



# M/s. LATTEYS INDUSTRIES LIMITED

(Formerly known As Latteys Industries Pvt. Ltd./Latteys Pumps Industries Pvt. Ltd.)

Reg. Off:- Plot No. 16. Phase -1/2, GIDC Naroda, Ahmedabad, Gujrat - 382330

CIN: L29120GJ2013PLC074281

## Balance Sheet as at 31st March, 2021

Particulars	Note No.	Figures as at the end of previous reporting year 2020-21	Figures as at the end of previous reporting year 2019-20
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share Capital	1	4,59,96,660.00	4,59,96,660.00
(b) Reserves and Surplus	2	9,89,72,135.00	9,38,56,912.00
(c) Money Received Against Share Warrants		-	-
<b>2 Share application money pending allotment</b>			
<b>3 Non-current liabilities</b>			
(a) Long-term Borrowings	3	2,96,00,456.00	3,30,57,736.00
(b) Deferred Tax Liabilities (Net)	12	-	-
(c) Other Long Term Liabilities	4	6,00,000.00	-
(d) Long-term Provisions	5	8,14,343.00	9,92,149.00
<b>4 Current liabilities</b>			
(a) Short-term Borrowings	6	9,95,38,802.00	10,42,43,001.00
(b) Trade Payables	7	6,79,95,401.00	8,41,87,945.00
(c) Other Current Liabilities	8	1,13,23,655.00	1,50,26,379.00
(d) Short-term Provisions	9	27,50,108.00	29,63,740.00
<b>TOTAL</b>		<b>35,75,91,560.00</b>	<b>38,03,24,522.00</b>
<b>II. ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, Plant & Equipment	10	5,57,95,117.00	5,85,38,584.00
(i) Property, Plant & Equipment			
(ii) Intangible Assets			
(iii) Capital Work-in-progress			
(iv) Intangible Assets Under Development		2,70,000.00	-
(b) Non-current Investments	11	1,52,70,800.00	1,45,52,300.00
(c) Deferred Tax Assets (net)	12	14,14,534.00	9,60,990.00
(d) Long-term Loans and Advances			
(e) Other non-current Assets	13	10,87,269.00	12,28,269.00
<b>2 Current assets</b>			
(a) Current Investments			
(b) Inventories	25	20,89,50,760.00	21,19,49,084.00
(c) Trade Receivables	14	5,38,55,310.00	6,70,01,858.00
(d) Cash and Cash Equivalents	15	50,70,530.00	30,37,266.00
(e) Short-term Loans and Advances	16	1,48,84,286.00	2,24,65,647.00
(f) Other Current Assets	17	9,92,954.00	5,90,524.00
<b>TOTAL</b>		<b>35,75,91,560.00</b>	<b>38,03,24,522.00</b>

Significant Accounting Policies and Notes to Accounts As per Our Reports of Even Date Attached

For KPMC & Associates  
Chartered Accountants

CA Rajesh Kumar  
Partner  
M.NO. 099655  
FRN . 005359C  
UDIN: 21099655AAAABK581



PLACE : Delhi  
DATE : 30th June, 2021

For M/s. Latteys Industries Limited

LATTEYS INDUSTRIES LTD.

LATTEYS INDUSTRIES LTD.

Kapoor Chand Garg  
Managing Director  
DIN: 00434621

Pawan Garg  
Whole Time Director  
DIN: 00434836

Sumit Goel  
Chief Financial Officer



# M/s. LATTEYS INDUSTRIES LIMITED

(Formerly known As Latteys Industries Pvt. Ltd./Latteys Pumps Industries Pvt. Ltd.)

Reg. Off:- Plot No. 16, Phase -1/2, GIDC Naroda, Ahemdabad, Gujrat - 382330

CIN: L29120GJ2013PLC074281

## Profit and loss statement for the Period ended 31st March 2021

Particulars	Note No.	Figures as at the end of previous reporting year 2020-21	Figures as at the end of previous reporting year 2019-20
I. Revenue From Operations	18	27,09,26,557.00	24,51,97,074.00
II. Other Income	19	63,43,425.00	32,25,112.00
<b>III. Total Income (I + II)</b>		<b>27,72,69,982.00</b>	<b>24,84,22,186.00</b>
<b>IV. Expenses:</b>			
Cost of Materials Consumed	20	22,96,90,051.00	17,42,66,293.00
Purchases of Stock-in-Trade		-	-
Changes In inventories of finished goods work-in-progress and Stock-in-Trade	21	(2,88,24,228.00)	(1,07,30,510.00)
Employee Benefits Expense	22	2,11,21,220.00	3,27,10,397.00
Finance Costs	23	1,30,12,879.00	1,31,88,704.00
Depreciation and Amortization Expense	10	80,13,246.00	88,61,540.00
Other Expenses	24	2,73,76,474.00	2,39,77,922.00
<b>Total Expenses</b>		<b>27,03,89,642.00</b>	<b>24,22,74,346.00</b>
<b>V. Profit before exceptional and extraordinary items and tax (III-IV)</b>		<b>68,80,340.00</b>	<b>61,47,840.00</b>
VI. Exceptional Items		-	1,35,604.00
VII. Profit Before Extraordinary Items and Tax (V - VI)		68,80,340.00	60,12,236.00
VIII. Extraordinary Items		-	-
<b>IX. Profit Before Tax (VII- VIII)</b>		<b>68,80,340.00</b>	<b>60,12,236.00</b>
X Tax Expense:			
(1) Current tax		22,18,661.00	22,51,724.00
(2) Prior Period Tax		-	-
(3) Deferred Tax Assets/(Liabilites)		4,53,544.00	4,39,649.00
XI Profit (Loss) for the period from continuing operations (IX-X)		51,15,223.00	42,00,161.00
XII Profit/(loss) from discontinuing operations		-	-
XIII Tax expense of discontinuing operations		-	-
<b>XIV Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)</b>		<b>-</b>	<b>-</b>
<b>XV Profit (Loss) for the period (XI + XIV)</b>		<b>51,15,223.00</b>	<b>42,00,161.00</b>
XVI Earnings Per Equity Share:	29		
(1) Basic		1.11	0.91
(2) Diluted		1.11	0.91

Significant Accounting Policies and Notes to Accounts  
As per Our Reports of Even Date Attached

**For KPMC & Associates**  
Chartered Accountants

CA Rajesh Kumar  
Partner  
M.NO. 099655  
FRN : 005359C  
UDIN: 21099655AAAABK5813



**For M/s. Latteys Industries Limited**

Kapoor Chand Garg  
Managing Director  
DIN: 00434621

Pawan Garg  
Whole Time Director  
DIN: 00434836

PLACE : Delhi  
DATE : 30th June, 2021

Sumit Goel  
Chief Financial Officer



**M/s. LATTEYS INDUSTRIES LIMITED**  
 (Formerly known As Latteys Industries Pvt. Ltd./Latteys Pumps Industries Pvt. Ltd.)  
 Reg. Offr:- Plot No. 16, Phase -1/2, GIDC Naroda, Ahmedabad, Gujrat - 382330  
 CIN: L29120GJ2013PLC074281

