

**INDEPENDENT AUDITOR'S REPORT**

**To the Members of**  
**ABS SEATING PRIVATE LIMITED**  
**Report on the Audit of Financial Statements**

**Opinion**

We have audited the accompanying financial statements of **ABS SEATING PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss and the Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

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 specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2021 and its Profit and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). 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 (ICAI) together with the independence requirements that are relevant to our audit of the financial statement under the provisions of the act and rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**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, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Contd P/2



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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our 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 Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, 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 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 judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement 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 relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or cease operation, or has no realistic alternative but to do so.

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

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### **Auditor's Responsibilities for the Audit of Financial Statements**

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

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

□ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

□ Obtain an understanding of internal 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.

□ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

□ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

□ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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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 section 143(3) of the Act, based on our audit 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 , Statement of Profit and Loss and Cash flow Statement dealt with by this Report are in agreement with the relevant books of account;
  - d. in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Company (Accounts) Rules, 2014.
  - e. on the basis of written representations received from the directors as on March 31, 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, from being appointed as a director in terms of Section 164(2)of the Act.
  - f. With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Company does not have any pending litigations which would impact its financial position.
    - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Contd..P/5



**ABS SEATING PRIVATE LIMITED  
NEW DELHI**

**Balance Sheet as at 31st March, 2021**

Particulars	Note No	Amounts as on 31.03.2021	Amounts as on 31.03.2020
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	2,964,000	2,964,000
(b) Reserves and Surplus	2	41,929,091	23,404,399
<b>(2) Non Current Liabilities</b>			
(a) Long Term Provision	3	2,009,382	2,276,594
<b>(2) Current Liabilities</b>			
(a) Trade payables	4	4,145,748	6,364,387
(b) Other current liabilities	5	13,912,385	26,849,603
(c) Short-term provisions	6	1,822,598	270,797
<b>Total</b>		<b>66,783,203</b>	<b>62,129,780</b>
<b>II. Assets</b>			
<b>(1) Non-current assets</b>			
<b>(a) Fixed assets</b>			
(i) Tangible assets	7	1,356,801	3,073,739
(ii) Intangible assets	7	281,476	281,476
(b) Deferred tax assets		758,900	474,600
<b>(2) Current assets</b>			
(a) Inventories	8	23,313,750	33,110,647
(b) Trade receivables	9	1,430,631	328,911
(c) Cash and Bank Balance	10	37,837,563	19,621,343
(d) Other current assets	11	1,804,081	5,239,063
<b>Total</b>		<b>66,783,203</b>	<b>62,129,780</b>

**SIGNIFICANTS ACCOUNTING  
POLICIES AND OTHER  
DISCLOSURES**

19

Note 1 to 19 are an integral part of the financial statement

As per our Report of even date annexed.  
For **A.B. BANSAL AND COMPANY**  
CHARTERED ACCOUNTANTS  
Firm Registration No. 010538N

(SUNNY KOHLI)  
PARTNER  
M.No. 513283



PLACE : New Delhi

DATED: 07-10-2021

UDIN/ 21513283AAAACE3708

Bhupinder Singh Chawla  
(Director)

DIN: 00064995

Haneet Singh Chawla  
(Director)

DIN: 00065005

**ABS SEATING PRIVATE LIMITED  
NEW DELHI**

**STATEMENT OF PROFIT AND LOSS  
Profit and Loss Statement for the Year Ending 31.03.2021**

Particulars	Note No	Amounts as on 31.03.2021	Amounts as on 31.03.2020
I. Revenue from operations	12	147,260,925	115,400,125
II. Other Income	13	856,223	780,988
<b>III. Total Revenue (I + II)</b>		<b>148,117,148</b>	<b>116,181,113</b>
<b>IV. Expenses:</b>			
Purchases of Stock-in-Trade	14	84,133,707	97,085,836
Changes in Inventories of Stock-in-Trade	15	9,796,897	(23,303,091)
Employee benefits expense	16	6,103,938	8,596,960
Finance costs	17	272,491	291,031
Depreciation	7	879,589	758,889
Other expenses	18	22,094,153	24,313,652
<b>Total Expenses</b>		<b>123,280,775</b>	<b>107,743,275</b>
V. Profit before exceptional and extraordinary items and VI. Exceptional Items		<b>24,836,373</b>	<b>8,437,838</b>
VII. Profit before extraordinary items and tax (V - VI)		<b>24,836,373</b>	<b>8,437,838</b>
VIII. Extraordinary Items			
IX. Profit before tax (VII - VIII)		<b>24,836,373</b>	<b>8,437,838</b>
X. Tax expense:			
(1) Current tax		6,540,612	2,609,705
(2) Deferred tax		(284,300)	(14,600)
XI. Profit for the Year (IX - X)		<b>18,580,060</b>	<b>5,842,733</b>
XII. Earning per equity share:			
(1) Basic		<b>62.69</b>	<b>19.71</b>
(2) Diluted		<b>62.69</b>	<b>19.71</b>

