DREAMSOFT BEDSHEETS PRIVATE LTD

2021-2022

ANNUAL ACCOUNT

G. K. Choksi & Co.
Chartered Accountants

'Madhuban', Nr. Madalpur Underbridge, Ellisbridge, Ahmedabad - 380 006.
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INDEPENDENT AUDITOR'S REPORT

To the Members of
DREAMSOFT BEDSHEETS PRIVATE LIMITED

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS Financial Statements of **DREAMSOFT BEDSHEETS PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2022, and the Statement of Profit and Loss (Including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as Ind AS Financial Statements).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS"), as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2022, and its Loss, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards 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 Standalone Ind AS 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 Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules made 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.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's report, Business Responsibility Report, Corporate Governance Report and Share Holders Information, but does not include the standalone financial statements and our auditor's report thereon. The other information report is expected to be made available to us after the date of this auditor's report.

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

- In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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- When we read the other information report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance to initiate actions applicable in the applicable laws and regulations.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the 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 including other comprehensive income, changes in equity and cash flows of the Company in accordance with the IND AS and other accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

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- 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 Ind AS 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 financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. 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 Companies Act, 2013, 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 it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the 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 Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015.

(e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

(f) The Ministry of Corporate Affairs vide its notification bearing no. G.S.R. 583(6) dated 13th June 2017, amended the provision of section 143(3) of the Companies Act, 2013. In accordance with the same reporting requirement related to adequacy and operating effectiveness of the internal financial controls over financial reporting is not applicable to the Company.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the Company has not paid remuneration to its directors during the year accordingly compliance with the provisions of section 197 of the Act is not applicable.

(h) With respect to the 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.

(iv) (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the notes to accounts, no funds(which are material either individually or in the aggregate) 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 or entity, including foreign entity ("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 its knowledge and belief, as disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("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;



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;

(c) Based on the audit procedures that have been 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) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

(v) The Company has not declared or paid any dividend during the period and has not proposed final dividend for the period.

FOR G. K. CHOKSI & CO.
[Firm Registration No. 101895W]
Chartered Accountants

J. D. PATEL
Partner
Mem. No. 032780
UDIN:
22032780AMCJCL9964

Place : Ahmedabad
Date : 27th May, 2022

M/S. G. K. CHOKSI & CO. * CHARTERED ACCOUNTANTS *

Annexure - A to the Independent Auditors' Report of even date on the Ind AS Financial Statements of DREAMSOFT BEDSHEETS PRIVATE LIMITED

(i) (a) (A) The Company does not have any tangible assets, hence reporting under 3 (i)(a)(A) is not applicable to the Company.

(B) The Company does not have any intangible assets, hence reporting under 3 (i)(a)(B) is not applicable to the company.

(b) The Company does not have any tangible assets, hence reporting under 3 (i)(b) is not applicable to the Company.

(c) The Company does not have any tangible assets, hence reporting under 3 (i)(c) is not applicable to the Company.

(d) The Company does not have Property, Plant and Equipment and intangible assets, hence clause 3(i)(d) is not applicable to the Company.

(e) According to the information and explanations given to us, no proceedings have been initiated during the period or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) According to information and explanation given to us, the Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.

(b) According to information and explanation given to us, any point of time of the period, the Company has not been sanctioned any 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 hence reporting under clause 3(ii)(b) of the Order is not applicable.

(iii) In our opinion and according to the information and explanations given to us, the company has not made investments in, companies, firms, Limited Liability Partnerships, and granted unsecured loans to other parties, during the period, hence clause 3(iii) is not applicable to the company.

(iv) In our opinion and according to the information and explanation given to us, there are no loans, investments, guarantees and security given in respect of which provision of section 185 and 186 of the Act are applicable and hence not commented upon.

(v) According to information and explanations given to us, the Company has not accepted any deposits as defined in The Companies (Acceptance of Deposits) Rules 2014. Accordingly, the provisions of Clause 3(v) of the Order are not applicable to the Company.

(vi) According to information and explanations given to us, the clause relating to maintenance of cost records under section (1) of Section 148 of the Companies Act, 2013 is not applicable to the Company.

(vii) (a) According to the information given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, duty of Custom, Cess and other material statutory dues applicable to it with the appropriate authorities and the Company had no arrears of such outstanding statutory dues as at

M/S. G. K. CHOKSI & CO. * CHARTERED ACCOUNTANTS *

31st March, 2022 for a period more than six months from the date they became payable.

(b) According to the information and explanations given to us, the company has no disputed outstanding statutory dues as at 31st March, 2022.

(viii) According to the information and explanations given to us, the company has not surrendered or disclosed as income during the period in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, the provision of clause 3(viii) of the Order is not applicable.

(ix) (a) According to the information and explanations given to us, the Company has not defaulted in the repayment of taken any loans or other borrowings from any lender as at the Balance Sheet Date.

