

Balance Sheet as at 31st March 2022

₹ in thousand

Particulars	Note No.	As at 31st March 2022	As at 31st March 2021
EQUITY AND LIABILITIES			
Shareholder's funds			
Share capital	2	1,000.00	1,000.00
Reserves and surplus	3	24,219.49	16,774.16
Money received against share warrants		-	-
		25,219.49	17,774.16
Share application money pending allotment			
		-	-
Non-current liabilities			
Long-term borrowings	4	8,840.70	4,005.12
Deferred tax liabilities (Net)	5	1,422.08	928.46
Other long term liabilities		-	-
Long-term provisions	6	-	-
		10,262.78	4,933.58
Current liabilities			
Short-term borrowings	7	41,703.96	34,339.75
Trade payables	8	-	-
(A) Micro enterprises and small enterprises		-	-
(B) Others		19,721.08	22,636.11
Other current liabilities	9	2,298.44	2,248.22
Short-term provisions	6	3,909.64	2,137.98
		67,633.11	61,362.06
TOTAL		1,03,115.38	84,069.79
ASSETS			
Non-current assets			
Property, Plant and Equipment and Intangible assets			
Property, Plant and Equipment	10	41,715.91	21,265.85
Intangible assets		22.50	22.50
Capital work-in-Progress		-	-
Intangible assets under development		-	-
Non-current investments			
Deferred tax assets (net)	5	-	-
Long-term loans and advances	11	-	-
Other non-current assets		-	-
		41,738.41	21,288.35
Current assets			
Current investments		-	-
Inventories	12	54,780.56	41,965.16
Trade receivables	13	(9,799.87)	16,091.14
Cash and cash equivalents	14	123.45	281.54
Short-term loans and advances	11	443.24	360.38
Other current assets	15	15,829.59	4,083.23
		61,376.97	62,781.44
TOTAL		1,03,115.38	84,069.79

The accompanying notes are an integral part of the financial statements.

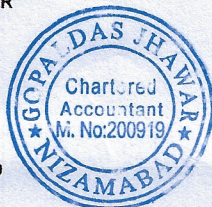
As per our report of even date

For GOPALDAS JHAWAR

Chartered Accountant

(FRN: 00000000)

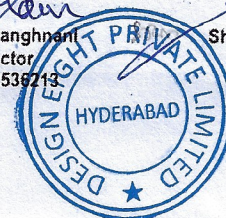
GOPALDAS JHAWAR
Chartered Accountant
Membership No.: 200919
Place: HYDERABAD
Date: 05/09/2022
UDIN : 22200919BAMCHU5203



For and on behalf of the Board of Directors

Rajesh Manghnani
Director
DIN: 02538213

Sharmila Manghnani
Director
DIN: 03525565



Statement of Profit and loss for the year ended 31st March 2022

₹ in thousand

Particulars	Note No.	31st March 2022	31st March 2021
Revenue			
Revenue from operations	16	2,73,585.39	1,32,148.12
Less: Excise duty		-	-
Net Sales		2,73,585.39	1,32,148.12
Other income	17	1,089.10	1,588.39
Total Income		2,74,674.49	1,33,736.51
Expenses			
Cost of material Consumed	18	2,02,973.56	78,794.79
Purchase of stock-in-trade		-	-
Changes in Inventories	19	(29,347.67)	(7,169.95)
Employee benefit expenses	20	36,426.10	26,234.84
Finance costs	21	4,244.91	2,627.40
Depreciation and amortization expenses	22	2,267.88	1,723.88
Other expenses	23	47,780.70	24,936.15
Total expenses		2,64,345.48	1,27,147.11
Profit before exceptional, extraordinary and prior period items and tax		10,329.01	6,589.41
Exceptional items		-	-
Profit before extraordinary and prior period items and tax		10,329.01	6,589.41
Extraordinary items		-	-
Prior period item		-	-
Profit before tax		10,329.01	6,589.41
Tax expenses			
Current tax	24	2,265.82	1,402.23
Deferred tax		493.62	256.67
Excess/short provision relating earlier year tax	25	124.24	231.28
Profit(Loss) for the period		7,445.33	4,699.22
Earning per share-in ₹			
Basic			
Before extraordinary Items		74.45	46.99
After extraordinary Adjustment		74.45	46.99
Diluted			
Before extraordinary Items		-	-
After extraordinary Adjustment		-	-

The accompanying notes are an integral part of the financial statements.

