

# AUDIT REPORT

For The Year Ended 31<sup>ST</sup> March, 2023



**KIZI APPARELS LIMITED**  
(CIN: U14109RJ2023PLC086522.)

## REGISTERED OFFICE

H – 629 Phase \_ II,  
RIICO Industries Area,  
Jaipur, Rajasthan - 302022

**INDEPENDENT AUDITOR'S REPORT****To Members Of  
Kizi Apparels Limited****Report on the Accounting Standards Financial Statements****Opinion**

We have audited the accompanying standalone financial statements of financial statements of **Kizi Apparels Limited** ("the Company"), which comprise the Balance Sheet as at **31<sup>st</sup> March 2023**, the Statement of Profit and Loss and Cash Flow Statement for the period ended, and a summary of significant accounting policies and other explanatory information.

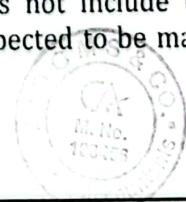
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting standards prescribed under section 133 of the Act and other accounting principles generally accepted in India, of the state of affairs of the Company as at **31<sup>st</sup> March 2023**, and its profit and its cash flows for the period ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing 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 preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon. These reports are expected to be made available to us after the date of our auditor's report.



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**Shashank P. Doshi**

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available 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.

When we read the other information included in the above reports, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance and determine the actions under the applicable laws and regulations.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone 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 Accounting standards referred to in section 133 of the Act, as applicable. 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 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 standalone 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 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**

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



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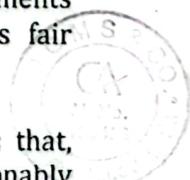


misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements, or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the 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.

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 financial statements may be influenced. We consider quantitative



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**Shashank P. Doshi**

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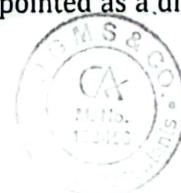
materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act a statement on the matter specified in the paragraph 3 and 4 of the Order is Not Applicable.
2. As required under provisions of section 143(3) of the Companies Act, 2013, 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 appears from our examination of those books;
  - c. The Balance Sheet and Statement of Profit and Loss including Statement of Cash Flow dealt with this report are in agreement with the books of account;
  - d. In our opinion, the aforesaid Financial Statement comply with the Accounting Standards specified under Section 133 of Act, read with relevant rule issued thereunder.
  - e. On the basis of written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of section 164(2) of the Act.

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- f. Since the Company turnover as per last audited financial statements is less than Rs. 50 Crore and its Borrowings from banks and financial institutions at any time during the year is less than Rs. 25 Crore, the Company is exempted from getting an audit opinion with respect to adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls vide notification dated June 13 2017.,
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

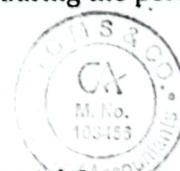
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the period is in accordance with the provisions of section 197 read with scheduled V of the Act.

- h. With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
  - (a) The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its standalone financial statements - Refer Note (vii) of Annexure - A to the standalone financial statements
  - (b) The Company did not have any long-term and derivative contracts as at March 2023.
  - (c) There has been no delay in transferring amounts, required to be transferred, the Investor Education and Protection Fund by the Company during the period ended March 31, 2023.
  - (d) The management has;
    - (i) represented that, to the best of its knowledge to the Financial Statements, 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

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("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
- Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) represented, that, to the best of its knowledge to The Financial Statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (d) (i) and (d) (ii) contain any material Mis-statement.

(e) The company has not neither declared nor paid any dividend during the period under Section 123 of the Act.