**Cash Flow For the Year Ended 31st March 2021**

Particulars		Figures for the current reporting period ending Mar-21		Figures for the current reporting period ending Mar-20
<b>I. Cash Flow From Operating Activities</b>				
Profit Before Tax	68,80,340.00			60,12,236.00
Adjustment for :-				
Depreciation	80,13,246.00			88,61,540.00
Finance Cost	1,30,12,879.00			1,31,88,704.00
Interest on Duties & Taxes	4,39,432.71			3,76,946.93
Reversal of Tax Provision	(51,781.00)			-
Provision for Interest on Duty Drawback	33,587.00			-
Profit or Loss on Sale of Fixed Assets	-			1,35,604.00
(Foreign Exchange Gain)/ Loss	(4,08,819.07)			(7,98,246.73)
Provisions (Gratuity)	(1,76,606.00)			2,21,833.00
Round Off	(0.44)			(0.43)
Operating Profit	2,77,42,278.20			2,79,98,616.77
(Increase) / Decrease in Inventories	29,98,324.00			(4,05,15,458.90)
(Increase) / Decrease in Trade Receivables	1,31,46,548.00			(4,04,355.77)
(Increase) / Decrease in Short Term Loans & Advances	82,81,361.00			62,40,899.54
(Increase) / Decrease in Other Current Assets	(4,02,430.00)			9,07,584.06
Increase / (Decrease) in Creditors	(1,61,92,544.00)			80,96,320.02
Increase / (Decrease) in Current Liabilities-Other than Bank Borrowings & prov for I.Tax	(38,07,190.00)			2,69,771.94
Operating Cash Flow Before Extra Ordinary Item	3,17,66,347.20			25,93,377.66
(Foreign Exchange Loss)/ Gain	4,08,819.07			7,98,246.73
Interest on Duties Taxes	(4,39,432.71)			(3,76,946.93)
Direct Tax Paid During The Year	(30,10,833.00)	2,87,24,900.56		(10,74,608.00)
<b>II. Cash Flow From Investing Activities</b>				
Investment in Fixed Assets	(55,39,778.56)			(62,38,819.49)
Proceeds from Fixed Assets	-			-
(Increase) / Decrease in Long Term Loans & Advances	1,41,000.00			(3,12,133.00)
(Increase) / Decrease in Investment	(7,18,500.00)	(61,17,278.56)		9,00,000.00
<b>III. Cash Flow From Financing Activities</b>				
Proceeds form issue of Share Capital	-			-
Net Increase / (Decrease) in Borrowings	(81,61,479.00)			1,64,90,170.08
Net Increase / (Decrease) in Other Long Term Liab.	6,00,000.00			(5,50,000.00)
Finance Cost	(1,30,12,879.00)	(2,05,74,358.00)		(1,31,88,703.68)
Opening Cash & Cash Equivalents (Note-1)		20,33,264.00		(9,59,416.63)
Closing Cash & Cash Equivalents (Note-1)		30,37,266.00		39,96,682.63
		50,70,530.00		30,37,266.00
<b>Notes to the cash flow statement</b>				
1 Cash & Cash Equivalents		<b>2020-21</b>		<b>2019-20</b>
Cash In Hand		47,08,732.00		28,25,351.00
Balance With Bank		3,61,798.00		2,11,915.00
Total Cash & Cash Equivalents		<u>50,70,530.00</u>		<u>30,37,266.00</u>

For KPMC & Associates  
Chartered Accountants

*Rajesh Kumar*  
CA Rajesh Kumar  
Partner  
M.NO. 099655  
FRN. 005359C  
UDIN-21099655AAAABKS



PLACE : Delhi  
DATE : 30th June, 2021

LATTEYS INDUSTRIES LTD. M/s. Latteys Industries Limited

*Kapoor Chand Garg*  
Kapoor Chand Garg  
Managing Director  
DIN: 00434621

LATTEYS INDUSTRIES LTD.

*Pawan Garg*  
Pawan Garg  
Whole Time Director  
DIN: 00434836

**DIRECTOR**

*Sumit Goel*  
Sumit Goel  
Chief Financial Officer

# M/s. LATTEYS INDUSTRIES LIMITED

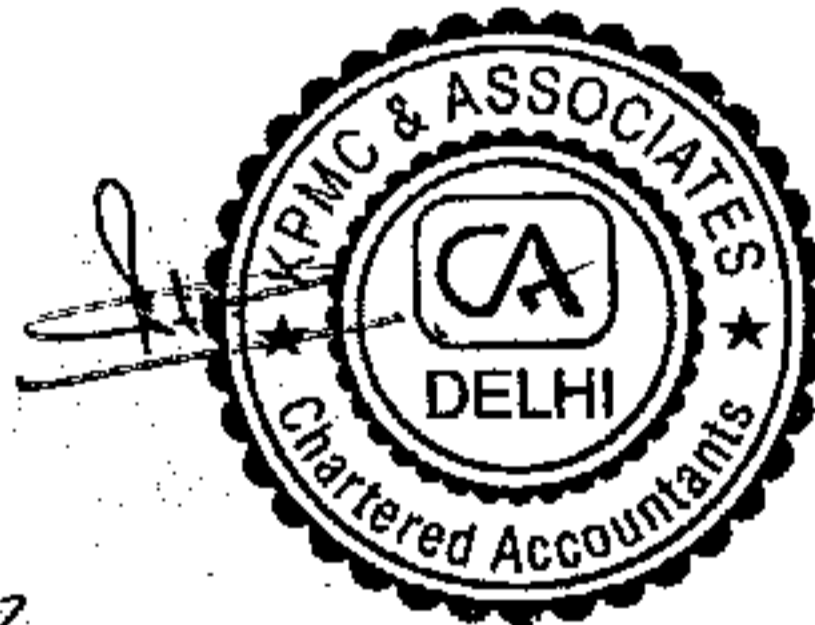
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Reg. Off:- Plot No. 16, Phase -1/2, GIDC Naroda, Ahmedabad, Gujrat - 382330

CIN: L29120GJ2013PLC074281

## Ratio Analysis for Financial Year ending on 31.03.21

Ratio	Formula	FY-2020-21	Ratio	FY-2019-20	Ratio	% Change	Comment if % change is more than 25%
(a) Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	$\frac{28,37,53,840.00}{18,16,07,966.00}$	1.56	$\frac{30,50,44,379.00}{20,64,21,065.00}$	1.48	5.73%	NA
(b) Debt-Equity Ratio	$\frac{\text{Long Term Debt} + \text{Short Term Debt}}{\text{Total Shareholder Fund}}$	$\frac{12,91,39,258.00}{14,49,68,795.00}$	0.89	$\frac{13,73,00,737.00}{13,98,53,572.00}$	0.98	-9.26%	NA
(c) Debt Service Coverage Ratio	$\frac{\text{Net Operating Income (i.e. PBT Plus Depreciation) Interest on Long Term Loans Less Rental and Interest Income}}{\text{Total Debt Service}}$	$\frac{60,81,556.93}{1,01,04,972.34}$	0.60	$\frac{73,91,359.23}{13936817.22}$	0.53	13.48%	NA
(d) Return on Equity Ratio	$\frac{\text{Net Income (i.e. Net Profit After Tax)}}{\text{Shareholder Fund}} \times 100$	$\frac{51,15,223.00}{14,49,68,795.00} \times 100$	3.53%	$\frac{42,00,161.00}{13,98,53,572.00}$	3.00%	17.49%	NA
(e) Inventory turnover ratio	$\frac{\text{Cost of Goods Sold}}{\text{Average Inventory}}$	$\frac{20,08,65,823.00}{21,04,49,921.93}$	0.95	$\frac{16,35,35,783.00}{19,16,91,354.41}$	0.85	11.88%	NA
(f) Trade Receivables turnover ratio	$\frac{\text{Net Credit Sales}}{\text{Average Account Receivables}}$	$\frac{27,09,26,557.00}{6,04,28,584.00}$	4.48	$\frac{24,51,97,074.00}{6,67,99,680.15}$	3.67	22.14%	NA
(g) Trade payables turnover ratio	$\frac{\text{Net Credit Purchase}}{\text{Average Account Payables}}$	$\frac{17,76,52,122.47}{7,60,91,673.00}$	2.33	$\frac{17,73,63,239.05}{8,41,87,944.90}$	2.11	10.82%	NA
(h) Net capital turnover ratio	$\frac{\text{Total Sales}}{\text{Net Working Capital}}$	$\frac{27,09,26,557.00}{10,21,45,874.00}$	2.65	$\frac{24,51,97,074.00}{9,86,23,314.00}$	2.49	6.68%	NA
(i) Net profit ratio	$\frac{\text{Net Profit (i.e. Net Profit After Tax)}}{\text{Sales}} \times 100$	$\frac{51,15,223.00}{27,09,26,557.00} \times 100$	1.89%	$\frac{42,00,161.00}{24,51,97,074.00}$	1.71%	10.22%	NA
(j) Return on Capital employed	$\frac{\text{EBIT}}{\text{Capital Employed (i.e. Total Assets - Current Liability)}} \times 100$	$\frac{1,82,96,609.89}{17,59,83,594.00} \times 100$	10.40%	$\frac{1,76,82,046.23}{17,39,03,457.00}$	10.17%	2.25%	NA
(k) Return on investment	$\frac{\text{Net Income}}{\text{Cost of Investment}}$			N.A.			