(b) According to the information and explanations given to us, the Company is a not declared willful defaulter by any bank or financial institution or other lender.

(c) The Company has not taken any term loan during the period and there are no outstanding term loans at the beginning of the period and hence, reporting under clause 3(ix)(c) of the Order is not applicable.

(d) On an overall examination of the financial statements of the Company, funds raised on short- term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company 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 venture.

(f) The Company has not raised any loans during the year on the pledge of securities held in subsidiaries, associates or joint venture and hence reporting on clause 3(ix)(f) of the Order is not applicable.

(x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the period and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) During the period, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

(xi) (a) According to the information and explanations given to us, no fraud by company or any fraud on the company have been noticed or reported during the period.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the period and upto the date of this report.

(c) As represented to us by the management, there were no whistle blower complaints received by the Company during the period and upto the date of this report.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.



(xiii) According to the information and explanations given to us, the Company is not falling under ambit of provisions contained in section 177 of the Act, the relevant clause is not applicable. Further transactions with the related parties are in compliance with Section 188 of the Act and details of transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) In our opinion and according to the information and explanations given to us during the year the internal audit system is not applicable to the company commensurate with the size and nature of its business. Accordingly, paragraph 3(xiv)(a) and (b) of the order are not applicable.

(xv) According to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

(xvii) According to the information and explanation provide to us, the Company has incurred cash loss in the financial year ended on 31st March, 2022.

(xviii) There has been no resignation of the statutory auditors of the Company during the period.

(xix) 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, the auditor's knowledge of the Board of Directors and management plans, the auditor is of the opinion that no material uncertainty exists as on the date of the audit report that Company is capable of meeting its lia bilities 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 to the future viability of the Company. We further state that our reporting is based on the facts 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.

(xx) The Company is not required to spend any amount towards Corporate Social Responsibility (CSR) as specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Hence, reporting under clause 3(xx)(a) of the order is not applicable for the year to the Company.

FOR G. K. CHOKSI & CO.
[Firm Registration No. 101895W]
Chartered Accountants

M/s. G. K. CHOKSI & CO. CHARTERED ACCOUNTANTS

J. D. PATEL
Partner
Mem. No. 032780
UDIN:
22032780AMCJCL9964

Place : Ahmedabad
Date : 27th May, 2022

DREAMSOFT BEDSHEETS PRIVATE LIMITED

Balance Sheet as at March 31, 2022

[₹ in Lakhs]

Particulars	Notes	As at March 31, 2022
ASSETS		
Current assets		
Financial assets		
Cash and Cash Equivalents	5	1.07
		1.07
TOTAL ASSETS		**1.07**
EQUITY AND LIABILITIES		
Equity		
Equity Share Capital	6	1.00
Other Equity	7	(0.63)
		0.37
Liabilities		
Non-current Liabilities		
Financial Liabilities		
Borrowings	8	0.26
		0.26
Current liabilities		
Financial Liabilities		
Trade and Other Payables	9	
- Total outstanding dues of Micro and Small Enterprise		-
- Total outstanding dues of creditors other than Micro and Small Enterprise		0.44
		0.44
TOTAL EQUITY AND LIABILITIES		**1.07**
Significant Accounting Policies	4	

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

As per our report of even date

FOR G. K. CHOKSI & CO.
[Firm Registration No. 101895W]
Chartered Accountants

J. D. PATEL
Partner
Mem. No. 32780

Place : Ahmedabad
Date : 27th May, 2022

FOR AND ON BEHALF OF THE BOARD

SUNIL R. AGARWAL
Director
DIN: 00265303

Place : Ahmedabad
Date : 27th May, 2022

HARDIK S. AGARWAL
Director
DIN : 03546802

M/S. G. K. CHOKSI & CO. * CHARTERED ACCOUNTANTS *

DREAMSOFT BEDSHEETS PRIVATE LIMITED

Statement of Profit and Loss for the period from 8th December, 2021 to 31st March, 2022

[₹ in Lakhs]

Particulars	Notes	For period from 8th December, 2021 to 31st March, 2022
INCOME		
Revenue from Operations		-
Other Income		-
TOTAL INCOME		-
EXPENSES		
Administrative and Other Expenses	10	0.63
TOTAL EXPENSES		**0.63**
Profit /(Loss) before tax		**(0.63)**
Tax expense		
Current tax		-
Deferred tax		-
TOTAL TAX EXPENSE		-
Profit/(Loss) for the period		**(0.63)**
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurement of the defined benefit plans		-
Tax relating to remeasurement of the defined benefit plans		-
Total other comprehensive income for the year, net of tax		-
Total comprehensive income for the period		**(0.63)**
Earning per Equity Share	11	
Basic		**(0.63)**
Diluted		**(0.63)**
Significant Accounting Policies	4	

