

**FALCON YARNS PRIVATE LIMITED**

**CIN : U17120GJ2015PTC083705**

Plot No.1, Survey No 177

Gondal NH 27, Village Bharudi, Taluka Gondal

Dist. Rajkot

**AUDIT REPORT**

FOR THE F.Y. 2023-24

**Hitesh M. Dhanani & Co.**

CHARTERED ACCOUNTANTS

Office No. 305-306, 3rd Floor, "A" Wing,  
Pramukhswami Arcade, Malaviya Chowk,

RAJKOT - 360 002

Phone : (M) 9374355558

UDIN - 24122780BKAQJK8871

## Independent Auditor's Report

To,  
The Members of  
**Falcon Yarns Private limited.**  
Village Bharudi, Dist. Rajkot.

### **Report on the audit of the Standalone financial statements**

#### **Opinion**

We have audited the accompanying Standalone financial statements of **Falcon Yarns Private Limited.**(the company), which comprise the Standalone Balance Sheet as at 31 March 2024, the Standalone Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Standalone Cash Flow Statement And the Standalone Statement of Changes in Equity for the year then ended, and notes to the Standalone financial statements, including a summary of significant accounting policies and other explanatory information. In our opinion and to the best of our information and according to the explanation 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 Except matters described in Basis of Qualified Opinion;

- In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2024;
- In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- In the case of the Cash Flow Statement of the cash flows or the year ended on that date.

#### **Basis of Qualified Opinion**

As stated by the management in Note No. 22(10) forming part of the Standalone Financial Statement, the company has not made any provision for long term employee benefit of Gratuity payable on the termination of service of the eligible employee as required in Accounting Standard 15(Employee Benefit), Therefore, the effect of such non provision is not ascertained by the company, Hence We can not state the effect thereof.

We conducted our audit in accordance with the Statement on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **"Information Other than the Financial Statements and Auditor's Report Thereon"**

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

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



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Chartered Accountants

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

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

## Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the company's financial reporting process. Management has informed us that company is going concern and management intends to carry the operation for near future.

## Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls. (Refer Annexure- B



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- 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 standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the **Annexure-A** a statement on the matters specified in paragraphs 3 and 4 of the order to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.



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- d. In our opinion, the aforesaid financial statement comply with the Accounting Standards specified under Section 133 of the Act Except AS 15, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of written representations received from the directors as on March 31, 2024, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B", and
- g. With respect to the other matters included in the Auditor's Report and to our best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. a) The management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - b) The management has represented, that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
  - c) Based on audit procedures which we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.
- v. The company has not declared or paid any dividend during the year.
- vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility, however the company has enabled audit trail feature in the accounting software to log any direct data changes w.e.f. 07/07/2023 and the same has been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.



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

For, Hitesh M. Dhanani & Co.  
CHARTERED ACCOUNTANTS  
Firm Reg. No. 127247W

*H M Dhanani*

Hitesh M. Dhanani

Partner

Mem. No. 122780

UDIN - 24122780BKAQJK8871



Place : Rajkot

Date : 19<sup>TH</sup> August, 2024

**ANNEXURE "A" TO THE AUDITORS' REPORT**

**The Annexure referred to in our report to the members of FALCON YARNS PRIVATE LIMITED for the year ended 31<sup>st</sup> March, 2024.**

On the basis of the information and explanation given to us during the course of our audit, we report that:

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its Property, Plant and Equipment. The Company does not have any Intangible assets.
- (b) These Property, Plant and Equipment have been physically verified by the management at reasonable intervals there was no Material discrepancies were noticed on such verification.
- (c) Total Assets of company includes Immovable property also and the title deeds of immovable properties are held in the name of the company.

(d) The Company has not revalued its property, plant and equipment (including right of use asset) during the year. Accordingly, paragraph 3 (i) (d) of the Order is not applicable

(e) In our opinion and according to the information and explanations given to us, there are no proceedings initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, paragraph 3 (i) (e) of the Order is not applicable

2. (a) The inventories have been physically verified by the management during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such verification.

(b) The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets and the quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company.

3. In our opinion and according to information and explanation given to us, the Company has not made investments during the year and also granted unsecured loans to companies, firms, Limited Liability Partnerships or other parties.

(A) In our opinion and according to information and explanation given to us, the Company has not granted loans or Advances and Guarantees and Security to Subsidiaries, Joint Ventures and associates.

(B) In our opinion and according to information and explanation given to us, the Company has not granted loans or Advances to parties other than Subsidiaries, Joint Ventures and associates.



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	Guarantees	Security	Loans	Advances in nature of loans
Aggregate amount granted/ provided during the Years				
- Subsidiaries	--	--	--	--
- Joint Ventures -	--	--	--	--
- Associates	--	--	--	--
- Others	--	--	--	--
Balance outstanding as a balance sheet date in respect of the above case				
- Subsidiaries	--	--	--	--
- Joint Ventures -	--	--	--	--
- Associates	--	--	--	--
- Others	--	--	1258.90	--

(C) In our opinion and according to information and explanation given to us, the investments made, and the terms and conditions of the grant of all loans and advances in the nature of loans provided are not prejudicial to the company's interest.

(D), (E) and (F) Clause not applicable.

(G) In our opinion and according to information and explanation given to us, the Company has not granted the loans and advances in the nature of loans repayable on demand. There are no loans granted to promoters, related parties as defined in clause (76) of section 2 of the Companies Act, 2013.

4. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of the loans. The company has not made any investment during the year. The Company has not provided any guarantees and security to the parties covered under Sections 185 and 186 of the Companies Act, 2013.
5. According to the information and explanations furnished to us, no deposits are accepted during the year by the Company within the meaning of the Companies Act, 2013 and hence 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 do not apply to the Company and no orders Passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal have been brought to or have come to our notice.
6. As per information & explanations given by the Management, maintenance of cost records have been prescribed by the Central Government under clause (d) of subsection (1) of section 148 of the Companies Act, 2013 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained by the company.
7. (a) The company is regular in depositing undisputed statutory dues including provident fund, Employee's state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities.  
(b) Dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax (GST) have been deposited on time there is no dispute is pending on the part of company.



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Dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax (GST) have been deposited on time there is no dispute is pending on the part of company.

According to information and explanation given to us, The dues of GST Which have not been deposited on Account of dispute are as follows;

Name Of The Statute	Nature of Dues	Amount (Rs in Lakhs)	Period to which the amount related	Forum where dispute is pending
Goods and Service Tax	CGST & SGST	19.81	April 21 to March 22	Appeal pending before Commissioner (appeals), SGST, Rajkot
Goods and Service Tax	CGST & SGST	10.66	April 19 to March 20	Appeal pending before Commissioner (appeals), SGST, Rajkot

8. In our opinion and according to the information and explanations given to us, there are no transactions not recorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, paragraph 3 (viii) of the Order is not applicable.
9. (a) Based on our audit procedures and on the information and explanations given by the Management, we are of the opinion that, the Company has not defaulted in repayment of dues to financial institution or bank.
- (b) In our opinion and according to the information and explanations given to us, the Company is not declared as a willful defaulter by any bank or financial institution or other lender.
- (c) In our opinion and according to the information and explanations given to us, the term loans obtained during the year were applied for the purpose for which they were availed.
- (d) In our opinion and according to the information and explanations given to us, funds raised on short term basis have not been utilized for long term purposes.
- (e) In our opinion and according to the information and explanations given to us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures,
- (f) In our opinion and according to the information and explanations given to us, the company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
10. (a) The company doesn't raise any money by way of initial public offer or further public offer (including debt instruments) during the year under review. Hence, Paragraph 3(x)(a) of the Order is not applicable.
- (b) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, paragraph 3 (x) (b) of the Order is not applicable.