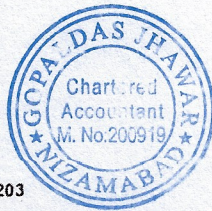
As per our report of even date

For GOPALDAS JHAWAR

Chartered Accountant

(FRN: 00000000)

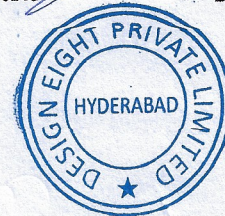
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For and on behalf of the Board of Directors

Rajesh Manghnani
Director
DIN: 02536213

Sharmila Manghnani
Director
DIN: 03525565



CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March 2022

₹ in thousand

	PARTICULARS	31st March 2022	31st March 2021
A.	Cash Flow From Operating Activities		
	Net Profit before tax and extraordinary items(as per Statement of Profit and Loss)	10,329.01	6,589.41
	Adjustments for non Cash/ Non trade items:		
	Depreciation & Amortization Expenses	2,267.88	1,723.88
	Finance Cost	4,244.91	2,627.40
	Interest received	(84.46)	(1,475.69)
	Operating profits before Working Capital Changes	16,757.33	9,464.99
	Adjusted For:		
	(Increase) / Decrease in trade receivables	25,891.00	(3,473.55)
	Increase / (Decrease) in trade payables	(2,915.02)	18,031.17
	(Increase) / Decrease in inventories	(12,815.40)	(25,414.16)
	Increase / (Decrease) in other current liabilities	2,315.49	(1,810.35)
	(Increase) / Decrease in Short Term Loans & Advances	(82.86)	(106.87)
	(Increase) / Decrease in other current assets	(11,746.36)	(361.73)
	Cash generated from Operations	17,404.17	(3,670.50)
	Income Tax (Paid) / Refund	(124.24)	(231.28)
	Net Cash flow from Operating Activities(A)	17,279.93	(3,901.79)
B.	Cash Flow From Investing Activities		
	Purchase of tangible assets	(22,717.94)	(5,895.32)
	Interest Received	84.46	1,475.69
	Net Cash used in Investing Activities(B)	(22,633.47)	(4,419.63)
C.	Cash Flow From Financing Activities		
	Finance Cost	(4,244.91)	(2,627.40)
	Increase in / (Repayment) of Short term Borrowings	7,364.20	13,754.35
	Increase in / (Repayment) of Long term borrowings	4,835.59	(962.21)
	Other Inflows / (Outflows) of cash	(2,759.43)	(1,658.90)
	Net Cash used in Financing Activities(C)	5,195.45	8,505.84
D.	Net Increase / (Decrease) in Cash & Cash Equivalents(A+B+C)	(158.10)	184.43
E.	Cash & Cash Equivalents at Beginning of period	281.54	97.11
F.	Cash & Cash Equivalents at End of period	123.45	281.54
G.	Net Increase / (Decrease) in Cash & Cash Equivalents(F-E)	(158.10)	184.43

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For GOPALDAS JHAWAR
Chartered Accountant
(FRN: 00000000)

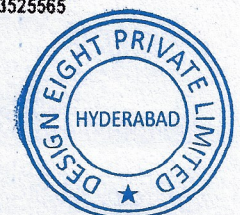
GOPALDAS JHAWAR
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Place: HYDERABAD
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For and on behalf of the Board of Directors

Rajesh Manghnani
Director
DIN: 02536213

Sharmila Manghnani
Director
DIN: 03525565



Note:

- The Cash Flow Statement has been prepared by Indirect Method as per AS-3 issued by ICAI.
- Figures of previous year have been rearranged/regrouped wherever necessary
- Figures in brackets are outflow/deductions

Notes to Financial statements for the year ended 31st March 2022

The previous year figures have been regrouped / reclassified, wherever necessary to confirm to the current year presentation.