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

As per our report of even date

FOR G. K. CHOKSI & CO.
[Firm Registration No. 101895W]
Chartered Accountants

J. D. PATEL
Partner
Mem. No. 32780

Place : Ahmedabad
Date : 27th May, 2022

M/S. G. K. CHOKSI & CO. * CHARTERED ACCOUNTANTS *

FOR AND ON BEHALF OF THE BOARD

SUNIL R. AGARWAL
Director
DIN: 00265303

HARDIK S. AGARWAL
Director
DIN : 03546802

Place : Ahmedabad
Date : 27th May, 2022

DREAMSOFT BEDSHEETS PRIVATE LIMITED

Statement of Cash Flows for the year ended March 31, 2022

[₹ in Lakhs]

	Particulars		For period from 8th December, 2021 to 31st March, 2022
A.	**Cash flow from operating activities**		
	Profit/(Loss) for the year before taxation		(0.63)
	Adjustments for		
	Depreciation and amortisation		-
	Finance cost		-
	Operating profit before working capital changes		(0.63)
	Adjustments for Changes in working capital		
	Increase / (Decrease) in Trade Payables		0.44
	Cash generated from operations		(0.19)
	Direct taxes Refund/(paid)		-
	Net Cash from Operating Activities	[A]	(0.19)
B.	**Cash flow from investing activities**		
	Purchase of property, plant and equipment (Net)		-
	Net Cash from / (used in) investing activities	[B]	-
C.	**Cash flow from financing activities**		
	Receipt of Equity Capital		1.00
	Receipt of Loan from Director		0.26
	Net cash flow from financial activities	[C]	1.26
	Net Increase/(Decrease) in cash & cash equivalents	[A+B+C]	1.07
	Cash and cash equivalents opening		-
	Cash and cash equivalents closing		1.07
	Components of Cash and cash equivalent		
	Balances with scheduled banks		1.07
	Fixed Deposits with maturity less than 3 months		-
	Cash in hand		-
			1.07

Explanatory Notes to Cash Flow Statement

1 The Cash Flow Statement is prepared by using indirect method in accordance with the format prescribed by Indian Accounting Standard 7.

2 In Part A of the Cash Flow Statements, figures in brackets indicates deductions made from the net profit\(loss) for deriving the cash flow from operating activities. In part B & part C, figures in brackets indicates cash outflows.

3 Figures of the previous year have been regrouped wherever necessary, to confirm to current years presentation.

4 Disclosure of Changes in liabilities arising from Financing Activities, including both changes arising form Cash flow and non-cash changes are given below:

Particulars	As at 1st April, 2021	Net Cash flow	Non - Cash	As at 31st March, 2022
Borrowings	-	0.26	-	0.26

As per our report of even date

FOR G. K. CHOKSI & CO.
[Firm Registration No. 101895W]
Chartered Accountants

J. D. PATEL
Partner
Mem. No. 32780
Place : Ahmedabad
Date : 27th May, 2022

M/s. G. K. CHOKSI & CO. * CHARTERED ACCOUNTANTS *

FOR AND ON BEHALF OF THE BOARD

SUNIL R. AGARWAL
Director
DIN: 00265303
Place : Ahmedabad
Date : 27th May, 2022

HARDIK S. AGARWAL
Director
DIN : 03546802

Note 1: Company Overview

Dreamsoft Bedsheets Private Limited is incorporated on 8th December, 2021, under the provisions of the Companies Act applicable in India. The Company is in business of trading and dealing in any manner whatsoever in bedsheets and various type of textile materials on retail as well as wholesale basis. The registered office of the Company is located at 1035/A, Near Ayodha Township, Rancharda Road, Shilaj, Ahmedabad 380058 Gujarat – India. The financial statements for the year ended 31st March, 2022 were considered by the Board of Directors and approved for issuance on 27th May, 2022.

Note 2: Basis of Preparation

These financial statements have been prepared in accordance with Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, as applicable.

As this is the first year of incorporation of the Company, the company has prepared a financial statement for the period from 8th December, 2021 to 31st March, 2022 and therefore the corresponding figures for previous year have not been given.

The financial statements are prepared in INR and all the values are rounded to the nearest Rupees in lacs, except when otherwise indicated.

2.1 Statement of Compliance

The financial statements comprising Balance Sheet, Statement of Profit and Loss, Statement of Changes in Equity and Cash Flow Statement, together with notes for the year ended March 31, 2022 have been prepared in accordance with Ind AS as notified under section 133 of the Companies' Act, 2013 ("the Act") and are duly approved by the Board of Directors at its meeting held on 26th May, 2022.

2.2 Basis of Measurement

The financial statements of the Company have been prepared and presented in accordance with the Generally Accepted Accounting Principles (GAAP) under the historical cost convention on accrual basis of accounting, except for certain Assets and Liabilities as stated below:

(a) Financial instruments (assets / liabilities) classified as Fair Value through profit or loss or Fair Value through Other Comprehensive Income are measured at Fair Value.