LATTEYS INDUSTRIES LTD.

*[Signature]*  
DIRECTOR

LATTEYS INDUSTRIES LTD.

*[Signature]*  
DIRECTOR

**B) NOTES FORMING PART OF PROVISIONAL BALANCE SHEET FOR THE PERIOD ENDED ON 31ST MARCH 2021**

1. Share Capital	As at 31 March 2021		As at 31 March 2020	
	Number	Rs.	Number	Rs.
Authorized 5000000 Equity Shares of Rs. 10 each	50,00,000.00	5,00,00,000.00	50,00,000.00	5,00,00,000.00
Issued 4599666 Equity Shares of Rs. 10 each	45,99,666.00	4,59,96,660.00	45,99,666.00	4,59,96,660.00
Subscribed & Fully Paid up 4599666 Equity Shares of Rs. 10 each	45,99,666.00	4,59,96,660.00	45,99,666.00	4,59,96,660.00
Subscribed but not fully Paid up	-	-	-	-
<b>Total</b>	<b>45,99,666.00</b>	<b>4,59,96,660.00</b>	<b>45,99,666.00</b>	<b>4,59,96,660.00</b>

1(a) Reconciliation of Share Capital	Equity Shares		Preference Shares	
	Number	Rs.	Number	Rs.
Shares outstanding at the beginning of the year	45,99,666.00	4,59,96,660.00	-	-
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the Period	<b>45,99,666.00</b>	<b>4,59,96,660.00</b>	-	-

1(b) - Shares Held by Promoters at the end of the Year (Equity Share)	As at 31 March 2021			As at 31 March 2020	
	No. of Shares held	% of Holding	% Change during the Year	No. of Shares held	% of Holding
1 Kapoor Chand Garg	29,16,090.00	63.40%	-	29,16,090.00	63.40%
2 Pawan Garg	1,93,670.00	4.21%	3.20%	1,87,670.00	4.08%
3 Jawala Parsod Garg	1,78,500.00	3.88%	-	1,78,500.00	3.88%
4 Kapoor Garg HUF	52,100.00	1.13%	-	52,100.00	1.13%
5 Pawan Garg HUF	17,506.00	0.38%	-	17,506.00	0.38%
6 Saroj Garg	12,900.00	0.28%	-	12,900.00	0.28%
7 Anu Garg	12,900.00	0.28%	-	12,900.00	0.28%
<b>Total</b>	<b>33,83,666.00</b>	<b>73.56%</b>	<b>3.20%</b>	<b>33,77,666.00</b>	<b>73.43%</b>

2 Reserves & Surplus	As at 31 March 2021	As at 31 March 2020
	Rs.	Rs.
<b>A. Securities Premium</b>		
Opening Balance	6,42,93,196.00	6,42,93,196.00
Less: Premium Utilised for various reasons	-	-
IPO Expenses	-	-
For Issuing Bonus Shares	-	-
Closing Balance	<b>6,42,93,196.00</b>	<b>6,42,93,196.00</b>
<b>B. Surplus</b>		
Opening Balance	7,95,63,715.95	2,53,63,554.95
(-) Assets Written Off *	-	-
(+) Net Profit/(Net Loss) For the current year	51,15,223.00	47,00,161.00
(+) Transfer from Reserves	-	-
(-) Utilised for Issuing Bonus Share	-	-
Closing Balance	<b>3,46,78,938.95</b>	<b>2,95,63,715.95</b>
<b>Total</b>	<b>9,89,72,135.00</b>	<b>9,38,56,912.00</b>

3 Long Term Borrowings	As at 31 March 2021	As at 31 March 2020
	Rs.	Rs.
<b>(a) Long Term Maturity of Term Loans</b>		
<b>HDFC Bank - Car Loans</b>		
HDFC Bank - (Tata Nexon)	-	2,14,768.91
Repayable in 36 EMI of ₹ 22423/- starting from 05.02.2019 and the last instalment will be falling due on 05.01.2022 @ 9.52% p.a.		
<b>HDFC Bank - Term Loan*</b>		
(i) Rs. 50 Lac, Repayable in 54 EMI starting from 07.04.2017 and the last instalment will be falling due on 07.09.2021 (After Availing Moratorium Facility for 6 Months). @ 10.45% p.a.	2,05,86,119.21	93,28,448.81
(ii) Rs. 100 Lac, Repayable in 55 EMI starting from 07.11.2017 and the last instalment will be falling due on 07.05.2022 (After Availing Moratorium Facility for 6 Months). @ 9.51% p.a.	-	-
(iii) Rs. 62.20 Lac, Repayable in 68 EMI starting from 07.11.2017 and the last instalment will be falling due on 07.06.2023 (After Availing Moratorium Facility for 6 Months). @ 10.01% p.a.	-	-
(iv) Rs. 225.85 Lac, Repayable in 48 EMI starting from 07.07.2021 and the last instalment will be falling due on 07.06.2024 @ 8.25%	-	-
(v) <b>Deutsche Bank (Term Loan)</b>		
Rs. 50 Lac, Repayable in 61 EMI of ₹ 73462/- starting from 05.11.2017 and the last instalment will be falling due on 05.02.2025 @ 9.25% p.a.	28,40,363.10	31,51,324.76
<b>Total</b>	<b>2,34,26,482.31</b>	<b>1,26,94,542.48</b>
<b>Unsecured</b>		
(a) Loans and advances from related parties	-	2,00,000.00
(b) Loan from Directors	55,99,330.00	1,07,74,405.57
(b) Loan from Corporates & Others	5,74,644.00	93,88,788.10
<b>Total</b>	<b>61,73,974.00</b>	<b>2,03,63,193.67</b>
<b>Total</b>	<b>2,96,00,456.00</b>	<b>3,30,57,736.00</b>

\* All HDFC Bank Term Loans are secured against Equitable mortgage of properties as:-  
1) Plot No. 16, Phase 1/2, GIDC Estate, Naroda, Ahmedabad-382330 in the name of Mr. Kapoor Chand Garg  
2) Plot No. 625, Phase-4, GIDC Estate Naroda, Ahmedabad-382330, in the name of Latteys Industries Ltd.

4 Other Long Term Liabilities	As at 31 March 2021	As at 31 March 2020
	Rs.	Rs.
(a) Security Deposit (Rent)	6,00,000.00	-
<b>Total</b>	<b>6,00,000.00</b>	<b>-</b>

5 Long Term Provisions	As at 31 March 2021	As at 31 March 2020
	Rs.	Rs.
(a) Provision for employee benefits Gratuity (Unfunded)	8,14,343.00	9,92,149.00
<b>Total</b>	<b>8,14,343.00</b>	<b>9,92,149.00</b>

\* The gratuity provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment payable for each completed year of service. Vesting occurs upon completion of the continuous years of service. Company had made Gratuity Provision as per Actuarial Valuation

6 Short Term Borrowings	As at 31 March 2021	As at 31 March 2020
	Rs.	Rs.
<b>Secured</b>		
(a) Loans repayable on demand from HDFC Bank*	8,51,46,298.45	9,70,25,478.04
(b) Current Maturity of Long Term Borrowings	1,43,92,503.10	72,17,523.41
<b>Total</b>	<b>9,95,38,801.55</b>	<b>10,42,43,001.45</b>

\* Cash Credit Limit of Rs. 10 Cr for Working capital needs of the company and Primarily secured against Stock and Debtors, Collateral Properties are 1) Plot No. 16, Phase 1/2, GIDC Estate, Naroda, Ahmedabad-382330 in the name of Mr. Kapoor Chand Garg. 2) Plot No. 625, Phase-4, GIDC Estate Naroda, Ahmedabad-382330, in the name of Latteys Industries Ltd.