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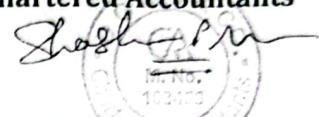
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(f) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable with effect from April 1, 2023 to the Company and its subsidiaries, which are companies incorporated in India, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

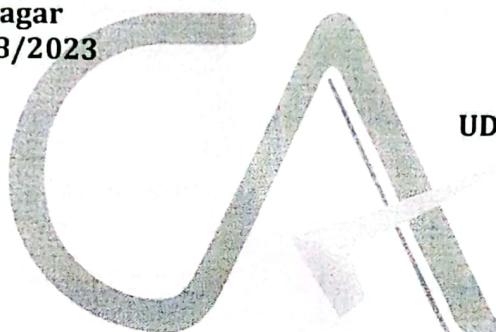
**FOR D G M S & Co.,  
Chartered Accountants**  
M. No.  
108456**Shashank P. Doshi**

Partner

M. No. 108456

FRN: 0112187W

UDIN: 23108456BGUDWF6489

**Place: Jamnagar  
Date: 24/08/2023****Head Office :** 217/218/219, Manek Center, P.N. Marg, Jamnagar - 361008.

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**KIZI APPARELS LIMITED**  
 (formally known as Kizi Apparels Private Limited)  
 STATEMENT OF ASSETS & LIABILITIES

(Rs. In Lakhs)

Particulars	Annexure No.	As at 31st March 2023
<b>I. EQUITY AND LIABILITIES</b>		
<b>1 Shareholders' funds</b>		
(a) Share capital	2	1.00
(b) Reserves and surplus		-
<b>2 Non-current liabilities</b>		
(a) Long-term borrowings		-
(b) Deferred tax liabilities (Net)		-
(c) Long-term Provisions		-
<b>3 Current liabilities</b>		
(a) Short-term borrowings		-
(b) Trade payables		-
Total outstanding dues of micro enterprises and small enterprises		-
Total outstanding dues of creditors other than micro enterprises and small enterprises		-
(c) Other current liabilities		-
(d) Short-term provisions		-
<b>TOTAL</b>		1.00
<b>II. ASSETS</b>		
<b>1 Non-current assets</b>		
(a) Property Plant and Equipments		-
(i) Tangible assets		-
(ii) Intangible Assets		-
(iii) Capital Work in Progress		-
Total		-
(b) Non Current Investments		-
(c) Long-term loans and advances		-
(d) Other Non Current Assets		-
(e) Deferred Tax Assets		-
<b>2 Current assets</b>		
(a) Inventories		-
(b) Trade receivables		-
(c) Cash and cash equivalents		-
(d) Short-term loans and advances		-
(e) Other Current Assets	3	1.00
<b>TOTAL</b>		1.00

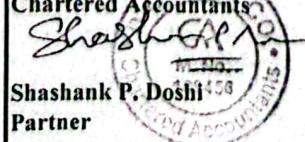
**Accounting Policies & Notes on Accounts**

1

As per our Report on Even date attached

For D G M S & Co.

Chartered Accountants



Shashank P. Doshi

Partner

M. No. 108456

FRN No. 0112187W

Place : Jamnagar

Date : 24/08/2023

UDIN: 23108456BGUDWF6489

For, Kizi Apparels Limited

Abhishek Nathani  
 Managing Director  
 DIN : 10086861

Kiran Nathani  
 Director & CFO  
 DIN : 10086860

Monica Jain  
 CS

**KIZI APPARELS LIMITED**  
 (formally known as Kizi Apparels Private Limited)  
 STATEMENT OF PROFIT & LOSS

(Rs. In Lakhs)

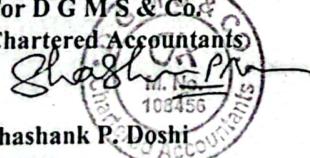
Particulars	Annexure No.	For the year ended 31st March 2023
I. Revenue from operations		-
II. Other income		-
<b>III. Total Income (I + II)</b>		-
IV. Expenses:		
Cost of Material Consumed		-
Changes in inventories of Finished Goods and Work in Progress		-
Employee benefits expense		-
Finance costs		-
Depreciation and amortization expense		-
Other expenses		-
<b>Total expenses</b>		-
<b>V. Profit before tax (III-IV)</b>		-
VI. Tax expense:		
(1) Current tax		-
(2) Deferred tax		-
(3) MAT Credit Entitlement		-
<b>VII. Profit (Loss) for the period (V-VI)</b>		-
<b>VIII. Earnings per equity share:</b>		
(1) Basic (Adjusted)		-
(2) Diluted (Adjusted)		-

Accounting Policies & Notes on Accounts

1

As per our Report on Even date attached  
 For D G M S & Co.