**SIGNIFICANTS ACCOUNTING POLICIES AND  
OTHER DISCLOSURES**

19

Note 1 to 19 are an integral part of the  
financial statement

As per our Report of even date annexed.  
For **A.B. BANSAL AND COMPANY**  
CHARTERED ACCOUNTANTS  
Firm Registration No. 0105388


(SUNNY KOHLI)  
PARTNER  
M.No. 513283




PLACE : New Delhi

DATED : 07/10/2021

VDIN: 21513283AAACE3708

  
Bhupinder Singh Chawla  
(Director)  
DIN: 00064995

  
Haneet Singh Chawla  
(Director)  
DIN: 00065005

**ABS SEATING PRIVATE LIMITED**  
**NEW DELHI**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2021**

Particulars	Rupees	Rupees
	FY -2020-21	FY -2019-20
<b>A Cash Flow from Operating Activities</b>		
Profit Before Tax	24,836,373	8,437,838
Adjustment for:		
Loss on Discard of Fixed Asset	843,155	94
Reversal of provision for Bad & Doubtfull Debts	-	88,100
Depreciation	879,589	758,889
<b>B. Operating Profit before Working Capital changes</b>	<b>26,559,117</b>	<b>9,284,921</b>
<b>C. Changes in Working Capital (Excluding Cash &amp; Bank Balance)</b>		
Increase / (Decrease) in Current liability and Provision	(13,871,272)	26,275,234
(Increase) / Decrease in Inventories	9,796,897	(23,303,091)
Increase / (Decrease) in current assets	2,333,262	(3,391,969)
<b>D. Cash Generated from Operations (B+C)</b>	<b>24,818,004</b>	<b>8,865,095</b>
<b>E. Less : Taxes paid</b>	<b>6,595,980</b>	<b>2,647,389</b>
<b>F. Net Cash flow before Exceptional / Extraordinary Items (D-E)</b>	<b>18,222,023</b>	<b>6,217,706</b>
Less : Exceptional / Extraordinary Items	-	-
<b>Net Cash from Operating Activities (F-G)</b>	<b>18,222,023</b>	<b>6,217,706</b>
<b>G. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(5,805)	(3,493,426)
Sale of Fixed Asset	-	300
<b>Net Cash used in Investing Activities</b>	<b>(5,805)</b>	<b>(3,493,126)</b>
<b>H. Cash Flow From Financing Activities</b>		
Dividend Paid Including DDT	-	-
<b>Net Cash Flow from Financing Activities</b>	<b>-</b>	<b>-</b>
<b>I. Net Increase/(Decrease) in Cash and Cash Equivalents (F+G+H)</b>	<b>18,216,218</b>	<b>2,724,580</b>
Cash and Cash Equivalents at the beginning of the year	19,621,343	16,896,763
<b>Cash and Cash Equivalents at the end of the year</b>	<b>37,837,563</b>	<b>19,621,343</b>

In terms of our attached audit reports of even date  
For **A.B. BANSAL AND COMPANY**  
CHARTERED ACCOUNTANTS  
Firm Registration No. 010538N

(SUNNY KOHLI)  
PARTNER  
M.No. 513283


Place : New Delhi

Date : 07-10-2021

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Bhupinder Singh Chawla  
(Director)  
DIN: 00064995

  
Haneet Singh Chawla  
(Director)  
DIN: 00065005

**ABS SEATING PRIVATE LIMITED  
NEW DELHI**

**NOTES FORMING PART OF BALANCE SHEET**

**NOTE - 1**

<b>SHARE CAPITAL</b>	<b>AMOUNT AS ON 31.03.2021</b>	<b>AMOUNT AS ON 31.03.2020</b>
<b>AUTHORISED SHARE CAPITAL</b>		
310000 Equity Shares Of Rs.10/- Each (P.Y 310000 Equity Shares Of Rs.10/- Each)	3,100,000	3,100,000
<b>ISSUED,SUBSCRIBED &amp; PAID UP CAPITAL</b>		
296400 Equity Share of Rs.10/- Each (P.Y. 296400 Equity Shares Of Rs.10/- Each)	2,964,000	2,964,000
<b>TOTAL</b>	<b>2,964,000</b>	<b>2,964,000</b>