**LATTEYS INDUSTRIES LTD.**

**DIRECTOR**



**LATTEYS INDUSTRIES LTD.**

**DIRECTOR**

7 Trade Payables					As at 31 March 2021	As at 31 March 2020
					Rs.	Rs.
	Less Than 1 Year	1-2 Years	2-3 Years	More Than 3 Years		
(i) MSME	79,70,032.00				79,70,032.00	7,23,58,088.75
(ii) Others	5,85,51,607.38	14,05,473.41	56,256.10		6,00,25,368.89	1,10,29,856.05
(iii) Disputed Dues-MSME						
(iv) Disputed Dues-Others						
<b>Total</b>					<b>6,79,95,401.00</b>	<b>8,41,87,945.00</b>

8 Other Current Liabilities		As at 31 March 2021	As at 31 March 2020
		Rs.	Rs.
Advance from Customers		40,88,236.16	41,06,791.15
Expenses Payable		48,66,250.00	76,49,430.06
Wages, Salary & Other Benefits*		17,69,605.00	17,93,579.00
<b>Duties &amp; Taxes Payable</b>			
Import Duty Payable		73,075.32	-
Ahmedabad Municipal Corporation		19,530.00	1,55,957.00
ESI & EPF Payable		1,25,048.00	6,79,092.00
TCS Payable		8,916.22	1,145.00
TDS Payable		3,72,994.55	6,40,380.62
<b>Total</b>		<b>1,13,23,655.00</b>	<b>1,50,26,379.00</b>

\*Wages and Salary Payable has been netted off with the Advances to Employee

9 Short Term Provisions		As at 31 March 2021	As at 31 March 2020
		Rs.	Rs.
Audit Fees Payable		1,82,200.00	2,49,600.00
Provision for Tax		22,18,661.00	23,62,614.50
Provision for Duty Drawback Returnable		1,11,560.00	1,11,560.00
Provision for Interest on Duty Drawback Refund Due		1,45,937.00	1,12,350.00
Short Term Obligation (Gratuity)		3,385.00	2,185.00
Interest Accrued but Not Due*		88,364.86	1,25,431.19
<b>Total</b>		<b>27,50,108.00</b>	<b>29,63,740.00</b>

\* Interest Accrued but Not Due is Interest part on loans availed by the company for Part Month of March which is due in April.

11 Non-current Investments		As at 31 March 2021	As at 31 March 2020
		Rs.	Rs.
Birla Sun Life Insurance*		42,33,039.00	42,33,039.00
Advance Against Industrial Property		1,00,00,000.00	1,00,00,000.00
Fixed Deposit for Tender		9,18,500.00	2,00,000.00
FDR For Vat		1,19,261.00	1,19,261.00
<b>Total</b>		<b>1,52,70,800.00</b>	<b>1,45,52,300.00</b>

\* Company had taken Insurance on the life of its Two Key Directors and Value are shown at Cost due to unavailability of information from Birla Sun Life Insurance

12 Deferred Tax Assets/ Liabilities		As at 31 March 2021	As at 31 March 2020
		Rs.	Rs.
(a) Deferred Tax Liabilities on fixed assets			
(a) Deferred Tax Assets on fixed assets		14,14,534.00	9,60,990.00
<b>Total</b>		<b>14,14,534.00</b>	<b>9,60,990.00</b>

13 Other Non Current Assets		As at 31 March 2021	As at 31 March 2020
		Rs.	Rs.
Security Deposits			
Security Deposits-Unsecured Considered Good		10,87,269.00	12,28,269.00
<b>Total</b>		<b>10,87,269.00</b>	<b>12,28,269.00</b>

14 Trade Receivables						As at 31 March 2021	As at 31 March 2020
						Rs.	Rs.
	Less Than 6 Months	6 Months -1Year	1-2 Years	2-3 Years	More than 3 Years		
(i) Undisputed Trade Receivables-Considered Good	3,49,03,037.07	44,09,823.57	75,50,136.19	25,40,369.54	-	4,94,03,366.67	
(ii) Undisputed Trade Receivables-Considered Doubtful					38,26,049.55	38,26,049.55	
(iii) Disputed Trade Receivables-Considered Good					6,25,894.00	6,25,894.00	6,70,01,858.06
(iv) Disputed Trade Receivables-Considered Doubtful					-	-	
<b>Total (A)</b>						<b>5,38,55,310.00</b>	<b>6,70,01,858.00</b>

15 Cash and cash equivalents		As at 31 March 2021	As at 31 March 2020
		Rs.	Rs.
a. Balances with banks		3,61,797.84	2,11,915.01
b. Cheques, drafts on hand			
c. Cash In hand		47,08,732.00	28,25,351.00
<b>Total</b>		<b>50,70,530.00</b>	<b>30,37,266.00</b>

16 Short-term loans and advances		As at 31 March 2021	As at 31 March 2020
		Rs.	Rs.
(b) Others			
Advance to Suppliers		11,50,267.48	2,81,018.00
Advance Installment(Moratorium)			10,10,269.00
Advance Tax		7,00,000.00	
GST Input		1,30,34,018.05	1,41,92,652.79
VAT Input and Refund			69,81,707.00
<b>Total</b>		<b>1,48,84,286.00</b>	<b>2,24,65,647.00</b>

17 Other Current assets (specify nature)		As at 31 March 2021	As at 31 March 2020
		Rs.	Rs.
Prepaid Expenses		2,15,333.22	2,07,482.50
IGST Duty Drawback			1,24,670.54
Rent Receivable		2,76,250.00	
Interest Receivable		68,470.44	50,833.00
TDS on GST		57,753.96	
TDS Receivable		2,50,540.00	2,07,538.00
TCS Receivable		24,100.17	
GST Recoverable from Clients (on Pump Repairing Charges)		1,00,506.00	
<b>Total</b>		<b>9,92,954.00</b>	<b>5,90,524.00</b>

18 Revenue From Operation		As at 31 March 2021	As at 31 March 2020
		Rs.	Rs.
Sale of products Net Off Return		17,68,46,066.11	22,84,28,183.71
Export Sales		8,47,47,780.74	1,65,23,090.00
Sales to Exporter (GST Concession)		70,72,660.34	
Job Work Income		2,60,050.00	2,45,800.00
<b>Total</b>		<b>27,09,26,557.00</b>	<b>24,51,97,074.00</b>

LATTEYS INDUSTRIES LTD.

*Deban*  
DIRECTOR



LATTEYS INDUSTRIES LTD.