Note No. 2 Share Capital

₹ in thousand

Particulars	As at 31st March 2022	As at 31st March 2021
Authorised :		
100000 (31/03/2021:100000) Equity shares of Rs. 10.00/- par value	1,000.00	1,000.00
Issued :		
100000 (31/03/2021:100000) Equity shares of Rs. 10.00/- par value	1,000.00	1,000.00
Subscribed and paid-up :		
100000 (31/03/2021:100000) Equity shares of Rs. 10.00/- par value	1,000.00	1,000.00
Total	1,000.00	1,000.00

Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period

Equity shares

₹ in thousand

	As at 31st March 2022		As at 31st March 2021	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the period	1,00,000	1,000.00	1,00,000	1,000.00
Issued during the Period	-	-	-	-
Redeemed or bought back during the period	-	-	-	-
Outstanding at end of the period	1,00,000	1,000.00	1,00,000	1,000.00

Right, Preferences and Restriction attached to shares

Equity shares

The company has only one class of Equity having a par value Rs. 10.00 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the board of directors is subject to the approval of the shareholders in ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the Equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

Details of shareholders holding more than 5% shares in the company

Type of Share	Name of Shareholders	As at 31st March 2022		As at 31st March 2021	
		No. of Shares	% of Holding	No. of Shares	% of Holding
Equity [NV: 10.00]	Rajesh Manghnani	40,000	40.00	40,000	40.00
Equity [NV: 10.00]	Sharmila Manghnai	60,000	60.00	60,000	60.00
	Total :	1,00,000	100.00	1,00,000	100.00

Note No. 3 Reserves and surplus

₹ in thousand

Particulars	As at 31st March 2022	As at 31st March 2021
Surplus		
Opening Balance	16,774.16	12,074.94
Add: Profit for the year	7,445.33	4,699.22
Less : Deletion during the year	-	-
Closing Balance	24,219.49	16,774.16
Balance carried to balance sheet	24,219.49	16,774.16

Note No. 4 Long-term borrowings

₹ in thousand

Particulars	As at 31st March 2022			As at 31st March 2021		
	Non-Curre nt	Current Maturities	Total	Non-Curre nt	Current Maturities	Total
Term Loan - From banks						
Vehicle and msme loan secured	2,483.04	2,111.09	4,594.13	797.93	715.21	1,513.14
	2,483.04	2,111.09	4,594.13	797.93	715.21	1,513.14
Loans and advances from related parties						
Loans directors Unsecured	6,357.66	-	6,357.66	3,207.18	-	3,207.18
	6,357.66	-	6,357.66	3,207.18	-	3,207.18
The Above Amount Includes						
Secured Borrowings	2,483.04	2,111.09	4,594.13	797.93	715.21	1,513.14
Unsecured Borrowings	6,357.66	-	6,357.66	3,207.18	-	3,207.18
Amount Disclosed Under the Head "Short Term Borrowings"(Note No. 7)		(2,111.09)	(2,111.09)		(715.21)	(715.21)
Net Amount	8,840.70	0	8,840.70	4,005.12	0	4,005.12

a. Term of Repayment of Loan

- i. Loans taken from HDFC Bank is repayable in monthly instalments of Rs. 42,568 each inclusive of interest till Aug, 2023.
Loans taken from HDFC Bank is repayable in monthly instalments of Rs. 26,850 each inclusive of interest till Aug, 2022.
Loans taken from HDFC Bank is repayable in monthly instalments of Rs. 25,760 each inclusive of interest till September, 2024
Loans taken from Kotak Bank is repayable in monthly instalments of Rs. 1,22,212 each inclusive of interest till July, 2024