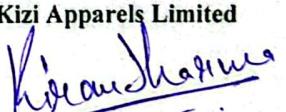
Chartered Accountants



Shashank P. Doshi  
 Partner  
 M. No. 108456  
 FRN No. 0112187W  
 Place : Jamnagar  
 Date : 24/08/2023  
 UDIN: 23108456BGUDWF6489

For, Kizi Apparels Limited

  
 Abhishek Nathani  
 Managing Director  
 DIN : 10086861

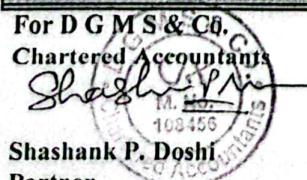
  
 Kiran Nathani  
 Director & CFO  
 DIN : 10086860

Monica Jain  
 CS

**KIZI APPARELS LIMITED**  
 (formaly known as Kizi Apparels Private Limited)  
**STATEMENT OF CASHFLOW**

(Rs. In Lakhs)

Particulars	For the year ended 31st March 2023	
<b>Cash flow from Operating Activities</b>		
Net Profit Before tax as per Statement of Profit & Loss		-
Adjustments for :		
Depreciation & Amortisation Exp.	-	
Finance Cost	-	
Operating Profit before working capital changes		-
<b>Changes in Working Capital</b>		
Dec/(Inc) Other Current Assets	(1.00)	(1.00)
<b>Net Cash Flow from Operation</b>		(1.00)
Less : Income Tax paid		-
<b>Net Cash Flow from Operating Activities (A)</b>		(1.00)
<b>Cash flow from investing Activities</b>		
Movement in Loans & Advances	-	-
<b>Net Cash Flow from Investing Activities (B)</b>		-
<b>Cash Flow From Financing Activities</b>		
Issue of Shares	1.00	1.00
<b>Net Cash Flow from Financing Activities (C)</b>		1.00
Net (Decrease)/ Increase in Cash & Cash Equivalents(A+B+C)		-
Opening Cash & Cash Equivalents		-
Cash and cash equivalents at the end of the period		-
Cash And Cash Equivalents Comprise :		
Cash		-
Bank Balance :		-
Current Account		-
Deposit Account		-
<b>Total</b>		



For D G M S & Co.  
 Chartered Accountants  
 Shashank P. Doshi  
 M. No. 108456  
 FRN No. 0112187W  
 Place : Jamnagar  
 Date : 24/08/2023  
 UDIN : 23108456BGUDWF6489

For, Kizi Apparels Limited

*Abhishek Narhani* *Kiran Nathani*  
 Abhishek Narhani  
 Managing Director  
 DIN : 10086861 Kiran Nathani  
 Director & CFO  
 DIN : 10086860

Monica Jain  
 CS

**EQUITY SHARE CAPITAL**

Share Capital		As on 31st March 2023	
<u>Authorised</u>	<u>Number</u>	<u>Amt. Rs. in Lakhs</u>	
Equity Shares of Rs.10 each			1.00
<u>Issued</u>			
Equity Shares of Rs.10 each			
<u>Subscribed &amp; Paid up</u>			
Equity Shares of Rs.10 each fully paid up	10,000	10,00,000	1.00
<u>Total</u>		<b>10,00,000</b>	<b>1.00</b>

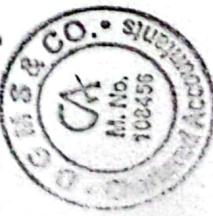
**RECONCILIATION OF NUMBER OF SHARES**

<u>Particulars</u>	<u>Units</u>	<u>Shares</u>
	<u>No. of Shares</u>	<u>Amt. Rs. in Lakhs</u>
Shares outstanding at the beginning of the year	-	-
Shares Issued during the year	10,000.00	1.00
Shares bought back during the year	-	-
Shares outstanding at the end of the year	10,000.00	1.00

The Company has only one class of equity shares having a per value of Rs. 10/- Per Share is entitled to one vote per share. In the event of liquidation of the company, the holder 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 by the shareholders.