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11. (a) (b) (c) During the course of our examination of the books and records of the Company, carried out in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud by the Company or on the Company by its officers or employees noticed or reported during the course of our audit, nor have we been informed of any such instance by the Management.
12. Company is not a Nidhi Company hence nothing to be disclosed for any provisions applicable on Nidhi Company.
13. According to the information and explanations given to us and based on the records of the Company examined by us, transactions with related parties are in compliance with Sections 188 of the Companies Act, 2013 and applicable rules, where applicable, and the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards. As the Company is a Private Company, provisions of Section 177 of the Act relating to constitution of Audit Committee do not apply to the Company.
14. (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system, commensurate with the size and nature of its business  
(b) The reports of the internal auditors for the year under audit were considered by us, as part of our audit procedures.
15. According to the records of the Company examined in course of our audit and as per the information and explanations given to us, the Company has not entered in any non-cash transactions with directors or persons connected with them. Hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
16. (a) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.  
(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.  
(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, paragraph 3 (xvi) (c) of the Order is not applicable  
(d) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) and it does not have any other companies in the Group. Accordingly, paragraph 3 (xvi) (d) of the Order is not applicable.
17. The Company has not incurred cash losses in the financial year and in the immediately preceding financial year.
18. There has not been resignation of the statutory auditors during the year.
19. In our opinion and according to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the board of directors and management plans, there are no material uncertainty exists as on the date of the audit report that Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as



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to the future viability of the Company. We further state that our reporting is based on the acts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.

20. (a) In our opinion and according to the information and explanations given to us, there are no unspent amounts to be transferred to a fund specified in Schedule VII to the Act.
- (b) In our opinion and according to the information and explanations given to us, there are no amount remaining unspent under sub-section (5) of section 135 of the Act, to be transferred to special account in compliance with the provision of sub-section (6) of section 135 of the said Act.
21. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

Place : Rajkot  
Date : 19<sup>th</sup> August, 2024



For, Hitesh M. Dhanani & Co  
CHARTERED ACCOUNTANTS  
Firm Reg. No. 127247W

*H M Dhanani*

Hitesh M. Dhanani  
Partner  
Mem. No. 122780

# Hifesh H. Dhanani & Co.

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## **Annexure "B" to the Independent Auditor's report of even date on the financial statement of Falcon Yarns Private Limited.**

### **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 **FALCON YARNS PRIVATE LIMITED** ("The Company") as of 31st March 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditors' Responsibility**

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

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

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

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



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## 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 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : Rajkot

Date : 19<sup>th</sup> August, 2024



For, Hitesh M. Dhanani & Co  
CHARTERED ACCOUNTANTS  
Firm Reg. No. 127247W

*H M Dhanani*

Hitesh M. Dhanani

Partner

Mem. No. 122780

# FALCON YARNS PRIVATE LIMITED

Balance Sheet As On March 31, 2024

(₹ in Lakhs)

PARTICULARS	Note No.	Amount (₹)	Amount (₹) 31.03.2024	Amount (₹) 31.03.2023
<b>I. EQUITY AND LIABILITIES</b>				
<b>(1) Shareholder's Fund</b>				
(a) Share Capital	1	3,400.00		3,400.00
(b) Reserve and surplus	2	<u>3,282.49</u>	6,682.49	<u>2,986.36</u>
<b>(2) Share application money pending Allotment</b>			NIL	NIL
<b>(3) Non Current Liabilities</b>				
(a) Long-term borrowings	3	789.34		1,117.21
(b) Deferred tax liabilities (Net)		<u>449.31</u>	1,238.65	<u>420.12</u>
(c) Other long-term liabilities		0.00		0.00
(d) Long-term provisions		<u>0.00</u>		<u>0.00</u>
<b>(4) Current Liabilities</b>				
(a) Short-term borrowings	4	1,704.88		1,722.20
(b) Trade payables	5	0.02		656.37
(c) Other current liabilities	6	140.70		48.16
(d) Short-term provisions	7	<u>184.63</u>	2,030.22	<u>147.76</u>
<b>TOTAL</b>			<u>9,951.36</u>	<u>10,498.18</u>
<b>II. ASSETS</b>				
<b>(1) Non-current assets</b>				
Property, Plant and Equipment & Intangible Assets				
i. Property, Plant & Equipment				
Gross Block	8	12,561.59		12,548.44
Depreciation		6,762.27		5,971.31
Net Block		<u>5,799.32</u>		<u>6,577.13</u>
ii. Intangible Assets		NIL		NIL
iii. Capital Work in Progress		37.39		0.00
iv. Intangible assets under development		<u>NIL</u>	5,836.71	<u>NIL</u>
(b) Non-current investments	9	23.27		23.27
(d) Long term loans and advances	10	49.41		52.36
(e) Other non-current assets		<u>0.00</u>	72.68	<u>0.00</u>
<b>(2) Current assets</b>				
(a) Current investments		0.00		0.00
(b) Inventories	11	2,029.20		1,725.98
(c) Trade receivables	12	0.58		100.03
(d) Cash and Cash Equivalents	13	512.99		414.01
(e) Short-term loans and advances	14	1,499.20		1,605.40
(f) Other current assets		<u>0.00</u>	4,041.97	<u>0.00</u>
<b>TOTAL</b>			<u>9,951.36</u>	<u>10,498.18</u>

## II. NOTES ON ACCOUNTS

22

The Notes referred to above form an integral part of the Balance Sheet.

This is the Balance Sheet referred to in our Report of even date.

For, **Hitesh M. Dhanani & Co.**

Chartered Accountants

*H M Dhanani*

Hitesh M. Dhanani

Partner

M.No. 122780

FRN 127247W



Place: Rajkot

Date : 19th August, 2024

For & On behalf of Board of Directors of

**FALCON YARNS PRIVATE LIMITED**

*Bhargav D. Suvagiya*

Director

Bhargav D. Suvagiya  
(DIN 02850963)

*Reechi J. Kotadia*

Wholetime Director

Reechi J. Kotadia  
(DIN 06977256)

*Mohini H. Gandhi*

Company Secretary

Mohini H. Gandhi  
M. No. 2...

AS0437

## FALCON YARNS PRIVATE LIMITED

### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

(₹ in Lakhs)

Particulars	Note No.	Amount (₹) 31.03.2024	Amount (₹) 31.03.2023
<b>I. Revenue From Operations</b>	15	22,035.14	22,875.33
<b>II. Other Income</b>	16	788.33	779.58
<b>III. Total Income (I+II)</b>		22,823.47	23,654.90
<b>IV. Expenses:</b>			
Cost of materials consumed	17	18,621.12	19,168.82
Changes in inventories	18	-129.51	153.67
Employee benefits expense	19	1,074.62	1,099.68
Finance costs	20	178.77	227.06
Depreciation	8	790.97	876.01
Other expenses	21	1,883.36	1,606.97
<b>Total Expenses</b>		22,419.32	23,132.21
<b>V. Profit before tax</b>		404.15	522.70
<b>VI. Tax Expenses:</b>			
(1) Current tax		78.83	55.35
Less : MAT Credit Entitlement		0.00	0.00
(2) Deferred tax (Net)		29.19	59.80
<b>XI. Profit for the period from continuing operation</b>		296.13	407.54
<b>VII. Profit for the period</b>		296.13	407.54
<b>VII. Earning per Equity Share (In Rs.)</b>			
(1) Basic		0.87	1.20
(2) Adjusted		0.87	1.20
<b>VIII. NOTES ON ACCOUNTS</b>	22		

The Notes referred to above form an integral part of the Statement of Profit & Loss.  
This is the Statement of Profit & Loss referred to in our Report of even date.