Note No. 5 Deferred Tax

₹ in thousand

Particulars	As at 31st March 2022	As at 31st March 2021
Deferred tax liability		
Deferred tax liabilities	1,422.08	928.46
Gross deferred tax liability	1,422.08	928.46
Net deferred tax assets	-	-
Net deferred tax liability	1,422.08	928.46

Note No. 6 Provisions

₹ in thousand

Particulars	As at 31st March 2022			As at 31st March 2021		
	Long-term	Short-term	Total	Long-term	Short-term	Total
Other provisions						
Current tax provision	-	2,265.82	2,265.82	-	1,402.23	1,402.23
Statutory liabilities	-	988.37	988.37	-	212.53	212.53
Provision for expenses	-	655.45	655.45	-	523.22	523.22
	-	3,909.64	3,909.64	-	2,137.98	2,137.98
Total	-	3,909.64	3,909.64	-	2,137.98	2,137.98

Note No. 7 Short-term borrowings

₹ in thousand

Particulars	As at 31st March 2022	As at 31st March 2021
Loans Repayable on Demands - From banks		
Cash credit secured	39,592.87	33,624.55
	39,592.87	33,624.55
Current maturities of long-term debt	2,111.09	715.21
	2,111.09	715.21
Total	41,703.96	34,339.75

Note No. 8 Trade payables

₹ in thousand

Particulars	As at 31st March 2022	As at 31st March 2021
(B) Others	19,721.08	22,636.11
Total	19,721.08	22,636.11

Note No. 9 Other current liabilities

₹ in thousand

Particulars	As at 31st March 2022	As at 31st March 2021
Others payables		
Other payable	2,298.44	2,248.22
	2,298.44	2,248.22
Total	2,298.44	2,248.22

Note No. 10 Property, Plant and Equipment and Intangible assets as at 31st March 2022

Assets	Gross Block							Accumulated Depreciation/ Amortisation				Net Block	
	Useful Life (In Years)	Balance as at 1st April 2021	Additions during the year	Revaluation increase (decrease)	Deletion during the year	Increase (Decrease) through net exchange difference	Other Adjustment (Gross Block)	Balance as at 31st March 2022	Balance as at 1st April 2021	Provided during the year	Deletion / adjustment during the year	Balance as at 31st March 2022	Balance as at 31st March 2021
A Tangible assets													
Own Assets													
Factory Building		2,796.84	11,294.96	-	-	-	-	14,091.80	225.34	169.50	-	394.83	2,571.50
Computers		306.31	312.88	-	-	-	-	619.19	281.49	54.05	-	335.54	24.82
Vehicles		3,299.66	708.56	-	-	-	-	4,008.22	712.47	440.24	-	1,152.72	2,587.18
Furniture and Fixtures		5.27	-	-	-	-	-	5.27	1.48	0.50	-	1.99	3.78
Office Equipment		1,949.42	532.95	-	-	-	-	2,482.37	1,158.80	420.88	-	1,579.68	790.61
Plant and Machinery		18,224.48	9,868.58	-	-	-	-	28,093.06	2,936.52	1,182.70	-	4,119.22	15,287.96
Total (A)		26,581.96	22,717.94	-	-	-	-	49,299.90	5,316.11	2,267.88	-	7,583.98	21,265.85
P.Y Total		20,709.14	5,872.82	-	-	-	-	26,581.96	3,592.23	1,723.88	-	5,316.11	17,116.91
B Intangible assets													
Trade Mark		22.50	-	-	-	-	-	22.50	-	-	-	-	22.50
Total (B)		22.50	-	-	-	-	-	22.50	-	-	-	-	22.50
P.Y Total		22.50	-	-	-	-	-	22.50	-	-	-	-	22.50
Current Year Total (A + B)		26,604.46	22,717.94	-	-	-	-	49,322.40	5,316.11	2,267.88	-	7,583.98	21,288.35
Previous Year Total		20,731.54	5,872.82	-	-	-	-	26,604.46	3,592.23	1,723.88	-	5,316.11	17,139.41

General Notes :

- No depreciation if remaining useful life is negative or zero.
- Depreciation is calculated on pro-rata basis in case assets is purchased/sold during current F.Y.
- if above assets is used for any time during the year for double shift, the depreciation will increase by 50% for that period and in case of the triple shift the depreciation shall be calculated on the basis of 100% for that period.