**Details of Shares held by shareholders holding more than 5% of the**

Name of Shareholder		As on 31st March 2023	
	<u>No. of Shares held</u>	<u>% of Holding</u>	
Abhishek Nathani	9,900.00	99.00%	
Kiran Nathani	100.00	1.00%	



**OTHER CURRENT ASSETS****Annexure 3**

Particulars	As at 31st March 2023
<b>(a) Others</b>	
Share Capital Receivables	1.00
<b>Total</b>	<b>1.00</b>

**CONTINGENT LIABILITIES AND COMMITMENTS****Annexure 4**

Particulars	As at 31st March 2023
<b>(a) Contingent Liabilities</b>	
a. Claims against the company not acknowledged as debts	-
b. Guarantees	-
c. Other Money for which the company is contingently liable	-
<b>(b) Commitments</b>	
<b>Total</b>	



# KIZI APPARELS LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

For Period ended 31<sup>st</sup> March 2023

### **Note: - 1 Significant accounting policies:**

#### **1.0 Corporate Information**

Kizi Apparels Limited is a Limited Company, incorporated under the provisions of Companies Act, 2013 and having CIN: U14109RJ2023PLC086522. The Company is mainly engaged in the business of Manufacturing and trading business of women garments. The Registered office of the Company is situated H - 629 Phase \_ II, RIICO Industries Area, Jaipur, Rajasthan - 302022.

#### **1.1 Basis of preparation of financial statements**

##### **a. Accounting Convention: -**

These financial statements of the Company have been prepared in accordance with Generally Accepted Accounting Principles in India ("Indian GAAP"). Indian GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with the Rule 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on an accrual basis and under the Historical Cost Convention. and the Companies (Accounting Standards) Amendment Rules 2016 and the relevant provisions of the Companies Act, 2013.

##### **b. Functional and Presentation Currency**

The functional and presentation currency of the company is Indian rupees. This financial statement is presented in Indian rupees.

All amounts disclosed in the financial statements and notes are rounded off to lakhs the nearest INR rupee in compliance with Schedule III of the Act, unless otherwise stated.

Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures.

##### **c. Use of Estimates and Judgments**

The preparation of financial statement in conformity with accounting standard requires the Management to make estimates, judgments, and assumptions. These estimates, judgments and assumptions affects the application of accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of financial statement and reported amounts of revenue and expenses during the period. Accounting estimates could change form period to period. Actual result could differ from those estimates. As soon as the Management is aware of the changes, appropriate changes in estimates are made.

The effect of such changes are reflected in the period in which such changes are made and, if material, their effect are disclosed in the notes to financial statement.



Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods affected.

**d. Current and Non - Current Classification**

An asset or a liability is classified as Current when it satisfies any of the following criteria:

- i. It is expected to be realized / settled, or is intended for sales or consumptions, in the Company's Normal Operating Cycle;
- ii. It is held primarily for the purpose of being traded.
- iii. It is expected to be realized / due to be settled within twelve months after the end of reporting date;
- iv. The Company does not have an unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as Non - Current.

For the purpose of Current / Non - Current classification of assets and liabilities, the Company has ascertained its operating cycle as twelve months. This is based on the nature of services and the time between the acquisition of the assets or liabilities for processing and their realization in Cash and Cash Equivalents.

**1.2 Basis of Preparation**

**a) Property, Plant & Equipment and Intangible Assets:-**

- i. The company has adopted Cost Model to measure the gross carrying amount of Property Plant & Equipment.
- ii. Tangible Property Plant & Equipment are stated at cost of acquisition less accumulated depreciation. Cost includes the purchase price and all other attributable costs incurred for bringing the asset to its working condition for intended use.
- iii. Intangible assets are stated at the consideration paid for acquisition and customization thereof less accumulated amortization.
- iv. Cost of fixed assets not ready for use before the balance sheet date is disclosed as Capital Work in Progress.
- v. Cost of Intangible Assets not ready for use before the balance sheet date is disclosed as Intangible Assets under Development.

## **KIZI APPARELS LIMITED**

### **NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

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#### **b) Depreciation / Amortisation :-**

Depreciation has been provided under Written Down Method at the rates prescribed under schedule III of the Companies Act, 2013 on single shift and Pro Rata Basis to result in a more appropriate preparation or presentation of the financial statements.