**I.1 AGGREGATE NUMBER OF BONUS SHARES ALLOTTED AS FULLY PAID UP SHARES DURING THE PERIOD OF FIVE YEARS IMMEDIATELY PRECEDING THE REPORTING DATE:** NIL

**I.2 SHARES IN THE COMPANY HELD BY EACH SHAREHOLDER HOLDING MORE THAN 5% SHARES**

	As on 31.03.2021		As on 31.03.2020	
	%	Number of Shares	%	Number of Shares
<b>Equity Shares</b>				
<b><u>Name of the Shareholder</u></b>				
M/s. Stanley Lifestyle Ltd.	67%	198,588	67%	198,588
Mr. Bhupinder Singh Chawla	17%	50,388	17%	50,388
Mr. Haneet Singh Chawla	16%	47,424	16%	47,424
<b>TOTAL</b>	<b>100.00%</b>	<b>296,400</b>	<b>100.00%</b>	<b>296,400</b>

  
Haneet Singh Chawla  
(Director)  
DIN: 00065005



  
Bhupinder Singh Chawla  
(Director)  
DIN: 00064995



**ABS SEATING PRIVATE LIMITED  
NEW DELHI**

**NOTES FORMING PART OF BALANCE SHEET**

**NOTE - 2**

<b>RESERVE AND SURPLUS</b>	<b>AMOUNT AS ON 31.03.2021</b>	<b>AMOUNT AS ON 31.03.2020</b>
<b>Profit &amp; Loss A/c</b>		
Opening Balance	23,404,399	17,511,250
Add: Current Year Profit after tax	18,580,060	5,842,733
<b>+ (-) Appropriations:</b>		
(-) Earlier Year tax exp	(55,368)	(37,684)
(+) Provision for Doubtfull Debts Write Back	-	88,100
	<b>41,929,091</b>	<b>23,404,399</b>

**NOTE - 3**

<b>LONG TERM PROVISION</b>	<b>AMOUNT AS ON 31.03.2021</b>	<b>AMOUNT AS ON 31.03.2020</b>
Gratuity Liability (Slump Sale)	474,229	619,613
Provision for Gratuity	1,535,153	1,656,981
	<b>2,009,382</b>	<b>2,276,594</b>

**NOTE - 4**

<b>TRADE PAYABLE</b>	<b>AMOUNT AS ON 31.03.2021</b>	<b>AMOUNT AS ON 31.03.2020</b>
Trade Payables (Refer Note 19-C-2)	4,145,748	6,364,387
<b>TOTAL</b>	<b>4,145,748</b>	<b>6,364,387</b>

Haneet Singh Chawla  
(Director)  
DIN: 00065005



Bhupinder Singh Chawla  
(Director)  
DIN: 00064995

**ABS SEATING PRIVATE LIMITED  
NEW DELHI**

**NOTE - 5**

OTHER CURRENT LIABILITIES	AMOUNT AS ON 31.03.2021	AMOUNT AS ON 31.03.2020
<b>(a) Statutory Liability</b>		
TDS Payable	137,642	326,849
GST Payable - Delhi	481,348	8,510
GST Input Reversible	9,733	-
GST Payable - Faridabad	231,678	-
Leave Encashment Payable	-	26,607
<b>(b) Expenses Payable</b>	742,713	1,196,811
<b>(c) Advance From Customers</b>	10,859,271	19,490,826
<b>(d) Slump Sale Payable to Stanley Retail Ltd.</b>	1,450,000	5,800,000
<b>TOTAL</b>	<b>13,912,385</b>	<b>26,849,603</b>

**NOTE - 6**

SHORT TERM PROVISIONS	AMOUNT AS ON 31.03.2021	AMOUNT AS ON 31.03.2020
Provision for Income Tax (Net of Advance Tax & TDS )	1,822,598	270,797
<b>TOTAL</b>	<b>1,822,598</b>	<b>270,797</b>



