M/S BHAGWATI CORPORATION

AHMEDABAD

AUDIT REPORT

2020-2021

BHADRESH DIPAN & ASSOCIATES
(FORMERLY KNOWN AS BHADRESH & SIDDHARTH ASSOCIATES)
CHARTERED ACCOUNTANTS
E-mail : brshah@brshahca.com
PAN No.: AACFB3138N

Tele. Office : 2658 1961
2658 4907
Residence : 2660 9779
Mobile (B) : 98 2532 6502
Mobile (D) : 94 2861 1751

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of **M/S BHAGWATI CORPORATION**, PAN : AAKFB2228H, Address : 413, Akshar complex, opp. Sita Tower, Shivranjni Cross roads, Ahmedabad which comprise the balance sheet as at March 31, 2021, and the Profit and Loss Account for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as Per Schedule - H.

In our opinion, the accompanying financial statements of the entity are prepared, in all material respects, in accordance with general accounting principles.

Basis for Opinion

We conducted our audit in accordance with Standards on Auditing (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 entity in accordance with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements in accordance with general accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the entity'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 entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

Auditor's Responsibilities for the Audit of the 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.

FOR BHADRESH DIPAN & ASSOCIATES
CHARTERED ACCOUNTANTS

B R SHAH
PARTNER
FIRM REG.NO.116006W

Place : Ahmedabad
Date: 06/01/2022

(AD21329)

UDIN NO: 22017457AAAAAO7034

BHADRESH R. SHAH M.No. 17457 Chartered Accountants AHMEDABAD

M/S BHAGWATI CORPORATION,AHMEDABAD

BALANCE SHEET AS AT 31ST MARCH, 2021

As at 31.03.2020 Rs.	Particulars	Sch. No.	Amount Rs.	As at 31.03.2021 Rs.
	SOURCES OF FUNDS :			
	OWN FUND :			
155685317	Partner's Capital Account	`A'		160604511
	LOAN FUND :	`B'		
0	Secured Loan:		0	
	Unsecured Loans :			
7290000	Sharafi Deposits		7290000	7290000
162975317	**TOTAL RS.**			**167894511**
	APPLICATION OF FUNDS :			
	Fixed Assets : (At Book Value)	`C'		
25116	Gross Balance		25116	
0	Less : Depreciation		3768	21348
25116				
202026900	Current Assets,Loans& Advances	`D'	198482616	
39076699	Less : Current Liabilities &	`E'	30609453	
162950201	Provisions			167873163
162975317	**TOTAL RS.**			**167894511**

For Notes on Accounts `H'
As per our separate report of even date attached herewith

FOR BHADRESH DIPAN & ASSOCIATES
CHARTERED ACCOUNTANTS

(BHADRESH R SHAH)
PARTNER

PLACE : AHMEDABAD.
DATE : 06/01/2022

For M/S BHAGWATI CORPORATION

PARTNER

PLACE : AHMEDABAD.
DATE : 06/01/2022

BHADRESH DIPAN & ASSOCIATES
CHARTERED ACCOUNTANTS

M/S BHAGWATI CORPORATION,AHMEDABAD

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH,2021

As at 31.03.2020 Rs.	Particulars	Sch. No.	Amount Rs.	As at 31.03.2021 Rs.
	(A) INCOME :			
8680000	SALES			14200000
8680000	**TOTAL (A) Rs.**			**14200000**
	(B) EXPENSES :			
	COST OF GOODS SOLD			
76668758	Opening Stock		78575072	
9500000	Add : Purchase		19448810	
86168758			98023882	
78575072	Less : Closing Stock		86980963	11042919
7593686				
760013	Manufacturing/Direct Expenses	`F'		218912
646568	Administrative & Selling Exps.	`G'		826744
	Interest			
36130	Others		5100	5100
0	Depreciation			3768
0	Partner Remuneration			1352483
9036397	**TOTAL (B) Rs.**			**13449926**
-356397	**PROFIT BEFORE TAX**			**750074**
0	**INCOME TAX**			2207
-356397	**PROFIT AFTER TAX**			**747867**

For Notes on Accounts `H'