*[Signature]*  
DIRECTOR

19 Other Income	As at 31 March 2021	As at 31 March 2020
	Rs.	Rs.
Interest Income	12,62,334.00	83,749.00
Damage, Repair & Other Charges	9,91,966.50	1,38,709.11
Incentive Drawback Income	9,21,066.46	2,24,833.54
Freight & Forwarding Charges	7,02,599.00	6,43,365.00
Miscellaneous Income	34,776.00	-
Bank Cash Back & Redemption Points	6,785.35	21,096.88
Rental Income	24,23,898.00	19,92,000.00
Rental Property (Other Charges)	-	1,20,268.00
Cheque dishonour charges	-	1,090.00
<b>Total</b>	<b>63,43,425.00</b>	<b>32,25,112.00</b>
Interest Income Comprise Interest from: Others Security Deposit with UGVCL		
20 Cost of Material Consumed	As at 31 March 2021	As at 31 March 2020
	Rs.	Rs.
Opening Stock of Raw Material	14,05,98,218.98	11,08,13,270.10
Purchases during the year (Net off Return & Discount)	17,76,52,122.47	17,73,63,239.05
Add: Direct Expenses	2,02,15,377.00	2,66,88,002.97
Add: VAT Credit Not Allowed	-	-
Less: Closing Stock of Raw Material	10,87,75,667.00	14,05,98,218.98
<b>Total</b>	<b>22,96,90,051.00</b>	<b>17,42,66,293.00</b>
21 Changes in Inventories of finished goods, work-in-progress, Stock in Trade and Intermediaries	As at 31 March 2021	As at 31 March 2020
	Rs.	Rs.
Finished Goods	7,13,50,864.88	6,06,20,354.85
Opening Stock	(10,01,75,093.00)	(7,13,50,864.88)
Closing Stock	-	-
<b>Total</b>	<b>(2,88,24,228.00)</b>	<b>(1,07,30,510.00)</b>
22 Employee Benefits Expense	As at 31 March 2021	As at 31 March 2020
	Rs.	Rs.
(a) Salaries and Incentives	1,61,79,098.00	2,69,67,128.00
(b) Provident fund/ Employee State Insurance And Labour Welfare Fund	5,41,704.00	8,37,194.00
(c) Gratuity fund contributions	(1,76,606.00)	2,21,833.00
(d) Gratuity paid to Employees	97,800.00	-
(e) Staff welfare expenses	96,136.61	1,55,950.78
(f) Contribution to Labour Welfare Fund	1,766.00	2,007.70
(g) Bonus on Salary	5,41,321.00	6,86,284.00
(h) Director remuneration*	38,40,000.00	38,40,000.00
<b>Total</b>	<b>2,11,21,220.00</b>	<b>3,27,10,397.00</b>
*Special Resolution passed for the Director/Managerial Remuneration on 23.11.2017 for three years expired on 22.11.2020 however further board of Director has passed a resolution on dated 21.11.20 for Director Managerial Remuneration subject to approval by the member in ensuing AGM.		
23 Finance Cost	As at 31 March 2021	As at 31 March 2020
	Rs.	Rs.
Interest Expense	1,22,46,331.93	1,28,16,307.23
Other Borrowing Costs Including Processing Fees & Bank Charges	7,66,546.60	3,72,396.45
<b>Total</b>	<b>1,30,12,879.00</b>	<b>1,31,88,704.00</b>
24 Other Expenses	As at 31 March 2021	As at 31 March 2020
	Rs.	Rs.
Advertisement & Publicity	-	41,500.00
Payment to Auditors	1,20,000.00	1,20,000.00
Ahmedabad Municipal Corporation-Assessment	-	18,000.00
BIS Marking & Licence Fee	2,01,400.00	2,36,262.00
Bureau of Energy	-	44,000.00
Bad Debts	54,54,148.74	1,26,618.72
Commission on Sales & Purchase	36,34,762.81	17,61,557.33
Conveyance, Fuel & Diesel	3,55,370.05	2,67,477.61
CDSL Fees, NSDL Fees, NSE Fees & NSIC Fees	29,020.00	1,21,177.00
Delayed Delivery Charges	1,13,116.04	-
Disallowed Input Tax Credit	1,81,428.00	-
Discount and Scheme on Sales	12,45,664.00	34,57,065.45
Electricity Expenses	14,811.10	17,767.77
Festival Expense	43,000.00	63,350.00
Freight Outward	2,63,115.50	3,47,180.37
Foreign Exchange Difference	(4,08,819.07)	(7,98,246.73)
GIDC Lease Rent	-	6,769.00
GST not received from party	22,302.00	-
Insurance Expenses	1,38,805.09	1,85,465.00
Interest On Duty Drawback	33,587.00	74,631.00
Interest On Late Payments to Creditors	3,15,106.00	-
Interest & Penalties on Duty & Taxes	4,39,432.71	3,76,946.93
Membership Fees & Subscription Charges	27,356.07	20,500.00
Miscellaneous Expenses	84,941.50	89,572.39
Municipal Taxes	1,89,387.00	3,66,475.00
Office Expenses	8,23,955.00	13,11,904.50
Office & Godown Rent (All Branches)**	28,61,799.00	31,63,262.00
Postal Expenses	12,159.00	37,067.00
Printing & Stationery Expenses	67,818.00	77,591.19
Professional Expenses	7,14,876.00	7,26,590.00
Prior Period Expenses***	26,73,597.79	-
Repair & Maintenance	12,62,797.00	21,80,953.09
RCC Fees	7,500.00	11,400.00
Round Off	(343.85)	202.49
Sale Promotion Expenses	12,08,114.00	16,94,839.05
Miscellaneous Balance Written off	4,02,656.74	-
Short & Excess	4,448.45	1,478.80
Tax Expenses	(51,781.00)	96,118.00
Telephone Expenses	50,357.53	86,767.08
Tender Charges	19,171.71	75,000.00
Tour & Travelling Expenses & Conveyance (Including Lodging Charges)	31,92,208.00	74,62,372.60
VAT Credit Disallowed (Assessment)	15,89,317.00	41,987.42
Water Expenses (Branch)	5,300.00	28,000.00
Weight Charges	34,590.00	36,320.00
<b>Total</b>	<b>2,73,76,474.00</b>	<b>2,39,77,922.00</b>
*** Prior Period Items	15,94,586.00	-
Turnover Discount	66,500.00	-
Sales Promotion	15,000.00	-
Tender Charges	9,97,511.79	-
GST Input credit not availed	26,73,597.79	-

LATTEYS INDUSTRIES LTD.

*[Signature]*  
DIRECTOR



LATTEYS INDUSTRIES LTD.

*[Signature]*  
DIRECTOR

25 Inventories	As at 31 March 2021		As at 31 March 2020	
	Rs.		Rs.	
a. Raw Materials and components	10,87,75,667.00		14,05,88,218.98	
b. Work-in-progress				
c. Finished goods	9,79,37,788.00		7,13,50,864.88	
Stock in Hand	23,37,305.00			
Stock in Transit	10,01,75,093.00		7,13,50,864.88	
Total Finished Stock	20,89,50,760.00		21,19,49,084.00	
<b>Total</b>				

26 Payment to Auditors Includes	As at 31 March 2021		As at 31 March 2020	
	Rs.		Rs.	
a) Audit Fees	80,000.00		1,20,000.00	
- Statutory and Tax Audit Fees				
b) Others	40,000.00			
- Other Matters (including Internal Auditors)	1,20,000.00		1,20,000.00	
<b>Total</b>				

27 Related Party	
a) Directors	b) Other Related Party of KMP
(i) Kapoor Chand Garg	(i) Fortune Telenet Pvt Ltd
(ii) Pawan Garg	(ii) Harish Aggarwal
	(iii) Seema Aggarwal

28 Disclosure of Related Party Transactions	Related Party	As at 31 March 2021		As at 31 March 2020	
		Rs.		Rs.	
Remuneration Paid	Refer 27(a)(i)	19,20,000.00	19,20,000.00	19,20,000.00	19,20,000.00
Remuneration Paid	Refer 27(a)(ii)	19,20,000.00	19,20,000.00	19,20,000.00	19,20,000.00
Rent Paid	Refer 27(a)(i)	8,25,000.00	9,00,000.00	9,00,000.00	9,00,000.00
Rent Paid	Refer 27(a)(ii)	2,03,500.00	2,22,000.00	2,22,000.00	2,22,000.00
Interest on Loan Paid	Refer 27(a)(i)	1,99,928.00	2,84,079.00	2,84,079.00	2,84,079.00
Interest on Loan Paid	Refer 27(a)(ii)	3,61,868.00	4,10,084.00	4,10,084.00	4,10,084.00
Interest on Loan Paid	Refer 27(b)(i)	17,180.00	24,000.00	24,000.00	24,000.00
Loans (Liability) (Taken during the year)	Refer 27(a)(i)	58,64,000.00	26,94,157.00	26,94,157.00	26,94,157.00
Loans (Liability) (Taken during the year)	Refer 27(a)(ii)	42,40,000.00	49,14,000.00	49,14,000.00	49,14,000.00
Commission on Sales Paid	Refer 27(b)(i)	3,84,212.00	10,75,236.58	10,75,236.58	10,75,236.58
Commission on Sales Paid	Refer 27(b)(ii)	5,12,282.00			

29 Earning Per Share	As at 31 March 2021		As at 31 March 2020	
	Rs.		Rs.	
Profit & Loss for the year	51,15,223.00		42,00,161.00	
Number of Equity Share outstanding	45,99,666.00		45,99,666.00	
Earning Per Share	1.11		0.91	

**30 Court Cases : Against Company**  
Management Representation received from company there is no legal case pending against the company

**Court Cases : Filed by the company**  
Management Representation received from company there are Three Legal case pending against the company

1) KANIS PUMPS AND CABLE MR. BALA CHANDRAN : Cheque Return 3,89,984/- DT 15.11.2017 Complaint Filed U/S 138 Read With 142 of Negotiable Instruments Act in the Metropolitan Magl. Court at Ahmedabad

2) MANIPAL TRADERS (RANCHI) MR. TAPANKUMAR SHAH : Cheque Return 76,924/- DT 15.11.2017 Complaint Filed U/S 138 Read With 142 of Negotiable Instruments Act in the Metropolitan Magl. Court at Ahmedabad

3) XSK TRADING PARTNER : Cheque Return 1,27,666/- Complaint Filed U/S 138 Read With 142 of Negotiable Instruments Act in the Metropolitan Magl. Court at Ahmedabad

**31 Contingent Liability**

\* As per Management representation considering the trend in Submersible Pump Industry and verbal agreements between company and Sundry Creditors that payment terms are 90 days to 120 days normally, therefore company neither paid any interest to creditors nor made any Provision, However as per MSME Act Sundry Creditors more than 15 days (Considered only whose MSME Certificates are received by the company) are Rs.79,70,032.00 and considering fifteen days grace period calculated interest to MSME is Rs. 1,58,780/-.