Note No. 11 Loans and advances

₹ in thousand

Particulars	As at 31st March 2022		As at 31st March 2021	
	Long-term	Short-term	Long-term	Short-term
Other loans and advances				
Secured, considered good(Head)	-	443.24	-	360.38
	-	443.24	-	360.38
Total	-	443.24	-	360.38

Note No. 12 Inventories

₹ in thousand

Particulars	As at 31st March 2022	As at 31st March 2021
(Valued at cost or NRV unless otherwise stated)		
Finished Goods	51,373.65	22,025.98
Raw Material	3,406.92	19,939.18
Total	54,780.56	41,965.16

Note No. 13 Trade receivables

₹ in thousand

Particulars	As at 31st March 2022	As at 31st March 2021
Secured, Considered good	(9,799.87)	16,091.14
Unsecured, Considered Good	-	-
Doubtful	-	-
Total	(9,799.87)	16,091.14

(Current Year)

₹ in thousand

Particulars	Outstanding for following periods from due date of payment#					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables (considered good)	(9,799.87)	-	-	-	-	(9,799.87)
(ii) Undisputed Trade Receivables (considered doubtful)	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-

(Previous Year)

₹ in thousand

Particulars	Outstanding for following periods from due date of payment#					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables (considered good)	16,091.14	-	-	-	-	16,091.14
(ii) Undisputed Trade Receivables (considered doubtful)	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-

Note No. 14 Cash and cash equivalents

₹ in thousand

Particulars	As at 31st March 2022	As at 31st March 2021
Balance with banks		
Balance with banks	95.65	236.96
Total	95.65	236.96
Cash in hand		
Cash in hand	27.79	44.59
Total	27.79	44.59
Total	123.45	281.54

DESIGN EIGHT PRIVATE LIMITED

203, HALLMARK HILL VIEW APARTMENT, PLOT NO.66&68, JOURNALIST COLONY, HYDERABAD-500033

CIN : U74999TG2017PTC116018

Note No. 15 Other current assets

₹ in thousand

Particulars	As at 31st March 2022	As at 31st March 2021
Other Assets		
Other current assets	863.43	69.48
Advance income tax	2,500.00	1,200.00
Deposits	8,373.75	2,813.75
Duties and taxes	4,092.42	-
Total	15,829.59	4,083.23

Note No. 16 Revenue from operations

₹ in thousand

Particulars	31st March 2022	31st March 2021
Sale of products	2,71,446.10	1,31,809.05
Sale of services	2,139.28	339.08
Net revenue from operations	2,73,585.38	1,32,148.13

Note No. 17 Other income

₹ in thousand

Particulars	31st March 2022	31st March 2021
Interest Income		
Freight charges	84.46	1,475.69
	84.46	1,475.69
Other non-operating income		
Chit dividends	1,004.64	-
Incentives	-	112.70
	1,004.64	112.70
Total	1,089.10	1,588.39

Note No. 18 Cost of material Consumed

₹ in thousand

Particulars	31st March 2022	31st March 2021
Inventory at the beginning		
Raw Material	19,939.18	1,694.96
	19,939.18	1,694.96
Add:Purchase		
Raw Material	1,86,441.29	97,039.01
	1,86,441.29	97,039.01
Less:-Inventory at the end		
Raw Material	3,406.92	19,939.18
	3,406.92	19,939.18
Total	2,02,973.55	78,794.79