(b) The defined benefit asset/liability is recognised as the present value of defined benefit obligation less fair value of plan assets.

(c) Assets held for sale measured at fair value less cost to sales

(d) Derivative transactions

The above items have been measured at Fair Value and the methods used to measure Fair Values are discussed further in Note 4.13.

2.3 Functional and Presentation Currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). Indian Rupee is the functional currency of the Company.

The financial statements are presented in Indian Rupees (₹) which is the company's presentation currency.

M/s. G. K. CHOKSI & CO. * CHARTERED ACCOUNTANTS *

2.4 Recent accounting pronouncements which are not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23rd March, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies the treatment of any cost or fees incurred by an entity in the process of derecognition of financial liability in case of repurchase of the debt instrument by the issuer. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

Note 3: Significant accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets and contingent liabilities at the date of financial statements, income and expense during the period. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the periods in which the estimates are revised and in future periods which are affected.



Note 4: Significant Accounting Policies

4.1 Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

(a) Financial Assets

Financial Assets comprises of trade receivables, cash and cash equivalents and other financial assets.

Initial Recognition:

All financial assets which are not recorded at fair value through Profit and Loss are recognized initially at fair value plus transaction costs that are attributable to the acquisition of financial assets. Purchases or sales of financial assets that requires delivery of assets within a period of time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the company committed to purchase or sell the asset.

Subsequent Measurement:

(i) Financial assets measured at amortized Cost:

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and where contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at Fair Value through Other Comprehensive Income (FVTOCI):

Financial Assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are subsequently measured at FVTOCI. Fair Value movements in financial assets at FVTOCI are recognized in Other Comprehensive Income.

Equity instruments held for trading are classified as at fair value through profit or loss (FVTPL). For other equity instruments the company classifies the same as FVTOCI. The classification is made on initial recognition and is irrevocable. Fair Value changes on equity instruments at FVTOCI, excluding dividends are recognized in Other Comprehensive Income (OCI).

(iii) Fair Value through Profit or Loss (FVTPL):

Financial Assets are measured at FVTPL if it does not meet the criteria for classification as measured at amortized cost or at FVTOCI. All fair value changes are recognized in the Statement of Profit and Loss.

De-recognition of Financial Assets:

Financial Assets are derecognized when the contractual rights to cash flows from the financial assets expire or the financial asset is transferred and the transfer qualifies for de-recognition. On de-recognition of the financial assets in its entirety, the difference between the carrying amount (measured at the date of de-recognition) and the consideration received (including any new asset obtained less any new liability assumed) shall be recognized in the Statement of Profit and Loss.



(b) **Financial Liabilities**

Initial Recognition and Measurement

Financial Liabilities are initially recognized at fair value plus any transaction costs, (if any) which are attributable to acquisition of the financial liabilities.

Subsequent Measurement:

Financial Liabilities are classified for subsequent measurement into following categories:

(i) **Financial liabilities at Amortized Cost:**

The Company is classifying the following under amortized cost:

- Borrowing from Others
- Trade Payables
- Other Financial Liabilities

Amortized cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the principal repayments, plus or minus cumulative amortization using the effective interest method of any differences between the initial amount and maturity amount.

(ii) **Financial liabilities at Fair Value through Profit or Loss:**

Financial liabilities held for trading are measured at Fair Value through Profit or Loss

De-recognition of Financial Liabilities:

Financial liabilities shall be derecognized when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires.

(c) **Offsetting of Financial assets and Financial Liabilities**

Financial assets and Financial Liabilities are offset and the net amount is presented in Balance Sheet when, and only when, the Company has legal right to offset the recognized amounts and intends either to settle on the net basis or to realize the assets and liabilities simultaneously.

(d) **Reclassification of Financial Assets**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are categorized as equity instruments at FVTOCI, and financial assets or liabilities that are specifically designated as FVTPL. For financial assets which are debt instruments, a reclassification is made only if there is a change in business model for managing those assets. Changes to the business model are expected to be very infrequent. The management determines the change in a business model as a result of external or internal changes which are significant to the Company's Operations. A Change in business occurs when the company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively effective from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.



(e) **Derivative financial instruments**

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as cross currency swaps and interest rate swaps to hedge interest rate risks. Such derivative financial instruments are initially recognised at fair value through profit or loss (FVTPL) on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivative financial instrument or on settlement of such derivative financial instruments are recognised in statement of profit and loss and are classified as Foreign Exchange (Gain) / Loss except those relating to borrowings, which are separately classified under Finance Cost.

4.2 Share Capital

Ordinary Shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or share options are recognized as a deduction from equity, net of any tax effects.

4.3 Property, Plant and Equipment

Property, plant and equipment held for use in the supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated. All repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred.