For, **Hitesh M. Dhanani & Co.**

Chartered Accountants

*H. Dhanani*

Hitesh M. Dhanani

Partner

M.No. 122780

FRN 127247W



Place : Rajkot

Date : 19th August, 2024

For & On behalf of Board of Directors of  
**FALCON YARNS PRIVATE LIMITED**

*R. Kotadia*  
**Wholetime  
Director**

Reechi J. Kotadia  
(DIN 06977256)

*M. Gandhi*  
**Company  
Secretary**

Mohini H. Gandhi  
M.No. 122780

A60437

# FALCON YARNS PRIVATE LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2024

(₹ in Lakhs)

PARTICULARS	Amount (₹) March 31, 2024 ₹.	Amount (₹) March 31, 2023 ₹.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and extraordinary items	404.15	522.70
Adjustment for:		
- Depreciation	790.97	876.01
- Interest Expense	178.77	225.81
- Interest Income	(126.98)	(120.51)
- Income Tax Payment of Earlier Year	-	(0.81)
Total Adjustment	842.75	980.50
Operating profit before working capital changes	1,246.90	1,503.20
(Increase)/Decrease in Trade and other receivables	99.45	(99.83)
(Increase)/Decrease in Inventories	(303.22)	(383.46)
(Increase)/Decrease in Short-term loans and advances	106.19	(361.29)
Increase/(Decrease) in Trade Payable	(656.36)	654.09
Increase/(Decrease) in Current Liabilities & Provisions	105.93	16.35
(Increase)/Decrease in Working Capital	(648.00)	(174.13)
Cash generated from operations	598.90	1,329.07
Direct taxes paid	55.34	192.26
<b>Net cash from operating activities</b>	<b>543.56</b>	<b>1,136.81</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(13.16)	(98.54)
Capital Work In Process	(37.39)	-
Other Deposits and Investments	(2.95)	(2.95)
Interest received	126.98	120.51
<b>Net cash generated/(used) in investing activities</b>	<b>73.48</b>	<b>19.01</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceed from borrowings	(11.41)	89.77
Repayment of borrowings	(327.87)	(1,213.41)
Interest paid	(178.77)	(225.81)
<b>Net cash generated/(used) in financing activities</b>	<b>(518.05)</b>	<b>(1,349.45)</b>
<b>Net increase/(decrease) in cash and cash equivalent</b>	<b>98.99</b>	<b>(193.62)</b>
<b>Cash and cash equivalent as at 01.04.23 (Op. Balance)</b>	<b>414.01</b>	<b>607.63</b>
<b>Cash and cash equivalent as at 31.03.24 (Cl. Balance)</b>	<b>513.00</b>	<b>414.01</b>

The Notes referred to above form an integral part of the Cash Flow Statement.  
This is the Cash Flow Statement referred to in our Report of even date.

For, Hitesh M. Dhanani & Co.

Chartered Accountants

*H Dhanani*

Hitesh M. Dhanani

Partner

M.No. 122780

FRN 127247W



Director

Bhargav D. Suvagiya  
(DIN 02850963)

For & On behalf of Board of Directors of

**FALCON YARNS PRIVATE LIMITED.**

Wholetime  
Director

Reechi J. Kotadia  
(DIN 06977256)

Company  
Secretary

Mohini H. Gandhi  
M. No.

A50437

Place: Rajkot

Date :19th August, 2024

**FALCON YARNS PRIVATE LIMITED**  
**NOTES FORMING PART OF BALANCE SHEET**

(₹ in Lakhs)  
**Amount (₹)**  
**31.03.2023**

Particulars	Amount (₹) 31.03.2024	Amount (₹) 31.03.2023
<b>Note : 1</b>		
<b>Share Capital</b>		
<b>Authorised</b>		3,400
34000000 Equity Shares of Rs.10/- each fully paid up (Previous Year 34000000 Equity Shares of Rs.10/- each)	<b>3,400</b>	<b>3,400</b>
<b>Issued, Subscribed &amp; Paid-up</b>		
34000000 Equity Shares of Rs.10/- each fully paid up (Previous Year 34000000 Equity Shares of Rs.10/- each fully paid up)	<b>3,400</b>	<b>3,400</b>

Reconciliation of the shares outstanding at the beginning and at	No. of Shares		No. of Shares	
Opening balance	3,40,00,000	34,00,00,000	3,40,00,000	34,00,00,000
Equity share issued during the year	0	0	0	0
Bonus share issued during the year	0	0	0	0
Buyback during the year	0	0	0	0
Closing Balance	<b>3,40,00,000</b>	<b>34,00,00,000</b>	<b>3,40,00,000</b>	<b>34,00,00,000</b>

Details of shareholders holding more than 5% shares in the company: Equity shares of Rs.10/- each fully paid	No. of Shares	% of holding	No. of Shares	% of holding
Dhirajlal Laljibhai Suvagiya	49,01,685	14.42%	49,01,685	14.42%
Bhargav Dhirajlala Suvagiya	69,24,315	20.37%	69,24,315	20.37%
Kamalnayan Ranchhodbhai Sojitra	78,83,458	23.19%	58,42,858	17.18%
Jagdishchandra Rajalal Kotadia	44,20,000	13.00%	44,20,000	13.00%
Reechi Jagdishbhai Kotadia	40,80,000	12.00%	40,80,000	12.00%
Vidhyaben Bhargavbhai Suvagiya	36,44,000	10.72%	36,44,000	10.72%
Falcon Pumps Pvt.Ltd.	0	0.00%	20,40,600	6.00%
Others	21,46,542	6.31%	21,46,542	6.31%
	<b>3,40,00,000</b>	<b>100%</b>	<b>3,40,00,000</b>	<b>100%</b>

**Shareholding of Promoters at the end of the year 2023-24**

Sr. No	Promoter Name	At the Beginning of the year		At the End of the year		% of Change during the Year
		No. of Shares	% of Total Shares	No. of Shares	% of Total Shares	
1	Dhirajlal Laljibhai Suvagiya	49,01,685	14.42%	49,01,685	14.42%	0.00%
2	Bhargav Dhirajlala Suvagiya	69,24,315	20.37%	69,24,315	20.37%	0.00%
3	Kamalnayan Ranchhodbhai Sojitra	58,42,858	17.18%	78,83,458	23.19%	6.00%
4	Jagdishchandra Rajalal Kotadia	44,20,000	13.00%	44,20,000	13.00%	0.00%
5	Reechi Jagdishbhai Kotadia	40,80,000	12.00%	40,80,000	12.00%	0.00%
6	Meeraben Kamalnayan Sojitra	5,73,467	1.69%	5,73,467	1.69%	0.00%
7	Falcon Pumps Pvt. Ltd.	20,40,600	6.00%	0	0.00%	-6.00%
8	Bhavnaben Dhirajlal Suvagiya	10,30,000	3.03%	10,30,000	3.03%	0.00%
9	Namrata Dhirajlal Suvagiya	5,00,000	1.47%	5,00,000	1.47%	0.00%
10	Vidhyaben Bhargavbhai Suvagiya	36,44,000	10.72%	36,44,000	10.72%	0.00%
11	Kamalnayan Ranchhodbhai Sojitra- HUF	43,075	0.13%	43,075	0.13%	0.00%
	<b>TOTAL</b>	<b>3,40,00,000</b>	<b>100.00%</b>	<b>3,40,00,000</b>	<b>100.00%</b>	



**FALCON YARNS PRIVATE LIMITED**

(₹ in Lakhs)

**NOTES FORMING PART OF BALANCE SHEET**

Particulars	Sub Note No.	Amount (₹) 31.03.2024	Amount (₹) 31.03.2023
<b>Note : 2</b>			
<b>Reserves &amp; Surplus</b>			
Profit & Loss a/c			
Opening balance		2,986.36	2,579.63
Add: Net Profit After Tax Trf. From Statement of Profit & Loss		296.13	407.54
Add: Excess Provision of Income Tax		0.00	0.00
Less: Short Provision of Income Tax		0.00	0.81
Amount Available For Appropriation		3,282.49	2,986.36
Less: Appropriations		0.00	0.00
Closing balance		<u>3,282.49</u>	<u>2,986.36</u>
<b>Note : 3</b>			
<b>Long Term Borrowings</b>			
<b>Secured</b>			
<b>From Bank</b>			
Axis Bank Wind Mill TL(37331)		711.00	903.00
Axis Bank TL - UBI (59544)		0.00	77.17
HDFC Bank (BMW LOAN)		59.97	77.41
HDFC Bank (Mercedes Car Loan)		9.01	23.58
Union Bank Car Loan(Volvo XC 60)		3.94	15.18
Union Bank Car Loan(Volvo XC 90)		5.42	20.86
<b>Total:-</b>		<u>789.34</u>	<u>1,117.21</u>

**Repayment Terms, Security & Other Details :****Axis Bank TL**

(Axis Bank TL are Primarily Secured by way of hypothication of entire movable fixed assets of the company both present and future and also secured by personal guarantee of all the directors.- Term loan is repayable in 84 installments. Presently rate of interest is 8.50% p.a.