In respect of assets added/sold during the year, pro-rata depreciation has been provided at the rates prescribed under Schedule II.

Intangible assets being Software are amortized over a period of its useful life on a straight line basis, commencing from date the assets is available to the company for its use.

#### **c) Impairment of Assets:-**

An asset is treated as impaired when the carrying cost of an asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior period is reversed if there has been a change in the estimate of the recoverable amount.

#### **d) Investments:-**

- Investments that are readily realizable and intended to be held for not more than a year from the date on which such investments are made are classified as current investments. All other investments are classified as long-term investments.
- On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident. There are no investment made by Company.
- 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 of long term investments is made to recognize a decline, other than temporary, on an individual investment basis.



## **KIZI APPARELS LIMITED**

### **NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

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Current investments are carried in the financial statements at lower of cost and market value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

- Long term investments which are expected to be realized within twelve months from the balance sheet date are presented under 'current investments' as 'current portion of long term investments' in accordance with the current / noncurrent classification of investments as per Schedule III Division I of the Companies Act, 2013.
- The cost of investments comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.
- Investment transactions are accounted for on a trade date basis. In determining the holding cost of investments and the gain or loss on sale of investments, the 'weighted average cost' method is followed.

#### **e) Government Grants and Subsidies:-**

The Company is entitled to receive any subsidy from the Government authorities or any other authorities in respect of manufacturing or other facilities are dealt as follows:

- Grants in the nature of subsidies which are non - refundable are credited to the respective accounts to which the grants relate, on accrual basis, where there is reasonable assurance that the Company will comply with all the necessary conditions attached to them.
- Grants in the nature of Subsidy which are Refundable are shown as Liabilities in the Balance Sheet at the Reporting date.

#### **f) Retirement Benefits:-**

##### **i) Short Term Employee Benefits:**

All employee benefits payable within twelve months of rendering the service are classified as short term benefits. Such benefits include salaries, wages, bonus, short term compensated absences, awards, ex-gratia, performance pay etc. and the same are recognised in the period in which the employee renders the related service.

##### **ii) Employment Benefits:**

###### **a) Provident Fund/ESIC :**

The company has Defined Contribution Plans for post employment benefit in the form of Provident Fund which are administered by the Regional Provident Fund Commissioner. Provident Fund are classified as defined contribution plans as the company has no further obligation beyond making contributions. The



## KIZI APPARELS LIMITED

### NOTES FORMING PART OF THE FINANCIAL STATEMENTS

company's contributions to defined contribution plans are charged to the Statement of Profit and Loss as and when incurred.

#### **b) Gratuity :**

The Management has decided to gratuity will be accounted in profit & loss A/c in each financial year when the claim is recognized by the company which is against the prescribed treatment of AS -15. The Quantum of provision required to be made for the said retirements benefits can be decided on actuarial basis and the said information could not be gathered. To the extent of such amount, the reserve would be lesser.

#### **a) Revenue Recognition :-**

Revenue is recognized when it is probable that economic benefit associated with the transaction flows to the Company in ordinary course of its activities and the amount of revenue can be measured reliably, regardless of when the payment is being made. Revenue is measured at the fair value of consideration received or receivable, taking into the account contractually defined terms of payments, net of its returns, trade discounts and volume rebates allowed.

Revenue includes only the gross inflows of economic benefits, including the excise duty, received and receivable by the Company, on its own account. Amount collected on behalf of third parties such as sales tax, tax collect at sources (TCS) and goods and service tax (GST) are excluded from the Revenue.

**Revenue from sale of Goods** Sale of used cars Revenue is recognised when all the significant risks and rewards of ownership of the vehicle have been passed to the buyer.

**Sale of service** is recognized at the point Performance consists of the execution of a single act. Alternatively, services are performed in more than a single act, and the services yet to be performed are so significant in relation to the transaction taken as a whole that performance cannot be deemed to have been completed until the execution of those acts. The completed service contract method is relevant to these patterns of performance and accordingly revenue is recognized when the sole or final act takes place and the service becomes chargeable.

**Interest Income** is Recognized on a time proportion basis taking into account the amount outstanding and the rate applicable i.e. on the basis of matching concept..