Properties in the course of construction for supply of services or administrative purpose are carried at cost, less any recognised impairment loss. Cost includes professional fees and other directly attributable cost and for qualifying assets, borrowing cost capitalized in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of Property Plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives as prescribed under Part C of Schedule II to the Companies Act 2013, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Depreciation for assets purchased/sold during a period is proportionately charged for the period of use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and are recognised net within "other income / other expenses" in the Statement of profit and loss.

4.4 Inventories

Trade Goods /Finished Goods are valued at lower of cost or net realizable value.

The stock of scrap / waste materials are valued at estimated net realizable value.

4.5 Impairment

(a) **Financial assets (other than at fair value)**

The Company assesses at each date of balance sheet, whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured though a

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loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the twelve-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly, since initial recognition.

(b) Non-financial assets

Tangible and Intangible assets

Property, Plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is an indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to it's recoverable amount. An impairment loss is recognised in the statement of profit and loss.

Reversal of impairment loss

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized directly in other comprehensive income and presented within equity.

4.6 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre tax rates that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A provision for onerous contract is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with the contract.

Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

4.7 Revenue Recognition

REVENUE:

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is measured at the fair value of the

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consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

The specific recognition criteria described below must also be met before revenue is recognized.

(i) Sale of Goods Revenue from sale of goods is recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. The normal credit term is 0 to 180 days upon delivery, usually backed by financial arrangements.

(ii) The Company accounts for pro forma credits, refunds of duty of customs or excise, or refunds of sales tax/ GST in the year of admission of such claims by the concerned authorities. Benefits in respect of Export Licenses are recognized on accrual basis. Export benefits are accounted for as other operating income in the year of export based on eligibility and when there is no uncertainty on receiving the same.

(iii) Interest Income is recognized on time proportion basis taking into account the amounts outstanding and the rates applicable. Interest income is included under the head "other income" in the Statement of Profit and Loss.

4.8 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

The Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Company recognises right-of-use assets ("ROU Assets) at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

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If ownership of the leased asset transfers to the company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in 4.6 Impairment of non-financial assets.

(ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. Lease liabilities has been presented under the head "Other Financial Liabilities".

(iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

4.9 Borrowing Costs

Borrowing costs include

(i) interest expense calculated using the effective interest rate method,

(ii) finance charges in respect of finance leases, and

(iii) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

4.10 Employee benefits

Short-term obligations

Liabilities for salaries, including other monetary and non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are

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measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

4.11 Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax

(i) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

(ii) Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

(iii) Current and deferred tax for the year

Current and deferred tax are recognised in the Statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

4.12 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period. Where ordinary shares are issued but not fully paid, they are treated in the calculation of basic earnings per share as a fraction of an ordinary share to the extent that they were entitled to participate in dividends during the period relative to a fully paid ordinary share. Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.



4.13 Fair Value Measurement

A number of Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair value is the price that would be received on sell of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal market or the most advantageous market must be accessible to the Company.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The fair value hierarchy is described as below:

(a) Level 1 - unadjusted quoted prices in active markets for identical assets and liabilities.

(b) Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

(c) Level 3 - unobservable inputs for the asset or liability.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy.

Fair values have been determined for measurement and / or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(a) Investment in equity and debt securities

The fair value is determined by reference to their quoted price at the reporting date. In the absence of quoted price, the fair value of the financial asset is measured using valuation techniques.

(b) Trade and other receivables

The fair value of trade and other receivables, is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. However in respect of such financial instruments, fair value generally approximates the carrying amount due to short term nature of such assets.

(c) Non derivative financial liabilities

Fair Value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases, the market rate of interest is determined by reference to similar lease agreements.



4.14 Current / non- current classification

An asset is classified as current if:

(a) it is expected to be realized or sold or consumed in the Company's normal operating cycle;

(b) it is held primarily for the purpose of trading;

(c) it is expected to be realized within twelve months after the reporting period; or

(d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current if:

(a) it is expected to be settled in normal operating cycle;

(b) it is held primarily for the purpose of trading;

(c) it is expected to be settled within twelve months after the reporting period;

(d) it has no unconditional right to defèr the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between acquisition of assets for processing / trading / assembling and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

4.15 Cash and cash equivalent

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consists of balances with banks which are unrestricted for withdrawal and usage.

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#REF!