Haneet Singh Chawla  
(Director)  
DIN: 00065005




Bhupinder Singh Chawla  
(Director)  
DIN: 00064995

**ABS SEATING PRIVATE LIMITED  
NEW DELHI**

NOTE NO. 7

**DETAILS OF FIXED ASSETS AS ON 31ST MARCH, 2021  
AS PER SCHEDULE II OF THE COMPANIES ACT, 2013**

Assets	Usefull Life	GROSS BLOCK			DEPRECIATION			NET BLOCK			
		As on 01.04.2020	Addition during the year	Deduction during the year	As on 31.03.2020	Upto 01.04.2020	Dep. For the Year	Dep Deduction during the year	As on 31.03.2021	As on 31.03.2020	
<b>(A) Tangible Assets</b>											
<b>Furniture &amp; Fittings</b>	10	7,676,911	-	1,424,803	6,252,108	5,031,693	663,523	585,608	5,109,608	1,142,500	2,645,218
<b>Motor Vehicles</b>											
Motor Cycle and Scooter	10	121,666	-	-	121,666	66,834	14,462	-	81,296	40,370	54,832
Motor Cars	8	1,225,026	-	-	1,225,026	1,135,841	27,934	-	1,163,775	61,251	89,185
<b>Office Equipments</b>	5	433,631	-	-	433,631	300,920	68,058	-	368,977	64,653	132,711
<b>Computer &amp; Data Processing Units</b>											
End User Devices such as Desktop, Laptop etc-	3	530,078	5,805	79,200	456,683	378,285	105,612	75,240	408,657	48,026	151,793
<b>TOTAL - A</b>		<b>9,987,312</b>	<b>5,805</b>	<b>1,504,003</b>	<b>8,489,114</b>	<b>6,913,573</b>	<b>879,589</b>	<b>660,848</b>	<b>7,132,314</b>	<b>1,356,801</b>	<b>3,073,759</b>
<b>(B) Intangible Assets</b>											
Goodwill -Grandmall Under Slump Sale		281,476	-	-	281,476	-	-	-	-	281,476	281,476
<b>TOTAL - B</b>		<b>281,476</b>	<b>-</b>	<b>-</b>	<b>281,476</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>281,476</b>	<b>281,476</b>
<b>TOTAL (A+B)</b>		<b>10,268,788</b>	<b>5,805</b>	<b>1,504,003</b>	<b>8,770,590</b>	<b>6,913,573</b>	<b>879,589</b>	<b>660,848</b>	<b>7,132,314</b>	<b>1,638,277</b>	<b>3,355,215</b>
<b>Previous Year</b>		<b>6,783,237</b>	<b>3,493,426</b>	<b>7,875</b>	<b>10,268,788</b>	<b>6,162,165</b>	<b>758,889</b>	<b>7,481</b>	<b>6,913,573</b>	<b>3,355,215</b>	<b>621,073</b>

Bhupinder Singh Chawla  
(Director)  
DIN-00064995



Hanset Singh Chawla  
(Director)  
DIN-00065005

**ABS SEATING PRIVATE LIMITED  
NEW DELHI**

**NOTE - 8**

<b>INVENTORIES</b>	<b>AMOUNT AS ON 31.03.2021</b>	<b>AMOUNT AS ON 31.03.2020</b>
Stock in Hand (Trading Furniture)		
Delhi Office	15,402,373	15,624,469
Haryana Office	7,911,377	17,486,178
<b>TOTAL</b>	<b>23,313,750</b>	<b>33,110,647</b>

**NOTE - 9**

<b>TRADE RECEIVABLES</b>	<b>AMOUNT AS ON 31.03.2021</b>	<b>AMOUNT AS ON 31.03.2020</b>
(Unsecured & Considered good)		
Debts Exceeding Six Month	60,000	-
Other Debts	1,430,631	328,911
Less : Provision for Doubtful Debts	(60,000)	-
<b>TOTAL</b>	<b>1,430,631</b>	<b>328,911</b>

**NOTE - 10**

<b>CASH &amp; CASH EQUIVALENTS</b>	<b>AMOUNT AS ON 31.03.2021</b>	<b>AMOUNT AS ON 31.03.2020</b>
<u>Balances with Banks in Current Account</u>		
ICICI Bank Ltd.	301,032	3,453,747
State Bank Of India	11,266,844	6,810,841
Cash in hand	289,972	770,808
Petty Cash in Hand	1,772	-
<b>Other Bank Balance</b>		
<u>In FDR's Account (Include Interest Accrued on FDR's)</u>	25,977,942	8,585,947
* (Including FDR with int. Accrued of Rs 2.47 Lacs earmarked as security for Bank Guarantee to Haryana Commercial Tax Deptt)		
<b>TOTAL</b>	<b>37,837,563</b>	<b>19,621,343</b>