**Axis Bank Wind Mill Term Loan**

(Primarily Secured by way of exclusive hypothication Charge on Wind Mill Purchased out of Term Loan and also secured by personal guarantee of all the directors.- Sole Banker Axis bank Ltd. Term loan is repayable in 84 installments. Presently rate of interest is 8.50% p.a.

HDFC Bank Mercedece Car Loan is Primarily Secured by way of Hypothication of Mercedece Car Repayable in 60 Installments. Presently Rate of Interest is 7.50% p.a.

Both Union Bank Car Loan are Primarily Secured by way of Hypothication of Volvo XC 60 and Volvo XC 90 Cars Repayable in 60 Installments. Presently Rate of Interest is 7.40% p.a.

HDFC Bank BMW Car Loan is Primarily Secured by way of Hypothication of BMW Car Repayable in 60 Installments. Presently Rate of Interest is 8.50% p.a.



**FALCON YARNS PRIVATE LIMITED**

(₹ in Lakhs)

**NOTES FORMING PART OF BALANCE SHEET**

Particulars	Sub Note No.	Amount (₹) 31.03.2024	Amount (₹) 31.03.2023
<b>Note : 4</b>			
<b>Short-term borrowings</b>			
<b>(a) Loans Repayable on Demand</b>			
<b>(A) From Bank</b>			
Axis Bank CC (57044)		1,371.76	401.87
<b>Current Maturity of Long Term Debt</b>			
<b>From Bank</b>			
Axis Bank TL (33474)		0.00	153.31
Axis Bank TL UBI (59544)		82.43	467.52
Axis Bank Wind Mill TL(37331)		192.00	192.00
Axis Bank TL-SBI (55238)		0.00	453.12
HDFC Bank (Mercedes Car Loan)		14.57	13.52
HDFC Bank (BMW LOAN)		17.44	16.06
Union Bank Car Loan(Volvo XC 60)		11.25	10.45
Union Bank Car Loan(Volvo XC 90)		15.44	14.35
<b>Total:-</b>		<b>1,704.88</b>	<b>1,722.20</b>

**Repayment Terms, Security & Other Details :**

Axis Bank CC

(Axis Bank has taken over the entire working capital limit from SBI and Union Bank. Now Axis Bank Working Capital Limit is Primarily Secured by way of hypothecation of entire current assets of the company both present and future and also secured by personal guarantee of all the directors.- Cash Credit is repayable on demand. Presently rate of interest is 8.50% p.a.

**Note : 5****Trade payables**

Total outstanding dues of micro enterprises and small enterprises

0.00 655.82

Total outstanding dues of creditors other than micro enterprises and small enterprises

0.02 0.55

**Total:-****0.02 656.37**

# FALCON YARNS PRIVATE LIMITED

(₹ in Lakhs)

## NOTES FORMING PART OF BALANCE SHEET

Particulars	Sub Note No.	Amount (₹) 31.03.2024	Amount (₹) 31.03.2023
<b>Note : 6</b>			
<b>Other current liabilities</b>			
<b><u>Duties and Taxes</u></b>			
Professional Tax		1.55	1.34
TCS 206C (1H) A/C		0.01	0.18
TCS 194Q A/c.		1.74	1.31
TDS on Commission & Brockorage		1.69	2.16
TDS on Professional Fees		0.04	0.14
TDS on Salary		129.43	42.30
TDS Payable (Contract)		0.21	0.29
Cash Ledger (SGST)		2.96	0.15
Cash Ledger (CGST)		2.96	0.15
<b>Total:- (i)</b>		<b>140.58</b>	<b>48.01</b>
<b><u>Advance Received from Customers</u></b>			
Amit Export		0.00	0.02
Darsh Cottex		0.00	0.01
India Cotton Industries		0.00	0.00
Kaushik Cotton Industries		0.02	0.04
Prince FAB		0.00	0.00
Shivtex Spinning Pvt Ltd		0.08	0.00
Shiv Cotton Industries		0.01	0.00
Swan Medicot LLP		0.00	0.06
<b>Total:- (ii)</b>		<b>0.11</b>	<b>0.14</b>
<b>Total:- (i)+(ii)</b>		<b>140.70</b>	<b>48.16</b>
<b>Note : 7</b>			
<b>Short-term provisions</b>			
Provision for Electric Exp.		53.42	43.94
Provision for Salary		48.71	42.89
Provision For Provident Fund(PF)		1.17	1.42
Professional Fees Payable		2.50	4.16
Provision for Income Tax		78.83	55.35
<b>Total:-</b>		<b>184.63</b>	<b>147.76</b>
<b>Note : 9</b>			
<b>Non-current investments</b>			
Arno Exim Pty. Ltd. Share (Durban - South Africa) (The company has acquired (20.30%) 47,563/- Equity Sghares @ SAR 10/- Each out of Total Shares of 1,85,055/-)			
		23.05	23.05
Kalpvrksh Credit Co. Operative Society Share		0.01	0.01
Falcon Welfare Foundation		0.19	0.19
Shri Kalpataru Credit Co. Op. Soc. Ltd.		0.01	0.01
Textile Association Share		0.01	0.01
<b>Total:-</b>		<b>23.27</b>	<b>23.27</b>



**FALCON YARNS PRIVATE LIMITED**  
**NOTES FORMING PART OF BALANCE SHEET**

(₹ in Lakhs)

Particulars	Sub Note No.	Amount (₹) 31.03.2024	Amount (₹) 31.03.2023
<b>Note : 10</b>			
<b>Long term loans and advances</b>			
Suzlon Lease Hold Land Rights - Suvarada		49.41	52.36
<b>Total:-</b>		<u>49.41</u>	<u>52.36</u>
<b>Note : 11</b>			
<b>Inventories</b>			
Raw Material		1,298.74	1,125.03
Finished Goods		730.46	600.95
<b>Total:-</b>		<u>2,029.20</u>	<u>1,725.98</u>
<b>Note : 12</b>			
<b>Trade receivables</b>			
		<u>0.58</u>	<u>100.03</u>
<b>Note : 13</b>			
<b>Cash and Cash Equivalents</b>			
Cash Balance on Hand		5.36	5.11
<b>Balances with Bank</b>			
Axis Bank CA - 7558		2.59	2.00
Axis Bank CA - 1881		134.15	0.32
<b>Fixed Deposits maturing beyond 12 Months</b>			
FD Axis For PGVCL (3959)		0.00	54.96
FD Axis For PGVCL (5658)		24.59	
FD in Kalpataru Credit Co Op. Society Ltd.		341.70	340.92
SBL FD Axis (31563)		4.60	10.70
<b>Total:-</b>		<u>512.99</u>	<u>414.01</u>
<b>Note : 14</b>			
<b>Short-term loans and advances</b>			
<b>Others</b>			
Security Deposits		0.00	0.36
Advance Payment to Supplier of Capital Goods		11.00	0.00
Advance Payment to Creditors for Exp.		15.71	1.02
Advance Payment to supplier of Raw Material		100.00	273.54
Employee Loans		2.15	5.55
Other Advances		1,258.90	1,172.50
Prepaid Insurance		31.06	30.49
<b>Balance with Revenue Authorities</b>			
Advance Income Tax		55.00	87.00
TDS Receivable		25.00	24.02
TCS On Purchase		0.38	0.39
Central Tax (I/P) To Be Claimed		0.00	5.61
State/UT Tax (I/P) To Be Claimed		0.00	4.92
<b>Total:-</b>		<u>1,499.20</u>	<u>1,605.40</u>