Details of material consumed

₹ in thousand

Particulars	31st March 2022	31st March 2021
Raw Material		
Consumption raw material	2,02,973.55	78,794.79
	2,02,973.55	78,794.79
Total	2,02,973.55	78,794.79

Details of inventory

₹ in thousand

Particulars	31st March 2022	31st March 2021
Raw Material		
Consumption raw material	3,406.92	19,939.18
	3,406.92	19,939.18
Total	3,406.92	19,939.18

Details of purchase

₹ in thousand

Particulars	31st March 2022	31st March 2021
Raw Material		
Consumption raw material	1,86,441.29	97,039.01
Total	1,86,441.29	97,039.01

Note No. 19 Changes in inventories

₹ in thousand

Particulars	31st March 2022	31st March 2021
Inventory at the end of the year		
Finished Goods	51,373.65	22,025.98
	51,373.65	22,025.98
Inventory at the beginning of the year		
Finished Goods	22,025.98	14,856.03
	22,025.98	14,856.03
(Increase)/decrease in inventories		
Finished Goods	(29,347.67)	(7,169.95)
	(29,347.67)	(7,169.95)

Note No. 20 Employee benefit expenses

₹ in thousand

Particulars	31st March 2022	31st March 2021
Salaries and Wages	32,312.09	23,243.19
Contribution to provident and other fund	1,896.62	1,706.43
Staff welfare Expenses	2,217.40	1,285.22
Total	36,426.11	26,234.84

Note No. 21 Finance costs

₹ in thousand

Particulars	31st March 2022	31st March 2021
Interest	3,996.32	2,376.02
Other Borrowing costs		
Bank charges	248.59	246.68
Delayed payment of taxes	-	4.70
	248.59	251.38
Total	4,244.91	2,627.40

Note No. 22 Depreciation and amortization expenses

₹ in thousand

Particulars	31st March 2022	31st March 2021
Depreciation on tangible assets	2,267.88	1,723.88
Total	2,267.88	1,723.88

Note No. 23 Other expenses

₹ in thousand

Particulars	31st March 2022	31st March 2021
Audit fees	100.00	75.00
Advertising expenses	510.00	-
Flutuation in dollar rates	192.51	18.00
Telephone expenses	146.41	3.37
Travelling & conveyance	1,022.25	2,289.35
Repairs & maintenance	1,307.80	503.61
Power & fuel	3,620.83	1,873.89
Factory maintenance	1,577.94	1,255.04
Factory rents	2,640.00	2,111.50
General expenses	1,461.48	1,315.71
Insurance expenses	120.11	174.32
Import shipment and clearing charges	7,749.42	2,008.49
Sales commission & incentives	576.36	86.75

DESIGN EIGHT PRIVATE LIMITED
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Production incentives	203.12	-
Postage expenses	225.82	103.87
Printing and stationery	107.70	265.99
Business promotion expenses	744.23	171.10
Legal consultancy fees	960.23	258.32
Labour charges	2,343.85	447.02
Security charges	1,351.88	1,260.00
Packing charges	59.11	108.31
Rates and taxes	393.11	502.51
Transportation & unloading expenses	3,239.19	1,650.45
Carriage outwards	115.29	-
Fine & penalties	50.00	3.25
Service charges	14,755.15	7,879.85
Sundry balances w.off	-	96.03
Consumables	2,146.94	444.43
Tax Consultation Fees	60.00	30.00
Total	47,780.70	24,936.15

Note No. 24 Current tax

₹ in thousand

Particulars	31st March 2022	31st March 2021
Current tax pertaining to current year	2,265.82	1,402.23
Total	2,265.82	1,402.23

Note No. 25 Excess/short provision relating earlier year tax

₹ in thousand

Particulars	31st March 2022	31st March 2021
Income tax relating to earlier year	124.24	231.28
Total	124.24	231.28

Note number: Additional Regulatory Information

(1) Ratios:

Ratio	Numerator	Denominator	C.Y. Ratio	P.Y. Ratio	% Change	Reason for variance
(a) Current Ratio	Current Assets	Current Liabilities	0.91	1.02	-10.78	
(b) Debt-Equity Ratio	Long Term Debt + Short Term Debt	Shareholder equity	1.99	2.16	-7.87	
(c) Debt Service Coverage Ratio	Earning Before Interest, tax, Depreciation & Amortisation	Total principal + Interest on Borrowings			0.00	
(d) Return on Equity Ratio	Earning After Interest, tax, Depreciation & Amortisation	Average Shareholder's Equity	0.35	0.26	34.62	Improvement in profitability
(e) Inventory turnover ratio	Turnover	Average Inventory	5.66	3.15	79.68	Better Inventory management
(f) Trade Receivables turnover ratio	Net Credit Sales	Average Trade Receivable	86.97	8.21	959.32	Proceeds received in advance in most of the cases
(g) Trade payables turnover ratio	Net Credit Purchase	Average Trade Payable	8.80	4.29	105.13	Advance received against sale utilised towards trade payables
(h) Net capital turnover ratio	Total Sales	Average Working Capital	-44.63	93.10	-147.94	Needed to carry higher stock in trade to improve sales turnover
(i) Net profit ratio	Net Profit	Net Sales	0.03	0.04	-25.00	
(j) Return on Capital employed	Earning Before Interest & tax	Capital employed	0.19	0.16	18.75	
(k) Return on investment					0.00	

DESIGN EIGHT PRIVATE LIMITED

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON FINANCIAL STATEMENTS

Note No. : 1

A. Significant Accounting Policies

1. Basis of accounting:-

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) including the Accounting Standards notified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013.

The financial statements have been prepared under the historical cost convention on accrual basis.

2. Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

3. Revenue Recognition :-

Expenses and Income considered payable and receivable respectively are accounted for on accrual basis.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

4. Property, Plant & Equipment :-

Property, Plant & Equipment including intangible assets are stated at their original cost of acquisition including taxes, freight and other incidental expenses related to acquisition and installation of the concerned assets less depreciation till date.

Company has adopted cost model for all class of items of Property Plant and Equipment.

5. Depreciation :-

Depreciation on Fixed Assets is provided to the extent of depreciable amount on the Written down Value (WDV) Method/SLM method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

All fixed assets individually costing Rs. 5,000/- or less are fully depreciated in the year of installation/purchase.

Depreciation on assets acquired/sold during the year is recognised on a pro-rata basis to the statement of profit and loss till the date of acquisition/sale.

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The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

6. Investments :-

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments.

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

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

7. Inventories :-

Inventories are valued as under:-

1. Inventories : Lower of cost(FIFO) or net realizable value
2. Scrap : At net realizable value.

8. Borrowing cost:-

Borrowing costs that are attributable to the acquisition or construction of the qualifying assets are capitalized as part of the cost of such assets. A qualifying assets is one that necessarily takes a substantial period of time to get ready for its intended uses or sale. All other borrowing costs are charged to revenue in the year of incurrence. The amount of borrowing cost capitalized during the year is NIL .

9. Retirement Benefits:-

The retirement benefits are accounted for as and when liability becomes due for payment.

10. Taxes on Income:-

Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income Tax Act, 1961. The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted by the balance sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is virtual certainty with convincing evidence that these would be realized in future. At each Balance Sheet date, the carrying amount of deferred tax is reviewed to reassure realization.

11. Provisions, Contingent Liabilities and Contingent Assets:- (AS-29)

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of the obligation can be made.

Contingent Liabilities is disclosed in Notes to the account for:-

- (i) Possible obligations which will be confirmed only by future events not wholly within the control of the company or
- (ii) Present Obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognized in the financial statement since this may result in the recognition of the income that may never be realized.

General:

Except wherever stated, accounting policies are consistent with the generally accepted accounting principles and have been consistently applied.