Haneet Singh Chawla  
(Director)  
DIN: 00065005




Bhupinder Singh Chawla  
(Director)  
DIN: 00064995

**ABS SEATING PRIVATE LIMITED  
NEW DELHI**

**NOTE - 11**

OTHER CURRENT ASSET	AMOUNT AS ON 31.03.2021	AMOUNT AS ON 31.03.2020
<b>(RECOVERABLE IN CASH OR KIND OR VALUE TO BE RECEIVED)</b>		
Salary/Staff Advance	30,000	68,861
Prepaid Insurance	53,657	41,205
Prepaid Other	13,798	-
Advances to Suppliers	24,620	118,258
Security Deposits	1,359,150	2,600,734
GST Refundable - Sales to SEZ Unit -Delhi	322,169	322,169
GST - Recoverable - Delhi	-	84,140
GST - Recoverable - Haryana	686	2,003,696
	<b>1,804,081</b>	<b>5,239,063</b>

Haneet Singh Chawla  
(Director)  
DIN: 00065005



Bhupinder Singh Chawla  
(Director)  
DIN: 00064995

**ABS SEATING PRIVATE LIMITED  
NEW DELHI**

**NOTES FORMING PART OF PROFIT AND LOSS A/C**

**NOTE - 12**

I. REVENUE FROM OPERATIONS	AMOUNT AS ON 31.03.2021	AMOUNT AS ON 31.03.2020
<b>SALES (TRADING)</b>		
<b>Delhi</b>		
Sales	148,954,010	108,272,684
Less :Inter-branch Stock Transfer	13,294,809	4,155,233
	<b>135,659,201</b>	<b>104,117,451</b>
<b>Haryana</b>		
Sales	111,536,232	102,605,028
Less :Inter-branch Stock Transfer	99,934,508	91,322,355
	<b>11,601,724</b>	<b>11,282,674</b>
<b>TOTAL</b>	<b>147,260,925</b>	<b>115,400,125</b>

**NOTE - 13**

OTHER INCOME	AMOUNT AS ON 31.03.2021	AMOUNT AS ON 31.03.2020
Interest from FDR	856,223	393,119
Discount Received	-	379,801
Liability No Longer payable hence written back (Net)	-	8,068
<b>TOTAL</b>	<b>856,223</b>	<b>780,988</b>

**NOTE - 14**

PURCHASES OF STOCK-IN-TRADE	AMOUNT AS ON 31.03.2021	AMOUNT AS ON 31.03.2020
Purchases of Traded Goods	83,891,929	96,922,301
(+) Expenses Incurred for Purchases of Traded Goods		
Freight Charges	46,233	-
Labour Charges/Loading Unloading	179,470	83,197
Packing & Forwarding	16,075	80,338
<b>Total</b>	<b>84,133,707</b>	<b>97,085,836</b>



Haneet Singh Chawla  
(Director)  
DIN: 00065005




Bhupinder Singh Chawla  
(Director)  
DIN: 00064995

**ABS SEATING PRIVATE LIMITED  
NEW DELHI**

**NOTE - 15**

CHANGES IN INVENTORIES OF TRADING GOODS	AMOUNT AS ON 31.03.2021	AMOUNT AS ON 31.03.2020
<b>Opening Stock:-</b>		
Delhi Office	15,624,469	6,238,754
Haryana Office	17,486,178	3,568,802
	<b>33,110,647</b>	<b>9,807,556</b>
<b>Less:- Closing Stock</b>		
Delhi Office	15,402,373	15,624,469
Haryana Office	7,911,377	17,486,178
	<b>23,313,750</b>	<b>33,110,647</b>
<b>Change in Inventories</b>	<b>9,796,897</b>	<b>(23,303,091)</b>

**NOTE - 16**

EMPLOYEE BENEFITS EXPENSES	AMOUNT AS ON 31.03.2021	AMOUNT AS ON 31.03.2020
Salary, Bonus & Incentives	5,723,796	6,694,255
Leave Encashment	-	26,607
Staff Welfare Expenses	110,431	162,742
Staff Uniform Expenses	73,875	56,375
Gratuity Provision	195,837	1,656,981
<b>TOTAL</b>	<b>6,103,938</b>	<b>8,596,960</b>