Note 5 Cash and cash equivalents

[₹ in Lakhs]

Particulars	As at March 31, 2022
Balance with Bank	
Current accounts	1.07
	1.07

Note 6 : Equity share capital

₹

Particulars	As at March 31, 2022
Authorised share capital	
1,00,000 Equity Shares of ₹ 1/ each	**1.00**
Issued share capital	
1,00,000 Equity Shares of ₹1/ each	**1.00**
Subscribed and fully paid up	
1,00,000 Equity Shares of ₹ 1/ each	1.00
Total:	**1.00**

Note 6.1 Reconciliation of number of shares outstanding at the beginning and at the end of the Reporting Year

[₹ in Lacs]

Particulars	As at March 31, 2022
At the beginning of the year	-
Add/(Less) :	
Issue of Equity	1.00
Restated balance at the beginning of the current reporting period	-
	1.00
Add/(Less) :	
Changes in equity share capital during the current year	-
At the end of the year	**1.00**

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Note 6 : Equity share capital ... *Continued..*

Note 6.2 Rights, Preferences and Restrictions

The authorised share capital of the Company has only one class of shares referred to as 'equity shares' having a par value of ₹ 1/- each. The rights and privileges to equity shareholders are general in nature and defined under the Articles of Association.

The equity shareholders shall have:

(i) One Vote and a poll when present in person (including a body corporate by a duly authorised representative) or by an agent duly authorised under a power of attorney or by a proxy his voting right shall be in proportion to his share of the paid equity share capital of the company. However, no member shall exercise any voting rights in respect of any share registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the company has exercised any right of lien.

(ii) subject to the rights of person if any, entitled to share with special rights as to dividends, all dividends shall be declared and paid according to the amount paid or credited as paid to the shares in respect where of the dividend is paid but if and so long as nothing is paid upon any shares in the company, dividends may be declared and paid according to the amounts of the shares.

Note 6.3 Details of shareholders holding more than 5% Shares in the company

Particulars	As at March 31, 2022	
	No. of Shares	% of holding
Raghuvir Synthetic Limited	51000	51.00%
Yash Agarwal	24500	24.50%
Hardik Agawal	24500	24.50%
	100000	

Note 6.4 Details of shareholding of Promotors

Sr No.	Shares held by promoters as at March 31, 2022			
	Promoter Name	No. of Shares	% of total Shares	% Change during the year (refer note below)
1	Raghuvir Synthetic Limited	51000	51.00%	0.00%
2	Yash Agarwal	24500	24.50%	0.00%
3	Hardik Agawal	24500	24.50%	0.00%

Note : As this is the first year of incorporation of the Company, the Company has prepared a financial statement for the period from 8th December, 2021 to 31st March, 2022 and there is no comparision and % change during the year.

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DREAMSOFT BEDSHEETS PRIVATE LIMITED

Notes forming part of the Financial Statements

Note 7 : Other Equity

[₹ in Lakhs]

Particulars	As at March 31, 2022
Retained Earnings	(0.63)
Total:	**(0.63)**

Note 7.1 : Other Equity Detailed

[₹ in Lakhs]

Particulars	As at March 31, 2022
Surplus / (Deficit) in Statement of Profit & Loss	
Balance as per previous financial statements	-
Add/(Loss) : Profit for the year	(0.63)
Balance available for appropriation	**(0.63)**
Less: Appropriation	-
	(0.63)
Total:	**(0.63)**

Note 8 : Borrowings

[₹ in Lakhs]

Particulars	As at March 31, 2022
Non-current	
Un-Secured	
Loans from Directors	0.26
Total:	**0.26**

Note 9 : Trade Payables

[₹ in Lakhs]

Particulars	As at March 31, 2022
Current (Refer Note 9A)	
Total outstanding dues of micro and small enterprises	-
Total outstanding dues of creditors other than micro and small enterprises	0.44
Total:	**0.44**

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Note - 9A : Trade payables

Trade payables ageing schedule as at 31st March, 2022

[₹ in Lakhs]

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 Years	2-3 years	more than 3 years	
MSME	-	-	-	-	-	-	-
Others	0.25	-	0.19	-	-		0.44
Disputed Dues - MSME	-	-	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-	-	-
Total	0.25	-	0.19	-	-	-	0.44



DREAMSOFT BEDSHEETS PRIVATE LIMITED

Notes forming part of the Financial Statements

Note 10 : Administative and Other expenses

[₹ in Lakhs]

Particulars		For period from 8th December, 2021 to 31st March, 2022
Rent, Rates & Taxes		
Rent		0.19
Other Expenses		
Fees and Legal Expenses		0.13
Auditors Remuneration		0.25
Miscellaneous Expenses		0.06
	Total:	**0.63**
Auditor's Remuneration is made of		
Statutory Audit Fees		0.25
		0.25

Note 11 : Earning per Share

Particulars	For period from 8th December, 2021 to 31st March, 2022
Profit/(Loss) attributable to Equity shareholders (₹ in Lakhs)	(0.63)
Number of equity shares	1,00,000
Weighted Average number of Equity Shares	1,00,000
Basic earning per Share (₹)	**(0.63)**
Diluted earning per Share (₹)	**(0.63)**

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Notes forming part of financial statement

Note 12 : Contingent Liabilities and Capital commitments

[₹ in Lakhs]