(B) Notes on Financial Statements

1. The SSI status of the creditors is not known to the Company; hence the information is not given.
2. Trade receivables, Trade payables, Loans & Advances and Unsecured Loans have been taken at their book value subject to confirmation and reconciliation.
3. Payments to Auditors:

Auditors Remuneration	2021-22	2020-21
Audit Fees	Rs. 100000	Rs. 75000
Tax Audit Fees	Rs. 60000	Rs. 30000
Total	Rs.160000	Rs.105000

4. Loans and Advances are considered good in respect of which company does not hold any security other than the personal guarantee of persons.
5. No provision for retirement benefits has been made, in view of accounting policy No. 11. The impact of the same on Profit & Loss is not determined.
6. Related Party disclosure as identified by the company and relied upon by the auditors:

(A) Related Parties and their Relationship

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a. Key managerial personnel:

S.No.	Name
1.	Rajesh Manghnani – Director
2.	Sharmila Manghnani - Director

b. Enterprises over which persons described in (a) above are able to exercise significant influence (Other Related Parties) with whom transactions have taken place:-

S.No.	Name
1.	Seating World (Prop: Smt.Veena)

c. Summary of significant transactions with related parties:

S.No.	Nature of Transaction	31 Mar 2022	31 Mar 2021
a) Rajesh Manghnani - Director			
1.	Unsecured Loans taken	6,033	11,31,198
2.	Unsecured Loans repaid	23,55,553	24,57,840
b) Sharmila Manghnani - Director			
1.	Managerial Remuneration	12,00,000	9,90,200
2.	Unsecured Loans taken	0	1,89,147
3.	Unsecured Loans repaid	0	46,11,869
c) Muskan Manghnani – Director'Daughter			
1.	Managerial Remuneration	9,00,000	5,10,200
d) Dhanish Manghnani – Director'Son			
1.	Managerial Remuneration	15,00,000	5,00,200
e) Veena Manghnani – Director'Mother			
1.	Purchase of Goods	4,52,38,983	5,98,921
2.	Sale of Goods	12,48,38,150	8,77,50,410
f) Design Eight – Director Partner			
1.	Purchase of Goods	3,30,683	0
2.	Sale of Goods	1,22,06,891	0
a) Chandra Devnani – Director's Sister			
1.	Interest on unsecured loan	2,79,000	0

d. The balances receivable from and payable to related parties are as follows:

S.No.	Nature of Transaction	31 Mar 2022	31 Mar 2021
a) Rajesh Manghnani - Director			
1.	Loan Repayable	8,57,662	22,23,373

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7. Additional Regulatory Information/disclosures as required by General Instructions to Schedule III to the Companies Act, 2013 are furnished to the extent applicable to the Company.

8. Value of Imports (Rs. In lakhs)	<u>31 Mar 2022</u>	<u>31 Mar 2021</u>
Raw Material	13.00	26.41
Finished Goods	343.72	120.65

9. Expenditure in Foreign Currency Nil Nil

10. Earning in Foreign Exchange Nil Nil

11. Previous year figures have been regrouped/rearranged wherever necessary.

Signature to notes 1 to 25

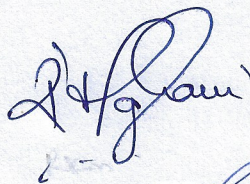
In terms of Our Separate Audit Report of Even Date Attached.

For GOPALDAS JHAWAR
Chartered Accountants

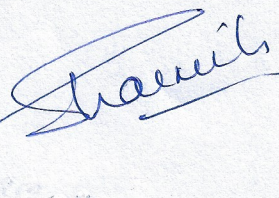
For DESIGN EIGHT PRIVATE LIMITED



(GOPALDAS JHAWAR)
Chartered Accountant
Membership No. 200919
Registration No. 00000000



Rajesh
Manghnani
Director



Sharmila
Manghnani
Director

Place:- Nizamabad

DIN : 02536213

DIN : 03525565

Date: - 05/09/2022
UDIN: 22200919BAMCHU5203