**NOTE - 17**

FINANCE COSTS	AMOUNT AS ON 31.03.2021	AMOUNT AS ON 31.03.2020
Bank and Credit Card Charges	272,491	291,031
<b>TOTAL</b>	<b>272,491</b>	<b>291,031</b>

  
Haneet Singh Chawla  
(Director)  
DIN: 00065005



  
Bhupinder Singh Chawla  
(Director)  
DIN: 00064995

**ABS SEATING PRIVATE LIMITED  
NEW DELHI**

**NOTE - 18**

<b>OTHER EXPENSES</b>	<b>AMOUNT AS ON 31.03.2021</b>	<b>AMOUNT AS ON 31.03.2020</b>
<b>Rent</b>		
Showrooms Rent	11,116,925	12,783,749
Warehouse Rent	850,563	774,385
Common Area Maintenance - Showroom	754,523	1,025,754
<b>Auditor's Remuneration</b>		
Audit Fee	380,000	380,000
Tax Audit Fee	100,000	100,000
<b>Repair &amp; Maintenance</b>		
Showroom	218,200	248,005
Warehouse	-	17,400
Commission Paid	824,482	676,984
Advertisement Expenses	38,940	19,133
Directors Remuneration	1,274,000	1,680,000
Transportation/Canter/Carriage Charges	1,227,902	1,384,796
Delivery Charges	13,750	16,605
Conveyance (Net)	72,983	87,350
Electricity & Water Expenses	1,078,989	1,079,126
Interest on Income Tax and TDS	7,270	4,226
Interest on GST	-	2,908
Packing Material	53,301	60,295
Postage and Courier (Net)	79,596	29,386
Balances written off/ back (Net)	75,088	-
Legal & Professional Charges	335,000	388,500
Loss on Discard of Fixed Asset	843,155	94
MCD Trade Licence Fee	-	36,335
Car Seat cover installation	55,000	-
Membership Fee	-	25,800
Insurance	134,968	96,605
Business Development/Promotion Expenses	15,466	61,280
Provision for Doubtful Debts	60,000	-
Bad Debt Written off	4,597	186,320
Recharge of Common Expenses Via HO (Bangalore)	1,581,762	1,937,000
Diwali & Pooja Expenses	39,840	61,182
Software Upgradation Exp(Tally)	7,963	13,983
Travelling Expenses (Directors)	-	176,710
Travelling Expenses (Staff)	-	55,530
Filing Fees	-	9,900
Donation	-	2,200
Generator Running & Maintenance Expenses	73,180	121,295
GST Paid - GST Audit FY 2019-2020 ( Net)	30,934	-
GST Paid - GST Audit FY 2018-2019 ( Net)	7,912	-
GST Paid - GST Audit FY 2017-2018	-	40,900
Prior Period Dvat Demand FY 2007-2008	-	10,058
Covid 19 Expenses	32,152	-
House Keeping	183,222	162,863
Misc. Expenses	28,090	26,813
Printing & Stationery	42,472	104,237
Share Dematerialisation Expenses	-	22,810
Increase in Authorised Share Capital Exp	-	3,150
News Paper & Periodicals	1,296	2,786
Telephone Expenses	124,382	122,464
Vehicle Running & Maintenance	326,252	274,735
<b>Total</b>	<b>22,094,153</b>	<b>24,313,652</b>

Hanect Singh Chawla  
(Director)  
DIN: 00065005




Bhupinder Singh Chawla  
(Director)  
DIN: 00064995





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

For **A.B. BANSAL & COMPANY**  
Chartered Accountants  
Firm Registration No. 010538N



