
	Rajendraprasad R. Agarwal	**24.00**	24.00
	Kumar R. Agarwal	**24.00**	24.00
	Khusal M. Goyle	**6.80**	6.00
Salary	Karishma Rajendraprasad Agarwal	**10.25**	9.00
	Pragati Kumar Agarwal	**9.00**	9.00
	Swati K Goyle	**5.40**	4.18

29 The quarterly returns or statements of current assets filed by the company with banks or financial institutions are not in agreement with the books of accounts in respect of following.

Particulars	Qtr	As per books	As per statement	Reason of difference
Sundry Debtors	Q1	6,811.41	6,918.71	Difference due to submission of monthly data on the basis of provisional data.
Creditors	Q1	3,840.40	3,670.85	
Sundry Debtors	Q2	6,913.47	7,008.78	
Creditors	Q2	3,330.05	3,117.37	
Sundry Debtors	Q3	7,072.67	7163,32	
Creditors	Q3	3,490.00	3,245.60	
Sundry Debtors	Q4	7,299.81	7,376.22	
Creditors	Q4	2,862.06	2,724.77	
Inventories	Q4	1,923.18	1,874.73	

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KUMAR COTTON MILLS PRIVATE LIMITED

Notes on Financial Statements for the Year ended 31st March, 2024

30 Ratio Analysis

Particulars	Formula	As at 31/03/2024	As at 31/03/2023	Reason for 25% or more Variation
Current Ratio	CA/CL	**1.31**	1.29	
Debt-Equity Ratio	OL/NW	**3.01**	3.36	
Debt Service Coverage	TL Repayment/ Cash Profit	**2.81**	1.47	
Return on Equity Ratio	NP/Equity*100	**0.07**	0.09	
Inventory Turnover Ratio	Inventory/TO	**12.93**	11.31	
Trade Receivables	TO/Receivable	**3.41**	3.86	
Trade Payables Turnover	TP/TO	**3.70**	2.58	
Net Capital Turnover Ratio	TO/NWC	**10.72**	12.58	
Net Profit Ratio	TO/NP*100	**0.89**	1.09	
Return on Capital	NP/NW*100	**28.69**	28.47	
Return on Investment	Gain On Investment/Investment Cost	**N.A.**	N.A.	

31 During the year, 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, 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.

32 During the year, no funds have been received by the Company form any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recerded 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 hte Ultimate Beneficiaries.

33 Previous Year figures have been regrouped/ rearranged wherever considered necessary.

As per our Report of even date

For, N S M S & Associates
Chartered Accountants

Nitin C. Shah
Partner
Membership No. 34633

Place : Ahmedabad
Date : 31/08/2024

N S M S & ASSOCIATES C/820, Venus Stratum, Nehrunagar, Ahmedabad-15 CHARTERED ACCOUNTANTS

For and On Behalf of the Board of Directors
KUMAR COTTON MILLS PRIVATE LIMITED

DIRECTOR DIRECTOR

Place : Ahmedabad
Date : 31/08/2024