**FALCON YARNS PRIVATE LIMITED**

Notes to the accounts for the year ended March 31, 2024

(₹ in Lakhs)

**B. PROPERTY, PLANT AND EQUIPMENT & INTANGIBLE ASSETS**  
**(I) PROPERTY, PLANT AND EQUIPMENT**

Particulars	Gross Block			Depreciation			Net Block		
	As on 01.04.23	Additions	Deductions	As on 31.03.24	01.04.23	For The Year	Deduct- on/ Adjust- ment	As on 31.03.24	As on 31.03.23
Land	63.74	NIL	NIL	63.74	NIL	NIL	NIL	64.00	64.00
Land	63.74	NIL	NIL	63.74	NIL	NIL	NIL	64.00	64.00
Factory Building	709.35	NIL	NIL	709.35	323.20	36.68	NIL	349.00	308.00
Factory Building	709.35	NIL	NIL	709.35	323.20	36.68	NIL	349.00	386.00
Air Conditioner	3.89	0.41	NIL	4.29	3.68	0.17	NIL	3.85	NIL
Vacuum Cleaner	1.03	NIL	NIL	1.03	0.97	-	NIL	0.97	NIL
Equipment	4.97	1.37	NIL	5.44	2.82	0.70	NIL	3.53	1.00
Office Equipment	8.98	1.78	NIL	10.76	7.48	0.87	NIL	8.35	1.00
Computer & Printer	19.52	-	NIL	19.52	17.79	0.53	NIL	18.32	2.00
Computer	19.52	NIL	NIL	19.52	17.79	0.53	NIL	18.32	2.00
CCTV Security System	7.33	NIL	NIL	7.33	6.08	0.32	NIL	6.40	1.00
Electric Fittings	1.66	NIL	NIL	1.66	1.45	0.05	NIL	1.50	NIL
Electric Installation	233.29	NIL	NIL	233.29	217.96	1.97	NIL	219.93	15.00
Furniture	5.96	NIL	NIL	5.96	4.78	0.31	NIL	5.09	1.00
Furniture & Electrification	248.24	NIL	NIL	248.24	230.27	2.65	NIL	232.92	17.00
BMW X5	96.16	-	NIL	96.16	4.03	28.77	NIL	32.80	92.00
VW Tiguan	63.64	NIL	NIL	63.64	55.59	2.51	NIL	58.10	8.00
Hero Honda CD Deluxe	0.49	NIL	NIL	0.49	0.40	0.02	NIL	0.43	NIL
Mercedes Benz GLE300	74.08	NIL	NIL	74.08	44.74	9.16	NIL	53.91	29.00
Volvo XC 60	58.22	NIL	NIL	58.22	35.00	7.25	NIL	42.25	23.00
Volvo XC 90	78.61	NIL	NIL	78.61	47.35	9.79	NIL	57.04	31.00
ECG	6.42	NIL	NIL	6.42	2.21	1.31	NIL	3.53	4.00
Maruti Suzuki Celerio	6.12	NIL	-	6.12	3.70	0.43	-	4.14	2.00
Vehicle	383.74	-	NIL	383.74	192.93	59.26	-	252.19	189.00
Way Bridge	8.52	NIL	NIL	8.52	6.35	0.39	NIL	6.75	2.00
Wind Mill	1,626.61	-	NIL	1,626.61	267.96	172.96	NIL	440.92	1,359.00
Plant & Machinery	9,479.73	11.38	NIL	9,491.11	4,825.31	517.62	NIL	5,442.93	4,554.00
Plant & Machinery	11,114.87	11.38	NIL	11,126.25	5,199.64	690.96	NIL	5,890.60	5,915.00
As At March 31, 2024	12,548.44	13.16	-	12,561.60	5,971.31	790.97	-	6,762.27	6,574.00
As At March 31, 2023	12,449.50	98.54	NIL	12,548.44	5,095.30	876.01	NIL	6,577.13	7,355.00

(B) Capital Work In Process

Solar PARK	-	37.39	-	37.39	NIL	NIL	NIL	-	NIL
As At March 31, 2024	-	37.39	-	37.39	NIL	NIL	NIL	-	NIL
As At March 31, 2023	-	-	NIL	NIL	NIL	NIL	NIL	NIL	NIL



**FALCON YARNS PRIVATE LIMITED**  
**NOTES FORMING PART OF BALANCE SHEET**

(₹ in Lakhs)

**Note : 5**  
**Trade payables**

**Yr 2023-24**

Particulars	Trade Payables Ageing Schedule				
	Outstanding For Following Period From Due Date of Payment				
	Less Than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	Total
(i) MSME		0	0	0	0
(ii) Others	0.02	0	0	0	0.02
(iii) Disputed Dues - MSME	0	0	0	0	0
(iv) Disputed Dues - Others	0	0	0	0	0

**Yr 2022-23**

**Trade payables**

Particulars	Trade Payables Ageing Schedule				
	Outstanding For Following Period From Due Date of Payment				
	Less Than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	Total
(i) MSME	655.82	0.00	0.00	0.00	655.82
(ii) Others	0.55	0.00	0.00	0.00	0.55
(iii) Disputed Dues - MSME	0.00	0.00	0.00	0.00	0.00
(iv) Disputed Dues - Others	0.00	0.00	0.00	0.00	0.00

**Note : 12**  
**Trade receivables**

**Yr 2023-24**

Particulars	Trade Receivables Ageing Schedule					
	Outstanding For Following Period From Due Date of Payment					
	Less Than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More Than 3 Years	Total
(i) Undisputed Trade Receivables - Considered Good	0.52	0.00	0.06	0.00	0.00	0.58
(ii) Undisputed Trade Receivables - Considered Doubtful	0.00	0.00	0.00	0.00	0.00	0
(iii) Disputed Trade Receivables - Considered Good	0.00	0.00	0.00	0.00	0.00	0
(iv) Disputed Trade Receivables - Considered Doubtful	0.00	0.00	0.00	0.00	0.00	0

**Note :**  
**Trade receivables**

**Yr 2022-23**

Particulars	Trade Receivables Ageing Schedule					
	Outstanding For Following Period From Due Date of Payment					
	Less Than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More Than 3 Years	Total
(i) Undisputed Trade Receivables - Considered Good	99.83	0.05	0.15	0.00	0.00	100.03
(ii) Undisputed Trade Receivables - Considered Doubtful	0.00	0.00	0.00	0.00	0.00	0
(iii) Disputed Trade Receivables - Considered Good	0.00	0.00	0.00	0.00	0.00	0.00
(iv) Disputed Trade Receivables - Considered Doubtful	0.00	0.00	0.00	0.00	0.00	0.00



# FALCON YARNS PRIVATE LIMITED

## NOTES FORMING PART OF PROFIT & LOSS STATEMENT

(₹ in Lakhs)