**(SUNNY KOHLI)**  
PARTNER  
M.No. 513283

Place: New Delhi  
Date: 07-10-2021  
UDIN: 21513283 AAAACE3708

**ANNEXURE-A TO THE AUDITOR'S REPORT OF EVEN DATE**

Re.: **ABS SEATING PRIVATE LIMITED, NEW DELHI**

- (I) In respect of the Company's fixed assets:
- a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b. All the assets have been physically verified by the management during the year as per regular program of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. According to the information and explanation given to us no material discrepancies were noticed on such verification.
  - c. According to the information and explanations given to us and on the basis of our examination of the records, the company does not own any immovable property.
- (II) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. No discrepancies has been noticed on verification between the physical stocks and the book records.
- (III) According to the information and explanations given to us, the company has not granted any loans Secured or unsecured to Companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act.
- (IV) In our opinion and according to the information and explanations give to us , the company has not given any loans, investments, guarantees, and security to directors and other entities in which directors are interested, hence provisions of sections 185 and 186 or any other provision of the Companies Act 2013 and rules framed there under, are not applicable
- (V) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits hence provisions of sections 73 to 76 or any other provision of the Companies Act and rules framed there under, are not applicable.
- (VI) As per information given to us, the maintenance of Cost Records under section 148(1) of the Companies Act, 2013 is not applicable to Company
- (VII) According to the information and explanations given to us , in respect of statutory dues:
- a. In the year under report, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including Income Tax, GST etc. dues wherever applicable on it.
  - b. There were no undisputed amounts payable in respect of Income Tax, GST etc, in arrears, as at 31<sup>st</sup> March, 2021 for a period of more than six months from the date of they became payable.

Contd..P/2



- c. There are no dues of sales tax, Income Tax, GST etc., which have not been deposited on account of any dispute.
- (VIII) In our opinion and according to the information and explanations given to us, the company has not taken any loans or borrowings from financial institutions, banks and governments or has not issued any debentures, hence reporting under such clause is not applicable to the company.
- (IX) In our opinion and according to the information and explanations given to us, The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans, hence reporting under such clause is not applicable to the company.
- (X) To the best of our knowledge and according to the information and explanations given to us, no fraud by the company or on the company by its officer or employees has been noted or reported during the year.
- (XI) The company is a Deemed Public Company, the provisions of Section -197 or any other provision of the Companies Act 2013 and rules framed thereunder read with Schedule -V of the Companies Act, 2013 are complied with.
- (XII) The company is not nidhi company, hence reporting under such clause is not applicable to the company.
- (XIII) Section 177 of the Companies Act 2013 not applicable to the company and hence no Audit committee has been formed. All the transactions with the related parties are in compliance with section 188 of the Companies Act 2013 and details of all such transactions have been disclosed in Note No. 19-C-4 of Financial statements.
- (XIV) According to the information and explanations given to us, during the year the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures hence provisions of section 42 of the Companies Act, 2013 is not applicable.
- (XV) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with directors or persons connected with him in relation to provisions of section 192 of Companies Act, 2013.
- (XVI) In our opinion and according to the information and explanations given to us the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For A. B. BANSAL & COMPANY**  
CHARTERED ACCOUNTANTS  
Firm Registration. No. 010538N

PLACE: New Delhi  
DATED 07-10-2021  
UDIN: 21512283AAAACE3708



  
**(SUNNY KOHLI)**  
PARTNER  
M. No. 513283

**ABS SEATING PVT. LTD.**  
**NEW DELHI**

**NOTE - 19**

**SIGNIFICANT ACCOUNTING POLICIES AND OTHER DISCLOSURES FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2021.**

**A. BREIF NOTE ON COMPANY**

The Company is into Trading of all types of Furniture and Lifestyle Products. It is having Registered Office at 369, CRC Building, Sultanpur Crossing, MG Road, New Delhi -110030. During the year, it was operating from three showrooms at

- (i) CRC Building, Sultanpur Crossing, MG Road, New Delhi
- (ii) Kirti Nagar, Delhi .
- (iii) Grand Mall, Gurugram, Haryana - Showroom Closed from Oct , 2020.

**B. SIGNIFICANT ACCOUNTING POLICIES**

1. The Financial Statement has been prepared on the basis of historical cost convention and in accordance with the accepted accounting standards and applicable Income Computation Disclosure Standard issued by CBDT of India.
2. All items of income and expenditure are recognized on accrual basis.
3. Depreciation on Fixed Assets has been provided as per Useful Lives method prescribed under Schedule – II Companies Act, 2013 i.e. Depreciable Amount ( Cost Less 5% Residual Value) is to be charged over useful life of Fixed Asset Under WDV Method of Depreciation.

During the year Showroom at Grand Mall, Gurugram , Haryana has been closed and consequently all Leasehold Fitting (Furniture and Fixture) of such showroom have been discarded and Loss on such discard of Fixed Asset have been shown in Note -18 namely Loss on Discard of Fixed Asset - Rs 8,43,155/-.