**Revenue from Commission on sale of car** is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods / point of dispatch.

**Dividend** from investments in shares / units is recognized when the company.

Other items of Income are accounted as and when the right to receive arises.



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

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**b) Accounting for effects of changes in foreign exchange rates :-**

Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transactions.

Any income or expenses on account of exchange difference either on settlement or on Balance sheet Valuation is recognized in the profit and loss account except in cases where they relate to acquisition of fixed assets in which case they are adjusted to the carrying cost of such assets.

Foreign currency transactions accounts are given in the notes of accounts.

**c) Borrowing Cost :-**

Borrowing Cost includes the interest, commitments charges on bank borrowings, amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs that are directly attributable to the acquisition or construction of qualifying property, plants and equipments are capitalized as a part of cost of that property, plants and equipments. The amount of borrowing costs eligible for capitalization is determined in accordance with the Accounting Standards - 16

"Borrowing Costs". Other Borrowing Costs are recognized as expenses in the period in which they are incurred.

In accordance with the Accounting Standard - 16, exchange differences arising from foreign currency borrowings to the extent that they are regarded as adjustments to interest costs are recognized as Borrowing Costs and are capitalized as a part of cost of such property, plants and equipments if they are directly attributable to their acquisition or charged to the Standalone Statement or Profit and Loss.

**d) Related Party Disclosure :-**

The Disclosures of Transaction with the related parties as defined in the related parties as defined in the Accounting Standard are given in notes of accounts.

**e) Accounting for Leases :-**

A lease is classified at the inception date as finance lease or an operating lease. A lease that transfers substantially all the risk and rewards incidental to the ownership to the Company is classified as a finance lease.

The Company as a lessee:



## KIZI APPARELS LIMITED

### NOTES FORMING PART OF THE FINANCIAL STATEMENTS

**a) Operating Lease:-** Rental payable under the operating lease are charged to the Standalone Statement of Profit and Loss on a Straight line basis over the term of the relevant lease. During the year company has taken one showroom & Car parking arrear on operating lease and lease payment on the same shall be charged to profit and loss account over period of lease term.

**b) Finance Lease:-** Finance lease are capitalized at the commencement of the lease, at the lower of the fair value of the property or the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation. Lease payments are apportioned between finance charges and the reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against the income over the period of the lease.

The Company has not provided any of its assets on the basis of operating lease or finance lease to others.

**f) Cash flow:-**

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals of past or future cash receipts and payments. The cash flows from regular operating, investing and financing activities of the company are segregated.

**g) Earnings Per Share :-**

The Company reports the basic and diluted Earnings per Share (EPS) in accordance with Accounting Standard 20, "Earnings per Share". Basic EPS is computed by dividing the Net Profit or Loss attributable to the Equity Shareholders for the year by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed by dividing the Net Profit or Loss attributable to the Equity Shareholders for the year by the weighted average number of Equity Shares outstanding during the year as adjusted for the effects of all potential Equity Shares, except where the results are Anti - Dilutive.

The weighted average number of Equity Shares outstanding during the period is adjusted for events such a Bonus Issue, Bonus elements in right issue, share splits, and reverse share split (consolidation of shares) that have changed the number of Equity Shares outstanding, without a corresponding change in resources.

**h) Taxes on Income :-**

**• Current Tax: -**

Provision for current tax is made after taken into consideration benefits admissible under the provisions of the Income Tax Act, 1961.



## **KIZI APPARELS LIMITED**

### **NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

#### **• Deferred Taxes:-**

Deferred Income Tax is provided using the liability method on all temporary difference at the balance sheet date between the tax basis of assets and liabilities and their carrying amount for financial reporting purposes.

- I. Deferred Tax Assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available in the future against which this items can be utilized.
- II. Deferred Tax Assets and liabilities are measured at the tax rates that are expected to apply to the period when the assets is realized or the liability is settled, based on tax rates ( and the tax) that have been enacted or enacted subsequent to the balance sheet date.

#### **i) Discontinuing Operations :-**

During the year the company has not discontinued any of its operations.

#### **j) Provisions Contingent liabilities and contingent assets:-**

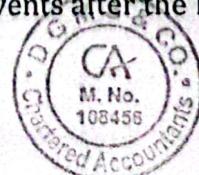
A provision is recognized if, as a result of a past event, the Company has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as Contingent Liability.