As per our separate report of even date attached herewith

FOR BHADRESH DIPAN & ASSOCIATES
CHARTERED ACCOUNTANTS

(BHADRESH R SHAH)
PARTNER

PLACE : AHMEDABAD.
DATE : 06/01/2022

BHADRESH R. SHAH
M.No. 17457
Chartered Accountants
AHMEDABAD

For M/S BHAGWATI CORPORATION

PARTNER

PLACE : AHMEDABAD.
DATE : 06/01/2022

M/S BHAGWATI CORPORATION,AHMEDABAD

SCHEDULE 'A' - PARTNERS CAPITAL ACCOUNT

SR. NO.	NAME OF THE PARTNERS	OPENING BALANCE AS AT 01.04.2020	ADDITION DURING THE YEAR	SALARY	PROFIT / LOSS	TOTAL	WITH-DRAWAL	CLOSING BALANCE AS AT 31.03.2021
1.	Sanjay Kothari	77246654	1420172	270497	149573	79086896	0	79086896
2.	Tejas C Joshi	77144058	1398672	540993	299147	79382870	0	79382870
3.	Ranjitsinh J Chavda	647303	0	270497	149573	1067373	0	1067373
4.	Jinpal B Shah	647302	0	270497	149573	1067372	0	1067372
	TOTAL Rs.	**155685317**	**2818844**	**1352483**	**747867**	**160604511**	**0**	**160604511**
	PREVIOUS YEAR RS.	**138273884**	**17767830**	**0**	**-356397**	**155685317**	**0**	**155685317**

BHADRESH DIPAN & ASSOCIATES
CHARTERED ACCOUNTANTS

M/S BHAGWATI CORPORATION,AHMEDABAD

SCHEDULE "B" LOANS FUND

As at 31.03.2020 Rs.	Particulars	Amount Rs.	As at 31.03.2021 Rs.
	(A) Unsecured Loans :		
7290000	Sharafi Deposits		7290000
7290000	**Total Rs.**		**7290000**

SCHEDULE `D' - (CURRENT ASSETS, LOANS AND ADVANCES)

As at 31.03.2020 Rs.	Particulars	Amount Rs.	As at 31.03.2021 Rs.
	(A) CURRENT ASSETS :		
78575072	1. Stock in trade(As taken, valued and certified by one of the Partner)		86980963
986403	2. Sundry Debtors (Unsecured but considered goods)		478522
	3. Cash & Bank balance		
1135618	Balance with Scheduled Bank in Current Account	489815	
1138585	Cash on hand	1293085	1782900
2274203			
	(B) LOANS AND ADVANCES : (Unsecured but considered goods)		
112847183	Loans to Others	99063056	
4879969	Advances receivable in cash or kind or for value to be received	7717705	
386000	Advance Against Purchase	386000	
2078070	Advance Against Expenses	2073470	109240231
202026900	**Total Rs.**		**198482616**

BHADRESH DIPAN & ASSOCIATES
CHARTERED ACCOUNTANTS

M/S BHAGWATI CORPORATION,AHMEDABAD

SCHEDULE `C'-FIXED ASSETS

SR No.	Particulars	Opening Balance as at 01.04.2020 Rs.	Addition Rs.	Sale during the year	Total Rs.	Depreciat-ion during the year Rs.	Closing Balance as at 31.03.2021 Rs.
1	AIR CONDITIONER	25116	0	0	25116	3768	21348
	TOTAL RS.	**25116**	**0**	**0**	**25116**	**3768**	**21348**
	PREVIOUS YEAR RS.	**25116**	**0**	**0**	**25116**	**0**	**25116**

BHADRESH DIPAN & ASSOCIATES
CHARTERED ACCOUNTANTS

M/S BHAGWATI CORPORATION,AHMEDABAD

SCHEDULE - E (CURRENT LIABILITIES & PROVISIONS)

As at 31.03.2020 Rs.	Particulars	Amount Rs.	As at 31.03.2021 Rs.
	(A) CURRENT LIABILITIES :		
	Sundry Creditors :		
5501533	- For Goods	5501533	
1896843	- For Expenses	3023088	8524621
31678323	Advance against sales		22084832
39076699	**Total Rs.**		**30609453**

SCHEDULE `F' - (MANUFACTURING/DIRECT EXPENSES)

As at 31.03.2020 Rs.	Particulars	Amount Rs.	As at 31.03.2021 Rs.
760013	Power & Fuel (UGVCL)		218912
760013	**Total Rs.**		**218912**

BHADRESH DIPAN & ASSOCIATES
CHARTERED ACCOUNTANTS

M/S BHAGWATI CORPORATION,AHMEDABAD

SCHEDULE `G' - (ADMINISTRATIVE EXPENSES)

As at 31.03.2020 Rs.	Particulars	Amount Rs.	As at 31.03.2021 Rs.
0	Audit Fees		24503
3216	Bank charges		910
8580	GST Late Fee		48180
118006	Professional Fees		0
0	Registration Fees - Member		118210
88906	RERA Registration Fees		0
427860	Salary Expense		631092
0	S. Balance W/off		3849
646568	**Total Rs.**		**826744**

M/S BHAGWATI CORPORATION, AHMEDABAD.