\* There is demand outstanding on the Income tax portal u/s 143(3) for Rs. 303740/- however management disagree with the demand and reply is filed with the IT department, reply awaited.



**LATTEYS INDUSTRIES LTD.** Latteys Industries Limited

Kapoor Chand Garg  
Managing Director  
**DIRECTOR**

Pawan Garg  
Whole Time Director  
DIN: 00434836

Chief Financial Officer

DIREC



**M/s. LATTEYS INDUSTRIES LIMITED**

(Formerly Known as M/s. LATTEYS INDUSTRIES PVT. LTD.)  
(Formerly Known as M/s. LATTEYS PUMPS INDUSTRIES PVT. LTD.)

Schedule-10

S.NO.	PARTICULARS	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK	
		AS ON 01.04.2020	ADD.	AS ON 31.03.2021	AS ON 01.04.2020	FOR THE PERIOD UPTO 31.03.2021	W.D.V. AS ON 31.03.2021	W.D.V. AS ON 31.03.2020	
<b>Tangible Assets</b>									
<b>(I) LAND &amp; BUILDING</b>									
1	Building Unit 1	1,92,95,673.65	-	1,92,95,673.65	46,85,691.17	14,13,827.55	60,99,518.72	1,31,97,154.93	1,46,10,982.48
2	Building Shed Unit 2	38,44,532.00	-	38,44,532.00	8,82,833.06	2,91,042.83	11,73,875.89	26,70,656.11	29,61,698.94
3	Land at Naroda (Factory)	1,58,87,462.00	-	1,58,87,462.00	-	-	-	1,58,87,462.00	1,58,87,462.00
	<b>Sub Total (A)</b>	<b>3,90,28,667.65</b>	<b>-</b>	<b>3,90,28,667.65</b>	<b>55,68,524.23</b>	<b>17,04,870.38</b>	<b>72,73,394.61</b>	<b>3,17,55,273.04</b>	<b>3,34,60,143.42</b>
<b>(II) PLANT &amp; EQUIPMENT</b>									
1	Air Condition	4,76,674.94	-	4,76,674.94	2,35,201.65	47,291.36	2,82,493.01	1,94,181.93	2,41,473.29
2	Air Turbo Ventilator FAN	24,480.00	-	24,480.00	18,477.42	1,249.24	19,726.66	4,753.34	6,002.58
3	Barcode Printer	25,988.00	-	25,988.00	18,977.00	1,415.77	20,392.77	5,595.23	7,011.00
4	Cut Off Machine	7,000.00	-	7,000.00	2,614.66	851.02	3,465.68	3,534.32	4,385.34
5	Electrical Fitting	64,446.64	-	64,446.64	36,824.67	5,862.11	42,686.78	21,759.86	27,621.97
6	Face Device Machine	46,000.00	-	46,000.00	31,604.06	2,861.80	34,465.86	11,534.14	14,395.94
7	Fans	3,35,033.90	-	3,35,033.90	1,75,447.91	31,234.44	2,06,682.35	1,28,351.55	1,59,585.99
8	Mobile Telephone	2,13,098.85	15,846.62	2,28,945.47	90,056.18	26,750.16	1,16,806.34	1,12,139.13	1,23,042.67
9	Plant & Machinery	2,65,24,984.67	29,76,800.00	2,95,01,784.67	1,51,31,820.41	27,53,395.16	1,78,85,215.57	1,16,16,569.10	1,13,93,164.26
10	Power Panel	1,02,850.00	85,000.00	1,87,850.00	57,010.47	24,883.19	81,893.66	1,05,956.34	45,839.53
11	Printer	91,997.36	-	91,997.36	31,967.08	11,513.24	43,480.32	48,517.04	60,030.28
12	R.O. System	1,18,852.50	-	1,18,852.50	86,199.54	6,657.01	92,856.55	25,995.95	32,652.96
13	Refrigerator	13,500.00	-	13,500.00	10,144.72	685.99	10,830.71	2,669.29	3,355.28
14	Water Cooler	97,664.00	-	97,664.00	50,707.20	9,171.59	59,876.79	37,785.21	46,956.80
15	Welding Machine	3,800.00	-	3,800.00	1,335.98	477.41	1,813.39	1,986.61	2,464.02
16	Video Camera	7,64,427.00	20,813.00	7,85,240.00	4,44,595.52	66,758.71	5,11,354.23	2,73,885.77	3,19,831.48
17	Measurement Machine	18,143.51	-	18,143.51	9,082.15	1,769.94	10,852.09	7,291.42	9,061.36
18	Crane 1 TON	4,18,000.00	-	4,18,000.00	84,264.56	64,338.08	1,48,602.64	2,69,397.36	3,33,735.54
19	Tester for Hardness	40,000.00	-	40,000.00	8,258.07	6,121.11	14,379.18	25,620.82	31,741.93
20	Solar Power Generating System	17,20,000.00	-	17,20,000.00	4,69,637.94	2,41,864.85	7,11,502.79	10,08,497.21	12,50,362.06
21	Oven 4x4x6 FT	1,60,000.00	-	1,60,000.00	30,671.06	24,791.60	55,462.66	1,04,537.34	1,29,328.94
22	Inverter	-	22,786.02	22,786.02	-	4,128.50	4,128.50	18,657.52	-
	<b>Sub Total (B)</b>	<b>3,12,66,941.37</b>	<b>31,21,245.64</b>	<b>3,43,88,187.01</b>	<b>1,70,24,898.25</b>	<b>33,34,072.28</b>	<b>2,03,58,970.53</b>	<b>1,40,29,216.48</b>	<b>1,42,42,043.12</b>
<b>(III) FURNITURE &amp; FIXTURES</b>									
1	Furniture & Fixtures	36,66,536.35	6,31,322.45	42,97,858.80	15,93,464.30	7,65,583.92	23,59,048.22	19,38,810.58	20,73,072.05
2	Patterns & Shapes (including Dies)	1,08,40,428.95	14,66,802.00	1,23,07,230.95	33,46,372.45	17,26,003.81	50,72,376.26	72,34,254.69	74,94,056.50
	<b>Sub Total (C)</b>	<b>1,45,06,965.30</b>	<b>20,98,124.45</b>	<b>1,66,05,089.75</b>	<b>49,39,836.75</b>	<b>24,91,587.73</b>	<b>74,31,424.48</b>	<b>91,73,065.27</b>	<b>95,67,128.55</b>
<b>(IV) COMPUTERS &amp; PRINTERS</b>									
1	Computer	9,75,785.09	50,308.47	10,26,093.56	9,05,394.28	62,839.87	9,68,234.15	57,859.41	70,390.81
2	Laptop	2,86,507.80	-	2,86,507.80	2,65,797.79	7,727.94	2,73,525.73	12,982.07	20,710.01
	<b>Sub Total (D)</b>	<b>12,62,292.89</b>	<b>50,308.47</b>	<b>13,12,601.36</b>	<b>11,71,192.07</b>	<b>70,567.81</b>	<b>12,41,759.88</b>	<b>70,841.48</b>	<b>91,100.82</b>
<b>(V) VEHICLES</b>									
1	Mahindra Maxi Truck	3,36,571.61	-	3,36,571.61	3,08,455.36	-	3,08,455.36	28,116.25	28,116.25
2	Car (Maruti Suzuki S Cross)	9,15,697.00	-	9,15,697.00	7,49,402.91	63,333.14	8,12,736.05	1,02,960.95	1,66,294.09
3	Car (Maruti XL)	6,17,040.00	-	6,17,040.00	3,43,741.30	96,850.64	4,40,591.94	1,76,448.06	2,73,298.70
4	Car (Tata Zest)	7,29,674.00	-	7,29,674.00	5,85,492.18	54,195.36	6,39,687.54	89,986.46	1,44,181.82
5	Car (Tata Nexon)	7,66,998.00	-	7,66,998.00	3,11,346.42	1,59,907.14	4,71,253.56	2,95,744.44	4,55,651.58
6	Honda Bike	1,19,143.00	-	1,19,143.00	48,406.46	23,807.66	72,214.12	46,928.88	70,736.54
7	Honda Activa	71,500.00	-	71,500.00	31,610.48	14,053.74	45,664.22	25,835.78	39,889.52
	<b>Sub Total (E)</b>	<b>35,56,623.61</b>	<b>-</b>	<b>35,56,623.61</b>	<b>23,78,455.11</b>	<b>4,12,147.68</b>	<b>27,90,602.79</b>	<b>7,66,020.82</b>	<b>11,78,168.50</b>
<b>TANGIBLE ASSETS (A+B+C+D+E)</b>		<b>8,96,21,490.82</b>	<b>32,69,778.56</b>	<b>9,28,91,269.38</b>	<b>3,10,82,906.41</b>	<b>80,13,246.00</b>	<b>3,90,96,152.29</b>	<b>5,57,95,117.00</b>	<b>5,85,38,584.00</b>
<b>Intangible Assets</b>									
<b>(V) SOFTWARE</b>									
1	ERP-Under Development	-	2,70,000.00	2,70,000.00	-	-	-	2,70,000.00	-
	<b>Sub Total (F)</b>	<b>-</b>	<b>2,70,000.00</b>	<b>2,70,000.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,70,000.00</b>	<b>-</b>
<b>INTANGIBLE ASSETS (F)</b>		<b>-</b>	<b>2,70,000.00</b>	<b>2,70,000.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,70,000.00</b>	<b>-</b>
<b>GRAND TOTAL</b>		<b>8,96,21,490.82</b>	<b>55,39,778.56</b>	<b>9,51,61,069.38</b>	<b>3,10,82,906.41</b>	<b>80,13,246.00</b>	<b>3,90,96,152.29</b>	<b>5,80,65,117.00</b>	<b>5,85,38,584.00</b>