Particulars	Sub Note No.	Amount (₹) 31.03.2024	Amount (₹) 31.03.2023
<b>Note : 15</b>			
<b>Revenue From Operations</b>			
Sales - Yarn		19,193.31	19,681.94
Sales - Waste		21.65	3,183.91
Sales - Yarn Organic		2,820.18	9.48
<b>Total:-</b>		<b>22,035.14</b>	<b>22,875.33</b>
<b>Note : 16</b>			
<b>Other Income</b>			
Interest Income From Others		95.13	88.99
Interest on FD		29.43	31.51
Interest On IT Refund		2.42	0.00
MCX Gain		4.95	0.00
Kasar/Vatav		0.00	0.09
Textile Subsidy		655.50	656.01
Profit On Sale Of Assest		0.42	0.00
Subsidy Income (Apprentice)		0.48	2.97
<b>Total:-</b>		<b>788.33</b>	<b>779.58</b>
<b>Note : 17</b>			
<b>Cost of materials consumed</b>			
Opening Stock		1,125.03	587.91
Add : Purchase		19,016.39	19,966.99
Less: Purchase Return		0.00	0.00
Less: Debit Note		225.83	269.99
Add : Credit Note		4.27	8.95
Less: Closing stock		1,298.74	1,125.03
Materials consumed		18,621.12	19,168.82
<b>Total:-</b>		<b>18,621.12</b>	<b>19,168.82</b>
<b>Note : 18</b>			
<b>Changes in inventories</b>			
<b>Increase/decrease in stock of finished goods</b>			
Opening stock of finished goods		600.95	754.62
Less: Closing stock of finished goods		730.46	600.95
Increase/decrease in stock of finished goods		-129.51	153.67
<b>Total:-</b>		<b>-129.51</b>	<b>153.67</b>



# FALCON YARNS PRIVATE LIMITED

## NOTES FORMING PART OF PROFIT & LOSS STATEMENT

(₹ in Lakhs)

Particulars	Sub Note No.	Amount (₹) 31.03.2024	Amount (₹) 31.03.2023
<b>Note : 19</b>			
<b>Employee benefits expenses</b>			
Canteen Exp.		39.73	62.62
Medicine Exp.		0.51	0.31
PF Exp. (Employer Share)		7.55	9.75
Salary to Director		400.00	480.00
Staff Welfare Exp.		0.00	1.50
Salary to Office Staff		161.72	147.79
Salary to Worker		465.11	397.71
<b>Total:-</b>		<b>1,074.62</b>	<b>1,099.68</b>
 <b>Note : 20</b>			
<b>Finance costs</b>			
Bank Processing Charges		0.00	1.25
CC (Working Capital) Interest Exp.		24.55	11.50
Car Loan Interest Exp.		13.15	9.39
Vehicle Loan Interest Exp.		0.00	0.22
Machinery Term Loan Interest Exp.		141.06	204.70
<b>Total:-</b>		<b>178.77</b>	<b>227.06</b>
 <b>Note : 21</b>			
<b>Other Expenses</b>			
<b><u>Manufacturing Expenses</u></b>			
Electric Power Exp.(Net of Wind Mill Generation)		1,455.68	1,195.48
Electricity Transmission Charges		43.35	36.55
Factory General Exp.		18.96	22.34
Factory Oil/Grease/Diesel Exp.		5.06	4.62
Labour Charges		87.21	19.96
Repairs and Maintenance Exp. (Machinery)		15.22	17.63
Packing Charges		0.00	0.00
Transportation Exp.		77.83	78.65
<b>Total:- A</b>		<b>1,703.31</b>	<b>1,375.24</b>



# FALCON YARNS PRIVATE LIMITED

## NOTES FORMING PART OF PROFIT & LOSS STATEMENT

(₹ in Lakhs)

Particulars	Sub Note No.	Amount (₹) 31.03.2024	Amount (₹) 31.03.2023
<b><u>Administration Expenses</u></b>			
Annual Maintenance Contract Expense		0.00	2.83
Audit Fees		2.50	2.50
Bank Charges		5.06	1.32
Certification Charges		2.23	2.67
CSR Expense		17.10	17.10
Commision Exp.		57.88	83.48
Computer Exp		0.37	0.21
Courier Exp.		1.65	1.44
Custom Duty Exp		0.18	0.00
Donation Exp.		0.00	0.05
DSM Charges		1.90	1.62
FOC Material Exp		0.16	0.00
Factory General Insurance Exp.		0.00	0.19
Freight Exp.		0.29	0.12
Garding & Maintenance Exp.		0.96	0.72
GPCB Exp		1.44	0.00
GST Exp.		0.11	0.27
Hotel Exp		0.26	0.78
House Tax Exp.		1.61	0.00
Insurance Exp.		46.32	42.95
Interest on Income Tax/TDS/GST/PF		0.00	2.38
Internet and Web Exp.		0.65	0.64
Kasar Exp.		0.05	0.00
Leasehold Right Amortisation Exp.		2.95	2.95
Loding Unloding Charges		0.00	40.26
MCX Charges		0.06	0.00
Membership Fees Exp.		0.03	0.09
Mobile Exp.		0.35	0.66
PF Expenses		0.30	0.00
Petrol and Diesel Exp.		3.70	3.62
Professional Fees		5.80	5.96
Repair and Maintanance - Electric Fitting		1.86	0.00
Roc Expense		0.10	0.20
Round Off		0.01	0.01
Security Guard Exp		10.37	9.70
Stationery And Printing Exp.		1.25	0.88
Travelling Exp.		0.60	0.41
Vehicle Exp.		11.95	5.72
	B	180.05	231.73
<b>Total Of Other Expenses A+B</b>		<b>1,883.36</b>	<b>1,606.97</b>



# FALCON YARNS PRIVATE LIMITED

Notes to the accounts for the year ended March 31, 2024

## 22. NOTES TO ACCOUNTS

### CORPORATE INFORMATION AND OVERVIEW

Falcon Yarns Pvt. Ltd. is Private Limited Company domiciled in India and its Corporate office is at Plot No 1, Survey No. 177, NH 27, Village Bharudi, Taluka Gondal, Dist. Rajkot. The Company was incorporated on 30th June 2015. The Company is primarily engaged in the business of Manufacturing of Cotton Yarns. (Spinning Mill)

### (A) SIGNIFICANT ACCOUNTING POLICIES

#### 1. ACCOUNTING CONCEPTS

These financial statements are prepared in accordance with the Indian Generally Accepted Accounting Principles (Indian GAAP) including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013. The financial statements are prepared on accrual basis under historical cost convention. Accounting policies are have been consistently applied except where a newly issued accounting standards is initially adopted or revision to existing accounting standard requires a change in the accounting policy hereto in use. The financial statements are presented in Indian rupees rounded to nearest rupees in Lacs.

#### 2. USE OF ESTIMATES

The preparation of these financial statements in conformity with Indian GAAP requires the management to make estimates, judgements and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized. The management believes that the estimates used in the preparation of financial statements are prudent and reasonable.

#### 3. REVENUE RECOGNITION

Revenue from sale of goods is recognized on transfer of significant risk and rewards of ownership to buyer that coincides with the delivery of goods. The company present revenue net of sales tax and value added tax / any of indirect taxes in its Statement of Profit and Loss. Revenue from operations includes sale of goods, services and other income from operations.

Export incentives on sales under various schemes notified by the Government has been recognised on accrual basis in the year of export. Other incentives and subsidies under various schemes notified by the Government has been recognised on the actual receipt basis.

Interest income is recognised on time proportion basis taking into account the amount outstanding and rate applicable.

#### 4. FIXED ASSETS AND DEPRECIATION

Property Plant And Equipment are stated at cost of acquisition, net of recoverable taxes, trade discounts and rebates less accumulated depreciation and impairment loss, if any. The cost of Property Plant And Equipment comprises of its purchase cost, borrowing cost, other cost, direct/indirect attributable and/or incidental, incurred to bring them to working condition for its intended use at their present location. Subsequent expenditures related to any item of Property Plant And Equipment are added to its book value only if they increases the future benefits from the existing asset beyond its previously assessed standard of performance. In respect of additions or extensions forming an integral part of existing assets and insurance spares, including incremental cost arising on account of translation of foreign currency liabilities for acquisition of Property Plant And Equipment, depreciation is provided as aforesaid over the residual life of the respective assets. Property Plant And Equipment which are not ready for their intended use at the reporting date, if any, are disclosed under Capital Work-in-Progress.

Depreciation on tangible assets is provided to the extent of depreciable amount on the Written Down Value (WDV) Method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Depreciation for the assets purchased / sold during the period is charged on pro-rata basis with reference to the date when asset is put to use.