SCHEDULE " H " - SIGNIFICANT ACCOUNTING POLICIES

1. Significant accounting policies

1.1. Basis of preparation of financial statements

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles under the historical cost convention except in case of assets for which provision for impairment is made and revaluation is carried out, on accrual basis. GAAP comprises mandatory Accounting Standards as notified by the Institute of Chartered Accountants of India. Accounting policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the accounting policy hitherto in use.

1.2. Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and reported amounts of income and expenses during the year. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference, if any, between the actual results and estimates are recognized in the period in which the results are known / materialized.

1.3. Inventories

i. Inventories are valued at lower of Cost and Net Realizable Value.

ii. The cost of work in progress is determined as certified by architect and at cost.

1.4. Fixed Assets & Depreciation

i. All the fixed assets are value at cost less depreciation.

ii. Depreciation is charged on written down value method at following rates.

NAME OF ASSET	RATE OF DEPRECIATION
Air Conditioner	15%

1.5. Revenue recognition

i. Revenue is case of sale is accounted on the execution of sale deed or on giving possession to the person.

ii. Revenue in case of Units under construction is recognized on Percentage completion Method.

1.6. Employee Benefits

i. Short Term Employee Benefits All employee benefits falling due wholly within 12 months of rendering the service are classified as short term employee benefits. The benefits like salaries, wages, short term compensated absences, etc. and the expected cost of bonus, ex-gratia and performance incentives, are charged to Profit & Loss Account of the year in which the employee renders the related service.

ii. Leave encashment is accounted for in the year of payment.

iii. Liability in respect of retirement gratuity benefits to employees are charged to profit and loss account in the year of payment.

1.7. Borrowing cost

Borrowing costs that are attributable to the acquisition or construction of a qualifying asset are capitalized as a part of cost of such asset till such time as the asset is ready for its intended use. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to profit and loss account.

1.8. Income taxes

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

1.9. Impairment of Assets

The Management periodically assesses using, external and internal sources, whether there is an indication that an asset / Cash Generating unit may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the assets' net selling price and value in use.

1.10. Events Occurring after Balance Sheet Date

There were no significant events occurring after the date of the Balance Sheet.

1.11. Accounting of GST

GST collected is credited to GST account. Liability in respect of GST is debited to respective account.

1.12. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

i. The unit recognizes provisions for all present obligations for which the unit has no other realistic alternative that can be measured reliably and it is certain there will be an outflow of resources embodying economic benefits on settlement of such obligation.

ii. The unit discloses contingent liabilities for all possible obligation and those present obligations which cannot be measured reliably.

iii. The unit reviews all contingent liabilities continually to see whether the possible obligation has become present obligation or the present obligations can be measured reliably. If it is so, the company recognizes provisions for the same. If the possibility of the obligation is remote, no contingent liability is disclosed. The unit does not recognize any contingent assets.

1.13. Method of Accounting

i. The firm is maintaining its account on accrual basis.

ii. However, following expenses are accounted for in the year in which the demand notice is issued.
    a) Insurance
    b) Municipal Tax

iii. There is no change in the method of accounting employed by the firm as compared to the method of accounting employed in the immediately preceding previous year.

2. The unit is covered by Level IV classification prescribed by ICAI in respect of Accounting Standards which have been made applicable from 01.04.2020. The Unit has complied with all the applicable accounting standards.

3. No provision for taxation is made as the same will be satisfied out of TDS / partners capital.

4. The balances shown under Sundry Debtors, Sundry Creditors, Advances and other personal accounts are subject to confirmation.

5. Paises have been rounded off to nearest rupee.

6. Petty cash expenses have been debited in the books of accounts on the basis of self-certified vouchers.

7. In view of nature and volume of business , the concern has not maintained day to day stock register. The closing stock as on 31.03.2021 is accounted as taken , valued and certified by the partner.

8. The books of accounts are audited U/s 44AD of the income tax act.

9. Previous year's figures have been regrouped /rearranged /restated wherever necessary to make them comparable with those of current year.

Schedule A to H signed

For, Bhadresh DIPAN & ASSOCIATES.
Chartered Accountants

PARTNER

Date : 06/01/2022

Place : Ahmedabad

BHADRESH R. SHAH
M.No. 17457
Chartered Accountants
AHMEDABAD

For, M/S Bhagwati Corporation

PARTNER

Date : 06/01/2022

Place : Ahmedabad.

(AD21329)