A disclosure for a Contingent Liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Possible obligation that arises from the past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation is reported as Contingent Liability. In the rare cases, when a liability cannot be measures reliable, it is classified as Contingent Liability. The Company does not recognize a Contingent Liability but disclosed its existence in the standalone financial statements.

#### **k) Event after Reporting Date:-**

Where events occurring after the Balance Sheet date provide evidence of condition that existed at the end of reporting period, the impact of such events is adjusted within the standalone financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

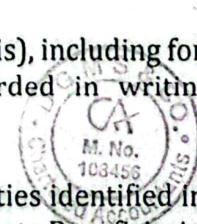


**KIZI APPARELS LIMITED**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

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5. The previous year's figures have been reworked, regrouped, and reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current annual financial statements and are to be read in relation to the amounts and other disclosures relating to the current financial year.
6. The Company has not revalued its Property, Plant and Equipment for the current year.
7. There has been no Capital work in progress for the current year of the company.
8. There has been no Intangible assets under development in the current year.
9. Credit and Debit balances of unsecured loans, Trade Payables, sundry Debtors, loans and Advances are subject to confirmation and therefore the effect of the same on profit could not be ascertained.
10. Since the company has taken Unsecured loan which is given by director of company but for that company has not any agreement in writing.
11. The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
12. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
13. No proceeding has been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988, as amended, and rules made thereunder.
14. The company has not been declared as willful defaulter by any bank or financial institution or government or government authority.
15. The Company has not advanced or loaned to or invested in funds to any other person(s) or entity(is), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - a. directly or indirectly lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
16. The Company has not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall
  - c. directly or indirectly lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - d. Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



## **KIZI APPARELS LIMITED**

### **NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

17. The company does not have transaction with the struck off under section 248 of companies act, 2013 or section 560 of Companies act 1956.

18. The company is in compliance with the number of layers prescribed under clause (87) of section 2 of company's act read with companies (restriction on number of layers) Rules, 2017.

#### **19. Corporate Social Responsibility (CSR)**

The section 135 (Corporate social responsibility) of companies act, 2013 is not applicable to the company.

#### **20. Notes forming part of accounts in relation to Micro and small enterprise**

Based on information available with the company, on the status of the suppliers being Micro or small enterprises, on which the auditors have relied, the disclosure requirements of Schedule III to the Companies Act,2013 with regard to the payments made/due to Micro and small Enterprises are given below :

Sr. No.	Particulars	Year Ended on 31 <sup>st</sup> March 2023		Year Ended on 31 <sup>st</sup> March 2022	
		Principal	Interest	Principal	Interest
I	Amount due as at the date of Balance sheet	Nil	Nil	Nil	Nil
II	Amount paid beyond the appointed date during the year	Nil	Nil	Nil	Nil
III	Amount of interest due and payable for the period of delay in making payments of principal during the year beyond the appointed date	Nil	Nil	Nil	Nil
IV	The amount of interest accrued and remaining unpaid as at the date of Balance sheet	Nil	Nil	Nil	Nil

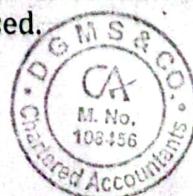
The company has initiated the process of obtaining the confirmation from suppliers who have registered themselves under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) but has not received the same in totality. The above information is compiled based on the extent of responses received by the company from its suppliers.

#### **21. Title deeds of immovable Property**

Title deeds of immovable property has not been held in the name of promoter, director, or relative of promoter/ director or employee of promoters / director of the company, hence same are held in the name of the company.

#### **22. Compliance with approved Scheme(s) of Arrangements**

The Company does not have made any arrangements in terms of section 230 to 237 of companies act 2013, and hence there is no deviation to be disclosed.



**KIZIAPPARELS LIMITED**

***NOTES FORMING PART OF THE FINANCIAL STATEMENTS***

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**23. Shares Held By Promoters At the End of the Year**

Name of Shareholder	As at 31st March 2023	
	No. of Shares held	% of Holding
Abhishek Nathani	9900.00	99.00%