## 5. FOREIGN CURRENCY TRANSACTIONS

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of transaction or rate that approximates the actual rate at the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at exchange rates in effect at the Balance Sheet date. Non-monetary assets and liabilities denominated in foreign currencies are carried at cost.

Any gains or losses on account of exchange differences either on settlement or on translation is recognized in Statement of Profit and Loss, except in case of exchange differences which are regarded as an adjustment to interest cost and treated in accordance with the Accounting Standard 16 – Borrowing Cost.

## 6. IMPAIRMENT OF ASSET

The management periodically assess whether there is an indication that an asset may be impaired. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. The recoverable value is the higher of the assets' net selling price or value in use, which means the present value of future cash flows expected to arise from the continuing use of the assets and its eventual disposal. 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 recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

## 7. INVENTORIES

Item of inventories are valued at lower of cost and net realisable value after providing for obsolescence. If any, except in case of by-product / scrap / wastage which are valued at net realisable value. However, materials and other items held for use in the production of finished goods are not valued below cost, if finished products in which they will be incorporated are expected to sold at or above cost. Cost of inventories comprises of cost of purchase, duties and taxes (other than those subsequently recoverable), cost of conversion and other cost including manufacturing overheads net of recoverable taxes incurred in bring them to their respective location and condition.

## 8. PROVISION FOR CURRENT AND DEFERRED TAX

Tax expense comprises of current tax and deferred tax. Current tax is measured at amount expected to be paid to the tax authorities, using the applicable tax rates and considering the benefits admissible under provisions of Income Tax Act, 1961. Deferred income tax reflects the current period timing differences between taxable income and accounting income and reversal of timing differences of earlier years / period. Deferred tax asset is recognised and carried forward only to the extent that there is reasonable certainty that the sufficient future income will be available except that deferred tax assets, in case there is unabsorbed depreciation or losses, are recognised if there is virtual certainty that sufficient future taxable income will be available to realise the same. Deferred tax assets and liabilities are measured using tax rate and tax law that have been enacted or substantially enacted as on the balance sheet date.

## 9. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be outflow of resources. Contingent liabilities are not recognized but are disclosed hereunder. Contingent Assets are neither recognized nor disclosed in the financial statements.

Contingent liabilities and commitments (to the extent not provided for) as on 31.03.2024

(i) SBLC/Bank Guarantees o/s. of Rs. 272.26/-

₹ in Lakhs

Sr. No	SB/BG Issued in Favor of	Amt. Rs.	Date of BG
1	Gujarat Transmission Corporation of India	40.47	16.03.2022
2	To Executive Engineer (PGVCL)	231.79	09.11.2021



## 10. EMPLOYEE BENEFITS

### A. SHORT TERM EMPLOYEE BENEFIT

Employee benefit liabilities such as salaries, wages and bonus, etc. that are expected to be settled wholly within twelve months after the end of the reporting period in which the employees render the related service are recognised in respect of employee's services up to the end of the reporting period and are measured at an undiscounted amount expected to be paid when the liabilities are settled.

### B. POST EMPLOYMENT BENEFIT PLAN

#### (I) DEFINED CONTRIBUTION PLAN

The Company pays provident fund contributions to the appropriate government authorities. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefits expense when they are due.

#### (II) DEFINED BENEFIT PLAN

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested Employees at retirement, death while in employment or on termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Vesting occurs upon completion of five years of service. HOWEVER, There are no defined benefit plans adopted by the company whether during the year or on termination of Employee, hence question of accounting thereof does not arise.

#### (III) OTHER LONG TERM EMPLOYEE BENEFIT.

Benefit by way of compensated absence (i.e leave pay) is accounted for in the year in which such benefit is due. No benefit for accumulated leave is payable.

## 11. BORROWING COST

Borrowing costs including exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are attributable to the acquisition or construction of assets are capitalized as part of the cost of such assets. A qualifying assets is one that necessarily takes substantial period of time to get ready for its intended use. All the other borrowing costs after starting commercial production are charged to Statement of Profit and Loss in the period in which they are incurred.

## 12. GOVERNMENT GRANT AND SUBSIDIES

Government grant is recognised only when there is reasonable assurance that the company will comply the conditions attached them to and the grants will be received. Government grant related to specific fixed assets has been shown as deduction from the gross value of the respective asset and the depreciation on the same is adjusted accordingly. Government grants related to revenue has been recognised as income in Statement of Profit and Loss on a systematic basis over the period necessary to match them with the related cost which they are intended to compensate. Government grants which are refundable are shown as liabilities in the Balance Sheet.

## 13. FOREIGN CURRENCY TRANSACTIONS AND TRANSLATIONS

Monetary and non-monetary transactions in foreign currencies are initially recorded in the functional currency of the Company at the exchange rates at the date of the transactions. Monetary foreign currency assets and liabilities remaining unsettled on reporting date are translated at the rates of exchange prevailing on reporting date. Gains / (losses) arising on account of realization /settlement of foreign exchange transactions and on translation of monetary foreign currency assets and liabilities are recognised in the Statement of profit and loss.

## 14. EARNING PER SHARE

The Company presents basic and diluted earnings per share (EPS) data for its equity shares. Basic EPS is calculated by dividing the Statement of profit and loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. Diluted EPS is determined by adjusting Statement of profit and loss attributable to equity shareholders and the weighted average number of equity shares outstanding, for the effects of all dilutive potential equity shares.



Particulars	2023-24	2022-23
Profit attributable to Equity Share Holders for the Basic EPS (PAT)	2,95,12,932	4,07,54,217
Weighted Average Number of Equity Share used for Basic EPS	3,40,00,000	3,40,00,000
Nominal Value of Equity Shares	10	10
Basic Earning Per Share (Amt in Rs.)	0.87	1.20
Adjusted Earning per Share (Amt. in Rs.)	0.87	1.20

## (B) NOTES ON ACCOUNTS

### 1. CURRENT ASSETS, LOANS AND ADVANCES & LIABILITIES

In the opinion of the board of directors, sundry debtors, loans and advances have value on realization at least equal to amount at which they have been stated. The provision for all known liabilities is reasonable and not in excess of the amount considered reasonably necessary.

### 2. DEBIT / CREDIT BALANCES

Debit and Credit balances are subject to confirmation and consequent reconciliations, if any.

### 3. COMPONENTS OF DEFERRED TAX ASSETS & LIABILITIES

Particular	As at 31.03.2023	Movement During The Year	As at 31.03.2024
Deferred Tax Liability Related to Fixed Assets	420.12	29.19	449.31
(A)	<u>420.12</u>	<u>29.19</u>	<u>449.31</u>
Deferred Tax Assets Related to Business Loss & Unabsorbed Depreciation Related to Others	NIL	NIL	NIL
(B)	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Liability (A-B)	420.12	29.19	449.31

### 4. PAYMENTS TO STATUTORY AUDITOR

Auditor's Remuneration has been provided as below:

Particular	2023-24 RS.	2022-23 RS.
Statutory Audit Fees	2.20	2.20
Tax Audit Fees	<u>0.30</u>	<u>0.30</u>
TOTAL	2.50	2.50

### 5. DIRECTOR'S REMUNERATION

Remuneration to directors of Rs. 4,00,00,000/- (Previous year Rs. 4,80,00,000/-) has been paid by way of salary during the year under consideration.

### 6. FOREIGN EXCHANGE EARNING AND OUTGO

There is no any Foreign Currency Exchange Earning and Outgo during the year under audit.