Particulars	As at March 31, 2022
Contingent Liabilities	NIL
Capital Commitments	NIL

Note 13: Related Party Disclosure

(a) Details of Related Parties

Sr. No.	Name of Related Parties	Description of Relationship
1 2 3	Sunil R. Agarwal Yash S. Agarwal Hardik S. Agarwal	Key Management Personnel
4	Raghuvir Synthetic Ltd	Holding Company
5 6 7 8 9	Raghuvir Exim Ltd. The Sagar Textiles Mills Pvt. Ltd. Raghuvir Research Foundation Trust HYS Developers LLP HYS Lifecare LLP	Enterprise over which key management personnel exercise significant influence by controlling interest.
10 11 12	Raghukaushal Textile Pvt. Ltd. Raghuvir Life Style Pvt. Ltd. RSL Dyecot Pvt Ltd.	Enterprise over which relatives of key management personnel exercise significant influence.

(b) Details of transactions with related parties for the year ended March 31, 2022 in the ordinary course of business:

[₹ in Lakhs]

Sr. No.	Nature of Relationship / Transaction	KMP & Relatives	Enterprise over which key management personnel exercise significant influence by controlling interest.	Holding Company	Total
1	**Rent Expense** - Raghuvir Exim Ltd.	--	0.19		0.19
2	**Loan Taken** - Sunil R. Agarwal	0.26	--		0.26
3.	**Reimbursement of Expenditure** - Raghuvir Synthetic Limited			0.003	0.003

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(c) Amount due to / from related parties as at March 31, 2022

[₹ in Lakhs]

Nature of Relationship / Transaction	KMP & Relatives	Enterprise over which key management personnel exercise significant influence by controlling interest.	Holding Company	Total
Due by Company				
- Sunil R. Agarwal	**0.26**	--	--	**0.26**
- Raghuvir Exim Ltd.	--	**0.19**	--	**0.19**
- Raghuvir Synthetic Ltd	--	--	**0.003**	**0.003**

Note 14: Financial risk management

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyses the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

Risk	Exposure arising from	Measurement	Management of risk
Credit risk	Cash and cash equivalents, trade receivables, Financial assets measured at amortized cost.	Aging analysis	Diversification of funds to bank deposits, Liquid funds and Regular monitoring of credit limits.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of surplus cash, committed credit lines and borrowing facilities
Market risk – foreign exchange	Recognized financial assets and liabilities not denominated in Indian rupee (₹)	Cash flow forecasting Sensitivity analysis	Regular monitoring to keep the net exposure at an acceptable level, with option of taking Forward Foreign exchange contracts if deemed necessary.

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Notes forming part of financial statement

(a) Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The company is exposed to the credit risk from its trade receivables, unbilled revenue, investments, cash and cash equivalents, bank deposits and other financial assets. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets.

Cash and Cash Equivalents

Credit risk on cash and cash equivalents and other deposits with banks is limited as the Company generally invests in deposits with banks with high credit ratings assigned by external credit rating agencies; accordingly the Company considers that the related credit risk is low. Impairment on these items is measured on the 12-month expected credit loss basis.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's treasury maintains flexibility in funding by maintaining liquidity through investments in liquid funds and other committed credit lines. Management monitors rolling forecasts of the group's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

Financing arrangements

The working capital position of the Company is given below:

[₹ in Lakhs]

Particulars	March 31, 2022
Cash and cash equivalents	**1.07**

Liquidity Table

The Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods is given below. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

As at March 31, 2022

[₹ in Lakhs]

Financial Liabilities	Less than 1 year	1-5 years	5 years and above
Non-current financial liabilities			
Borrowings	--	0.26	--
	--	0.26	
Current financial liabilities			
Trade payables	0.44	--	--
	0.44	--	--
Total financial liabilities	0.44	0.26	--

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Notes forming part of financial statement

(c) Market Risk

Market risk is the risk arising from changes in market prices – such as foreign exchange rates and interest rates – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The Company is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of the investments. Thus, the exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates and investments

Note 15:

(a) Due to Micro, Small and Medium Enterprise

[₹ in Lakhs]

Sr. No.	Particulars	2021-2022
1	Principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	NIL
2	The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	NIL
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	NIL
4	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	NIL
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	NIL

The company has initiated the process of obtaining confirmation from suppliers who have registered themselves under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006). The above mentioned information has been compiled to the extent of responses received by the company from its suppliers with regard to their registration under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006).

Note 16: Other Regulatory Information

(a) Title deeds of Immovable Property

The Company don't have any immovable properties.

(b) Fair Value of Investment Property

The Company does not own any immovable property which is classified as Investment property as at the end of the year.

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Notes forming part of financial statement

(c) **Revaluation of Property, Plant and Equipment (including Right-of-Use Assets) and Intangible Assets**

The Company don't owned any property, hence there is no revaluation of its Property, Plant and Equipment (including Right-of-Use Assets) and Intangible assets.