**Annex Schedule: Intangible Assets under Development**

Projects In Progress	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	ore Than 3 Years	
ERP-Under Development	2,70,000.00	-	-	-	2,70,000.00

**LATTEYS INDUSTRIES LTD.**

Kabeer Chand Garg  
Managing Director  
DIN: 00434621  
**DIRECTOR**

Sumit Goel  
Chief Financial Officer  
**DIRECTOR**



# M/s. LATTEYS INDUSTRIES LIMITED

## SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

### A) SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED ON 31.03.2021

#### a. Accounting Basis and Convention:

The financial statements have been prepared to comply with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2015 (as amended) and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

#### b. Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

#### c. Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

#### d. Fixed Assets:

Fixed Assets, are stated at cost less accumulated depreciation. The cost of the assets comprise its purchase price, borrowing cost and any other cost directly attributable to bringing the asset to its working condition for its intended use. When significant parts of Property, Plant & Equipment are required to be replaced at intervals, the company recognizes such part as individual assets with specific useful lives and depreciates them accordingly. Subsequently expenditures related to an item of asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing Property, Plant & Equipment including day-to-day repairs and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

#### e. Depreciation and Amortisation

Depreciation on Fixed Assets is provided to the extent of depreciable amount on the Written Down Value Method based on the useful lives of respective assets as estimated by the management and/or based on the useful life prescribed in Schedule II to the Companies Act, 2013. The Identified components are depreciated over their useful lives as estimated by the management.

#### f. Inventories:

The raw material is valued at cost and finished goods valued at cost or market price whichever is less as per last year practice.

#### g. Investments:

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

#### h. Revenue Recognition:

a) Sale of Goods: Sales Revenue is recognized based on the nature of activity, when consideration can be reasonably measured and there exists reasonable certainty of its recovery and substantial risks and rewards of ownership are transferred to the buyer under the terms of the contract.

b) Revenue from Services: Revenue from Services are accounted as and when the service is performed.

c) Other Item of Income are accounted as and when right to receive arises.

#### i. Employee Benefit

i). Employee benefits of short term nature are recognized as expense as and when it accrues. Employee benefits of long term nature are recognized as expenses based on actuarial valuation using projected unit credit method.

ii). Contributions are made to Provident Fund and Employees State Insurance as per the provisions of Provident Fund Act and ESI Act respectively and are charged to the Statement of Profit and Loss. The Company has no further obligations beyond its monthly contributions to the respective funds.

#### j. Borrowing Cost:

i). Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised for the period until the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use.

ii). Other Borrowing costs are recognised as expense in the period in which they are incurred.

#### k. Taxation:

Income tax liability is ascertained on the basis of assessable profits computed in accordance with the provisions of Income-tax Act, 1961.

Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of being reversal in one or more subsequent periods.

Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal Income tax during the specified period. The Company review the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

LATTEYS INDUSTRIES LTD.

  
DIRECTOR



LATTEYS INDUSTRIES LTD.

  
DIRECTOR

**l. Provision**

Provisions are recognised when the Company has a present obligation as a result of past event; It is probable that an outflow of resources embodied economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

**m. Government grants, subsidies and export incentives**

Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidy will be received. Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire capital assets are presented by deducting them from the carrying value of the assets. The grant is recognised as income over the life of a depreciable asset by way of a reduced depreciation charge.

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

Government grants in the nature of promoters' contribution like investment subsidy, where no repayment is ordinarily expected in respect thereof, are treated as capital reserve. Government grants in the form of non-monetary assets, given at a concessional rate, are recorded on the basis of their acquisition cost. In case the non-monetary asset is given free of cost, the grant is recorded at a nominal value.

Other government grants and subsidies are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis.

**m. Earning Per Share**

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares as appropriate.

**n. Research and development expenses**

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technological feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Tangible Fixed Assets and Intangible Assets.

**o. Reclassification**



Previous period figures have been reclassified/regrouped, wherever necessary to conform to this year's classification. Figures have been rounded off to nearest rupee. Previous period figures are not comparable as constitute less than a year.



**LATTEYS INDUSTRIES LTD.**

  
**DIRECTOR**  
Kapoor Chand Garg  
Managing Director  
DIN: 00434621

For M/s. Latteys Industries Limited  
**LATTEYS INDUSTRIES LTD.**

  
Pawan Garg  
Whole Time Director  
DIN: 00434836  
  
Sujit Goel  
Chief Financial Officer



**KPMC & ASSOCIATES**  
CHARTERED ACCOUNTANTS

Flat No. 1605, Amba Deep Building,  
14, Kasturba Gandhi Marg,  
New Delhi- 110001 (INDIA)  
Tel.: 011-36600486  
E-mail: [kpmc007@gmail.com](mailto:kpmc007@gmail.com)

## INDEPENDENT AUDITOR'S REPORT

To the Members of  
**M/s LATTEYS INDUSTRIES LIMITED**  
(Formerly known as Latteys Industries Pvt. Ltd./  
Latteys Pumps Industries Pvt. Ltd.)

### **Report on the Audit of the Standalone Financial Statements**

We have audited the accompanying financial statements of **M/s LATTEYS INDUSTRIES LIMITED** (Formerly known as Latteys Industries Private Limited/Latteys Pumps Industries Private Limited) which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, 2021, and profit/loss 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 ("the Act"). 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 Act 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.



## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How the Matters were addressed in our Audit Report
<p><b>Non Payment of Interest on Delayed Payment to Micro, Small and Medium Enterprises</b></p> <p>We identified the accuracy and completeness of disclosure relating to Micro, Small and Medium Enterprises are set out in respective notes to Standalone Financial Statements as a Key Audit Matter due to Compliance Requirements of transactions with Micro, Small and Medium Enterprises under The Micro, Small and Medium Enterprises Development Act, 2006.</p>	<p>Our Audit Procedure in relation to the Disclosures of Micro, Small and Medium Enterprises Transactions included:</p> <ul style="list-style-type: none"> <li>• Assessing Management Representation considering the trend in Submersible Pump Industry and verbal agreements between company and Sundry Creditors that payment terms are 90 days to 120 days normally, therefore company neither Paid any interest to creditors nor made any Provision. However as per MSME Act Sundry creditors more than 15 days (Considered only whose MSME Certificate are received by the company) are 0.80 Lacs and considering 15 days grace period calculated interest to MSME is Rs 1,58,780/-.</li> <li>• Evaluating the disclosures through reading of statutory information, books and records and other documents obtained during the course of our audit.</li> </ul>
<p>Balance Confirmation</p>	<p>Some of the Debit and Credit Balances with the parties are subject to confirmation.</p>
<p>GST Returns</p>	<p>There are some differences in GST Returns and needs revision/amendments in current year.</p>

## Other Information

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

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance and cash flow of the company in accordance with the accounting principles generally accepted in India, including Accounting Standards specified under section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014. This Responsibility 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 standalone financial statements, management and Board of Directors are 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.

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

## Auditors' Responsibility for the Audit of Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.



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

- Identify and assess the risks of material misstatement of the standalone 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 standalone 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 standalone 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 auditors' 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



## Report on Other Legal and Regulatory Requirements

1. As required by the companies (Auditor's Report) Order, 2016 ("the Order") issued by the central government of India in terms of sub-section (11) of section 143 of the Companies Act 2013, we give in the Annexure-A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act and Companies (Audit and Auditors) Rule 2014, 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 purpose 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 Statements 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) Rule, 2014.
  - (e) In our opinion, there are no adverse observations and comments on the financial transactions of the matters which have adverse effect on the functioning of the company
  - (f) On the basis of the written representations received from the Directors as on March 31, 2021 taken on record by the board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of sub section (2) of section 164 of the Companies Act 2013.
  - (g) 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - (h) In our opinion, there are no qualifications, reservation or adverse remark relating to maintenance of accounts and other matter connected therewith.
  - (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i) The Company does not have any pending litigations against Company which would impact its financial position.





- ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (j) With respect to the matter to be included in the Auditors' Report under section 197(16): In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For KPMC & Associates  
Chartered Accountants  
FRN: 005359C



A Rajesh Kumar  
Partner  
M. No. 099655  
UDIN: 21099655AAAABK5813

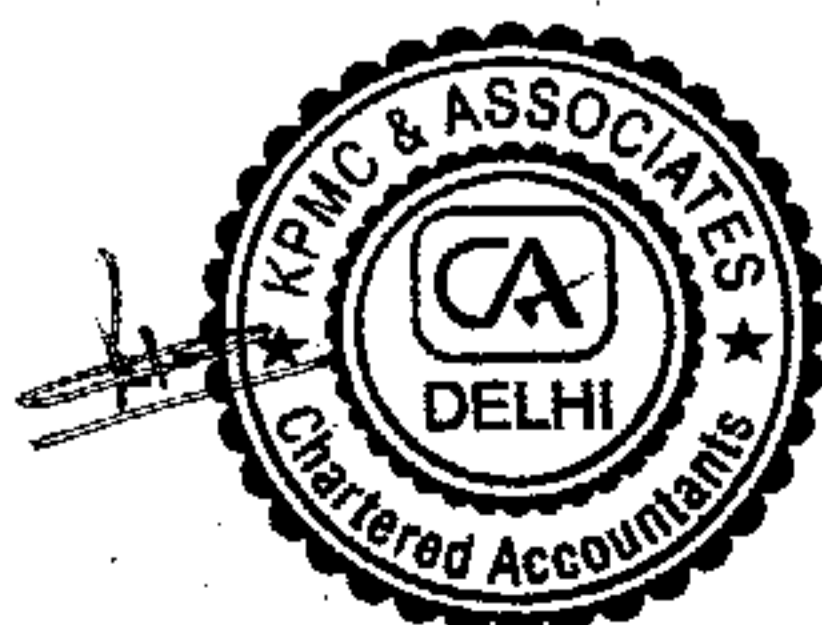
Place: Delhi  
Date: 30<sup>th</sup> June, 2021

## ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT

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With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2021, we report the following:

- (i) (a) The company has maintained proper records showing full particulars, including Quantitative details and situation of fixed assets;  
  
(b) As explained to us all the assets have been physically verified by the management at regular interval. As informed to us no material discrepancies were noticed on such verification.  
  
(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties included in fixed assets are held in the name of the company except Land situated at Plot No. 16 which is owned by the Director of the company and the said property has been taken on lease by the company. However, the Building constructed on the said Plot is owned by the Company.
- (ii) The physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed.
- (iii) The company has not granted unsecured loans to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act 2013 during the year and in our opinion, hence para (a), (b) and (c) are not applicable.
- (iv) The company has not granted any loans, made any investments, provide any guarantees, and security and therefore provisions of section 185 and 186 of the Companies Act, 2013 are not applicable to the company.
- (v) In our opinion and according to the information and explanation given to us, the company has not accepted any deposits in contravention of the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act 2013 and the rules framed there under, where applicable, have been complied with. No order has been passed by the Company Law Board or National Company Law Tribunal or RBI or any court or any other tribunal.
- (vi) According to the information and explanation given to us, government has not prescribed maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013 for the products of the company.
- (vii) (a) In our opinion the company is regular in depositing undisputed statutory dues including provident fund, employees 'state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities Except some delays in deposit of Provident Fund and Employees State Insurance. There are no arrears of outstanding statutory dues as at the



last day of the financial year concerned for a period of more than six months from the date they became payable.

- (b) According to information and explanation given to us, there are no dues on account of income tax or sales tax or wealth tax or GST or duty of customs or duty of excise or value added tax or cess, which have not been deposited on account of any dispute, except \* There is demand outstanding on the income tax portal u/s 143(3) for Rs. 303740/- however management disagree with the demand and reply is filed with the IT department, reply awaited.
- (viii) According to information and explanations given to us, the company has not defaulted in repayment of any dues to a financial institution or bank or debenture holders during the year of audit.
- (ix) The Company has not raised any moneys from the further public offer.
- (x) To the best of our knowledge and 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.
- (xi) According to the information and explanations given to us, managerial remuneration had been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act. Special Resolution passed for the Director/Managerial Remuneration on 23.11.2017 for three years expired on 22.11.2020 however further board of Director has passed a resolution on dated 21.11.20 for Director Managerial Remuneration subject to approval by the member in ensuing AGM.
- (xii) In our opinion and according to information and explanations given to us, the company is not a Nidhi Company as prescribed under section 406 of the Act and therefore this clause is not applicable.
- (xiii) In our opinion and according to information and explanations given to us, all the transaction with the related parties are in compliance with the Section 177 and Section 188 of the Companies Act, 2013 (wherever applicable) are complied with that section and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) In our opinion and according to information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.



(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 any non-cash transactions with directors or persons connected with him as specified in the provisions of section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For KPMC & Associates  
Chartered Accountants  
FRN: 005359C



*Rajesh Kumar*

CA Rajesh Kumar  
Partner

M. No. 099655

UDIN: 21099655AAAABK5813

Place: Delhi  
Date: 30<sup>th</sup> June, 2021

## ANNEXURE - B TO THE AUDITORS' REPORT

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

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

We have audited the internal financial controls over financial reporting of Latteys Industries Limited ("the Company") as of 31st March, 2021 in conjunction with our audit of the standalone 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 (the "Guidance Note") 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 Act.

### 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 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 standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate considering



the size of the business, to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

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

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For KPMC & Associates  
Chartered Accountants  
FRN: 005359C



*[Signature]*  
CA Rajesh Kumar  
Partner  
M. No. 099655  
UDIN: 21099655AAAABK5813

Place: Delhi  
Date: 30<sup>th</sup> June, 2021