4. Revenue from sale of goods is recognized when all significant risks and rewards of ownership are transferred to the buyer (usually at the point of dispatch to customers). Gross Sales are exclusive of GST and Sales Return.
5. Interest is recognised on accrual basis but Interest on refund or cess is recognised on receipt basis.
6. Inventories (Comprising of Trading Goods) are valued at the lower of cost or Net Realisable Value. Cost of inventories is ascertained on the Cost basis.



Contd..P/2

7. Provision for taxation is made on total income after considering various relief admissible and disallowance under the provisions of the Income Tax Act, 1961.

Deferred tax has been provided for all timing differences as required under the provisions of Accounting Standards- 22 issued by the Institute of Chartered Accountants of India.

8. From FY 2018-2019, Provision for Doubtful Debts is being made as per the following norms;  
 Trade Receivable Outstanding for Upto 6M – Nil  
 Trade Receivable Outstanding for 6M to 12M – 50%  
 Trade Receivable Outstanding for More than 12M- 100%
9. From FY 2019-2020, The Company has started making provision of Gratuity Liability as per The Payment of Gratuity Act, 1972 .

**C. OTHER DISCLOSURES**

1. Contingent Liabilities not provided for- Bank Guarantee of Rs. 1 Lac given to Haryana Sales Tax Deptt.
2. Dues to Micro, Small & Medium Enterprises  
 The company has not received information from vendors regarding their status under the Micro, Small and medium Enterprise Development Act,2006 and hence disclosure relating to amounts unpaid as at the year end together with interest paid/payable under this Act has not been given.
3. Information pursuant to provision of Schedule III of the Companies Act, 2013, wherever applicable is as follows:-

(Rs. In Lacs)

	<u>2020-2021</u>	<u>2019-2020</u>
(a) Value of Import on CIF basis	NIL	NIL
(b) Expenses in Foreign Currency	NIL	NIL
(c) Earning in Foreign Currency	NIL	NIL

4. Disclosure of Related Parties/ Related Party Transactions:-

A) **Related Parties with Whom Transaction Made during the year**

D) Key Management Personal

(a) Sh. Haneet Singh Chawla - Director



Contd..P/3

- II) Relative of Key Management Personal  
 (a) Ms. Suchit Kaur Chawla  
 (b) Mrs. Rupinder Chawla
- III) Holding Company and Entities controlled through Director/ Associates  
 (a) M/s Stanley Lifestyle Ltd. – Holding Company  
 (b) M/s Stanley Retails Ltd.  
 (c) M/s Stanley OEM Sofas Ltd.

B) The Company's related party transactions during the year and outstanding as on 31<sup>st</sup> March, 2021

(Rs. In Lacs)				
Nature of Transaction	Key Management Personal	Relative of Key Management Personal	Entities Controlled through Directors/ Holding Company	Total
Remuneration/ /Salary/Commission/Gratuity	12.74 (16.80)	10.81 (20.63)	Nil (Nil)	23.55 (37.43)
Purchases of Trade Goods /Rentals/ H.O Common Expenses /Other Expenses	Nil (Nil)	Nil (Nil)	863.59 (899.54)	863.59 (899.54)
Purchase of Running Unit under Slump Sale	Nil (Nil)	Nil (Nil)	Nil (58.00)	Nil (58.00)
Sales	Nil (0.29)	Nil (0.37)	20.63 (2.12)	20.63 (2.78)
Loan Given	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
Loan Received back	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
Discount/Commission Received	Nil (Nil)	Nil (Nil)	Nil (3.80)	Nil (3.80)
Closing Balance Payable	1.25 (1.16)	0.69 (1.13)	49.40 (115.37)	51.34 (117.66)
Closing Balance Receivable	Nil (Nil)	Nil (Nil)	0.07 (1.01)	0.07 (1.01)

(Previous year figures are in brackets)



Contd..P/4

5. COVID -19 IMPACT

After taking into account the current position of the business of the company, the management of the company is of the view that the effects of COVID -19 will be only for short term period and should not affect the long term viability of the business.

For A.B.BANSAL AND COMPANY  
CHARTERED ACCOUNTANTS  
Firm Registration No.010538N

  
(SUNNY KOHLI)

PARTNER

M.No:513283

PLACE: NEW DELHI

DATED: 07-10-2021

UDIN: 21513283AAAA CE3708



Bhupinder Singh Chawla  
(Director)

  
Hardeep Singh Chawla  
(Director)