(d) **Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties.**

The Company has not granted any loans and advances in the nature of loans to any promotes, directors, KMPs and the related parties.

(e) **Details of Benami Property held**

The Company does not hold any benami property as defined under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder. No proceeding has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made there under.

(f) **Borrowings obtained on the basis of security of current assets**

The Company has not taken any working capital limits from banks on the basis of security of current assets.

(g) **Wilful Defaulter**

The Company has not been declared Wilful Defaulter by any bank or financial institution or any other lender.

(h) **Relationship with Struck off Companies**

The Company does not have any transactions with struck off companies.

(i) **Registration of charges or satisfaction with Registrar of Companies (ROC)**

The company does not have any charges or satisfaction, which is yet to be registered with ROC beyond the statutory period.

(j) **Compliance with number of layers of companies**

The Company does not have any layer of Companies in accordance with clause 87 of Section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

(k) **Approved scheme of arrangements**

The Company has not entered into any scheme of arrangement approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

(l) **Utilisation of Borrowed funds and share premium:**

The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or kind of funds) to any other persons or entities, including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

(i) 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

(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

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Notes forming part of financial statement

The Company have not received fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(iii) 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

(iv) provide any guarantee, security, or the like on behalf of the ultimate beneficiaries.

(m) Undislcosed Income

The Company does not have any such 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.

(n) Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in crypto currency or virtual currency during the financial year.

(o) Ratio

As this is the first year of incorporation of the Company, the Company has prepared a financial statement for the period from 8th December, 2021 to 31st March, 2022 and therefore comparative ratios are not possible. Applicable ratios for current year are as under:-

Ratio	Numerator	Denominator	31st March, 2022	Remarks
Current Ratio (In times)	Total Current Asset	Total Current Liabilities	4.12	
Debt-Equity Ratio (In times)	Total Debt (Long term borrowings , Short Term Borrowings and Lease liabilities (Current & Non Current))	Shareholder's Equity	0.70	
Debt Service Coverage Ratio (In times)	Earning for Debt Service (Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments)	Debt service (Interest and lease payments + Principal repayments)	NA	Note 1
Return on Equity Ratio (in %)	Profit for the year	Average Shareholders equity	-340.54%	
Inventory turnover ratio (In times)	Sales	Average inventory	NA	Note 2
Trade Receivables turnover ratio (In times)	Net Sales	Average account receivables	NA	Note 2
Trade Payable turnover ratio (In times)	Cost of Material Consumed (including purchase of stock in trade) + Other Expenses	Average account payables	2.86	
Net capital turnover ratio (In times)	Net Sales	Net working capital	NA	Note 2
Net profit ratio (in %)	Net profit after taxes	Net Sales	NA	Note 2

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Notes forming part of financial statement

Return on Capital employed (in %)	Earning before Interest and taxes	Capital employed (Net worth + Lease liabilities + Deferred tax liabilities)	-100.00%	
Return on investment	Earning before Interest and taxes	Capital employed (Net worth + Lease liabilities + Deferred tax liabilities)	NA	Note 3

Notes:

1. No interest has been paid on borrowings, hence calculation of Debt- Service Coverage Ratio is not applicable.
2. The Company does not have any activity, hence there is no inventory, trade receivable, purchases, sale and therefore ratios mentioned above cannot be determined.
3. The Company do not have any investment, hence return on investment ratio is not applicable.

Note 17: Statement of Management

(a) The non current financial assets, current financial assets and other current assets are good and recoverable and are approximately of the values, if realized in the ordinary courses of business unless and to the extent stated otherwise in the Accounts. Provision for all known liabilities is adequate and not in excess of amount reasonably necessary. There are no contingent liabilities except those stated in the notes.

(b) Balance Sheet, Statement of Profit and Loss, cash flow statement and change in equity read together with Notes to the accounts thereon, are drawn up so as to disclose the information required under the Companies Act, 2013 as well as give a true and fair view of the statement of affairs of the Company as at the end of the year and financial performance of the Company for the year under review.

Note 18:

The Company has been incorporated on 8th December,2021, accordingly financial statement has been prepared for the period 8th December, 2021 to 31st March, 2022. Hence, there are no corresponding figure for previous year.

FOR G. K. CHOKSI & CO.
[Firm Registration No. 101895W]
Chartered Accountants

J. D. PATEL
Partner
Mem. No. 32780

Place : Ahmedabad
Date : 27th May, 2022

FOR AND ON BEHALF OF BOARD

SUNIL R. AGARWAL
Director
DIN: 00265303

HARDIK S. AGARWAL
Director
DIN : 03546802

Place : Ahmedabad
Date : 27th May, 2022

M/s. G. K. CHOKSI & CO. * CHARTERED ACCOUNTANTS *