7. Closing Stock is taken, valued and certified by Management.



## B. RELATED PARTY DISCLOSURES

As per Accounting Standard 18, the disclosures of transactions with the related parties as defined in Accounting Standard are

i) List of related parties where control exists and related parties with whom transactions have taken

SR. No.	Name of the Related Parties	Relationship
1 2 3 4 5 6 7	Dhirajbhai L. Suvagiya Bhargav Dhirajbhai Suvagiya Kamalnayan Ranchhodbhai Sojitra Meeraben Kamalnayan Sojitra Jagdishchandra Rajalal Kotadia Reechi Jagdishchandra Kotadia Mohini H. Gandhi	Key Managerial Personnel
1 2 3 4 5 6 7 8 9 10 11 12 13	Falcon Pipes Pvt. Ltd. Falcon Global Sales Pvt. Ltd. Raj Pump Service Centre Fair Deal Falcon Pumps Pvt. Ltd. Jagdish Soap Products Fabetech Cables Pvt. Ltd. Micro Calibration Centre Yarn Care Arno Exim PTY LTD Arno Exim (India) Pvt. Ltd. Laquila Promotion LLP Sudarshan Multimedia LLP	Enterprises over which Key Managerial Personnel are able to exercise significant influence
1 2 3 4 5 6 7 8 9 10 11	Vidhya B. Suvagiya Namrata D. Suvagiya Chaturaben L. Suvagiya Karan K. Sojitra Kamalnayan R. Sojitra (HUF) Laljabhai J. Suvagiya Laljabhai J. Suvagiya (HUF) Bhavynaben R. Kotadia Parita R. Kotadia Jagdishchandra R. Kotadia (HUF) Harsukhbhai L. Suvagiya	Share holders and Key managerial personnel's Relatives

ii) Transactions during the year with related parties:

SR. No.	Nature of Transactions	Key Managerial Personnel (KMP)	KPM's Relatives	Others	Total
1	Loan Taken	-	-	-	-
2	Loan Repayment	-	-	-	-
3	Sales of Goods	-	-	6,600.87	6,600.87
4	Purchase of Goods/Consumables	-	-	339.89	339.89
5	Remuneration to KMP	401.87	-	-	401.87



iii) Balance Payable Outstanding as at Year End

Sr. No.	Name of Related Parties	31-03-2024	31-03-2023
1	Reechibhai Kotadia	0	0
2	Fairdeal	0	0
3	Yarncare	0	0
4	Meeraben Sojitra	0	0
5	Bhargavbhai Suvagiya	0	0

9 In our information and according to the information and explanation given to us, the Company has given following unsecured Loans and complied the provisions of section 186. As inform by the management, the said amount of Loans were used for business by the recipient of the Loans.

Sr. No.	Name Company/Firm/Individuals	Amt. of Advances Rs.	Amt. O/s. as on 31.03.2024	ROI charged
1	PAN Empire India Pvt. Ltd.	-	228.31	9.00%
2	Bharatbhai Bavajibhai Dadhania	-	322.30	9.00%
3	Jayantilal Popatbhai Rajkotiya	-	236.00	9.00%
4	Rahil (CPP) Films Pvt. Ltd.	-	265.40	9.00%
5	Samirkumar Magantlal Kalariya	-	120.97	9.00%
6	Vijaybhai B. Dadhania	-	65.92	9.00%

10 FINANCIAL RATIOS

Ratio	Numerator	Denominator	As at 31/03/2024	As at 31/03/2023	Remarks
Current Ratio	Current Assets	Current Liabilities	1.99	1.49	
Debt - Equity Ratio	Total Debts	Total Equity	0.73	0.84	Due To Decrease in Total Debts
Debt Service Coverage Ratio	Profit after Tax + Depreciation + Finance Cost + Loss on sale of Asset	Interest + Principal Repayment for long term Loans	2.56	0.99	Due To Decrease in Total Debts
Return on Equity Ratio	Net Profit after Tax	Average Shareholders Equity	8.71%	11.99%	Due To Decrease In Net Profit After Tax
Inventory Turnover Ratio	Cost of Material Consumed + Change in Inventory + Manufacturing Expenses	Average Inventories (Opening Inventories + Closing Inventories)/2	0.00	13.14	
Trade Receivable Turnover Ratio	Revenue from Operation	Average Trade Receivable (Opening Trade Receivables + Closing Trade Receivables)/ 2	0.00	456.68	Due to Increase in Average Trade Receivable



Trade payable Turnover Ratio	Purchases + Other Expenses	Average Trade Payable (Opening Trade Payable + Closing Trade Payable) / 2	0.00	64.72	
Net Capital Turnover Ratio	Revenue from Operation	Working Capital (Current Assets - Current Liabilities)	10.95	18.00	Due to Decrease in Working Capital
Net profit Ratio	Net Profit After Tax	Revenue from Operation	1.34%	1.78%	Due To Decrease in Net Profit After Tax
Return on Capital Employed	Earning before Interest and Tax	Networth + Total Debt	6.35%	8.13%	Due To Decrease in Net Worth And Total Debt
Return on Investment	Interest income on Bank Deposits	Current and Non Current Bank Deposits	8.50%	7.75%	

#### 11 ADDITIONAL REGULATORY INFORMATION NOT DISCLOSED ELSEWHERE IN THE FINANCIAL INFORMATION

- (i) The Company does not have any Benami property and no proceedings have been initiated or pending against the Company for holding any Benami property, under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the rules made thereunder.
- (ii) The Company does not have any transactions with struck off companies under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956
- (iii) The Company does not have any charge which is yet to be registered with ROC beyond the statutory period.
- (iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the current and previous financial year.
- (v) The Company has not advanced or provided loan to or invested funds in any entity(ies) including foreign entities (Intermediaries) or to any other person(s), with the understanding that the Intermediary shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- (vii) The Company has not undertaken any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (viii) The Company has not been declared a 'Willful Defaulter' by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India.



(b) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

(x) The amounts of previous reported period have been regrouped/reclassified pursuant to changes notified in Schedule III, during the year ended 31 March 2024 and wherever considered necessary in order to comply with financial reporting requirements.

(xi) Figures have been rounded off to the nearest Lacs.

(xii) Quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts. However The Banker has discontinued the Quarterly returns from April 2022

(xiii) Details of Corporate Social Responsibility (CSR) Expenditure.

₹ in Lakhs

Sr. No	Particulars	For the year ended on 31 <sup>st</sup> March, 2024	For the year ended on 31 <sup>st</sup> March, 2023
1	Amount required to be spent by the company during the year	17.1	17.1
2	Amount of expenditure incurred	17.1	17.1
3	Shortfall at the end of the year	0	0
4	Total of previous years shortfall	0	0
5	Reason for shortfall	NA	NA
6	Nature of CSR activities	1. Support to Environment Sustainability 2. Educational infrastructure & systems strengthening 3. Support to Old Age Home for Senior Citizens 4. Public health infrastructure, capacity building & support programs	
7	Details of related party transactions	Donation made to Falcon Welfare Foundation, a Company registered under Section 8 Company having CSR Registration No. CSR00008396, a related party, in relation to CSR Expenditure.	
8	Where a provision is made with respect to a liability incurred by	0	0

(xiv) Disclosure relating to micro and small enterprises

Sr. No	Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
1	Principal amount outstanding	0.00	655.82
2	Principal amount due and remaining unpaid beyond 45 days	-	0
3	Interest due on (2) above and the unpaid interest*	-	-
4	Interest paid on all delayed payments under the MSMED	-	-
5	Payment made beyond the appointed day during the year	-	-
6	Interest due and payable for the period of delay other than	-	-
7	Interest accrued and remaining unpaid	-	-
8	Amount of further interest remaining due and payable in	-	-



Signature to Notes 1 to 23

For. Hitesh M. Dhanani & Co.  
Chartered Accountants

*H M Dhanani*

Hitesh M. Dhanani  
Partner  
M.No. 122780  
FRN 127247W



For & On behalf of Board of Directors of  
**FALCON YARNS PRIVATE LIMITED**

*Bhargav D. Suvagiya*

Director

Bhargav D. Suvagiya  
(DIN 02850963)

*Reechi J. Kotadia*

Wholetime Director

Reechi J. Kotadia  
(DIN 06977256)

*Mohini H. Gandhi*

Company  
Secretary

Mohini H. Gandhi  
M. No. - - -

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