## **KRETTO SYSCON LIMITED**

(CIN: L70100GJ1994PLC023061) (Formerly known as 'Ideal Texbuild Limited') Regd. off. : C/1/G, Ground Floor, Ashish Appt., Brahmkshatriya Co. Op. Housing Soc., Opp. Gujarat College, Ahmadabad- 380 006, (O) - 91-79-27541156 E-mail: idealopticsltd@gmail.com; Website:- www.idealopticltd.com

Date: 06.07.2022

То,	
The Department of Corporate Services	The Department of Corporate Services
The Bombay Stock Exchange	The Ahmedabad Stock Exchange,
Phiroze Jeejeebhoy Towers,	Kamdhenu Complex
Dalal Street,	Opp. Sahajanand College,
Bombay.	Panjrapole,
	Ahmedabad – 380015

Dear Sir,

#### Sub: <u>Submission of Annual Report 2021-2022 as per Regulation 34 of SEBI (LODR)</u> <u>Regulations, 2015</u>

#### Ref.: Company Code No. 531328

As per the above-mentioned subject, the Annual Report of F.Y 2021-2022 is hereby submitted as enclosure with this letter.

The Report was duly adopted and approved by the board of directors of the company at the board meeting conducted on 05.07.2022.

Please take into your records.

Thanking You,

Yours faithfully,



Encl- Annual Report 2021-2022

# **KRETTO SYSCON LIMITED**

### (FORMERLY KNOWN AS IDEAL TEXBUILD LIMITED)



## ANNUAL REPORT-2021-2022

### **REGISTERED OFFICE**

C/1/G, GROUND FLOOR, ASHISH APPT, BRAHMKSHTRIYA CO.OP.H.SOC, OPP.GUJ COLLEGE, AHMEDABAD-380006

### **BOARD OF DIRECTORS**

TUSHAR SHASHIKANT SHAH KRUTI KEVIN KAPADIA RAJESH MODI KUSH BHADRESHBHAI SHAH

### **COMPANY SECRETARY**

MANYA ANUP KHETWANI

### **AUDITOR**

S. MANDAWAT & CO. CHARTERED ACCOUNTANTS, AHMEDABAD

### **BANKER**

H.D.F.C. BANK LTD.

### **REGISTRAR AND SHARE TRANSFER AGENT**

**M/S. PURVA SHAREGISTRY (INDIA) PRIVATE LIMITED** 

9 SHIV SHAKTI IND. ESTT. J R BORICHA MARG, LOWER PAREL EAST MUMBAI 400 011

### **CONTENTS**

<u>SR. NO.</u>	PARTICULARS
1.	NOTICE TO MEMBER
2.	E-VOTING INSTRUCTION
3.	DIRECTOR'S REPORT
4.	MANAGEMENT DISCUSSION AND ANALYSIS
5.	SECRETARIAL AUDIT REPORT
6.	AUDITORS' REPORT
7.	BALANCESHEET
8.	STATEMENT OF PROFIT AND LOSS
9.	CASH FLOW STATEMENT
10.	SCHEDULES OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT
11.	NOTES FORMING PART OF THE FINANCIAL STATEMENTS
12.	SEBI ANNEXURE 1
13.	ATTENDANCE SLIP & PROXY FORM

#### NOTICE

#### NOTICE IS HEREBY GIVEN THAT THE ANNUAL GENERAL MEETING OF KRETTO SYSCON LIMITED (FORMERLY KNOWN AS IDEAL TEXBUILD LIMITED) WILL BE HELD ON TUESDAY, 9<sup>TH</sup> AUGUST, 2022 AT 2.00 P.M. AT REGISTERED OFFICE OF THE COMPANY TO TRANSACT THE FOLLOWING BUSINESS.

#### **ORDINARY BUSINESS:**

1) To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2022 and Balance sheet as at that date together with Directors Report and Auditors Report thereon.

#### **BY ORDER OF THE BOARD**

#### DATE: 5<sup>th</sup> July, 2022 PLACE: AHMEDABAD

#### SD/-CHAIRMAN

NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER. Proxy in order to be valid must be received by the company not less than forty-eight hours before the time of holding the Meeting. Proxies submitted on behalf of limited Companies, societies, etc., must be supported by appropriate resolutions / authority, as applicable. A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
- 2. Members/Proxies should bring the Attendance Slip, duly filled in, for attending the meeting.
- 3. The Register of Members and share transfer books of the Company will remain closed from 03.08.2022 TO 09.08.2022. (both days inclusive)
- 4. Members desiring any information regarding the accounts are requested to write to the Company at least Seven Days before the meeting so as to enable the management to keep the same ready.

#### SHAREHOLDER INSTRUCTIONS FOR E-VOTING

#### The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 06.08.2022 at 11.00 A.M. and ends on 08.08.2022 at 5.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 02.08.2022, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

**Step 1**: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

(iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility. Pursuant to above said SEBI Circular, Login method for e-Voting for **Individual** shareholders holding securities in Demat mode CDSL/NSDL is given below:

demat mode with <b>NSDL</b> <b>Depository</b>	<ul> <li>section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold"&gt;https://www.evoting.nsdl.com</li> </ul>
	with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e- Voting service provider website for casting your vote during the remote e-Voting period.
Individual Shareholders (holding securities in demat mode) login through their <b>Depository</b> <b>Participants</b> (DP)	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e- Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

## Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <u>helpdesk.evoting@cdslindia.com</u> or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

Login method for Remote e-Voting for **Physical shareholders and shareholders other than individual holding in Demat form.** 

- (v) The shareholders should log on to the e-voting website <u>www.evotingindia.com</u>.
- (vi) Click on "Shareholders" module.
- (vii) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- (viii) Next enter the Image Verification as displayed and Click on Login.
- (ix) If you are holding shares in demat form and had logged on to <u>www.evotingindia.com</u> and voted on an earlier e-voting of any company, then your existing password is to be used.

(x) If you are a first time user follow the steps given below:

	For Physical shareholders and other than individual shareholders		
	holding shares in Demat.		
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department		
	(Applicable for both demat shareholders as well as physical shareholders)		
	• Shareholders who have not updated their PAN with the		
	Company/Depository Participant are requested to use the sequence		
	number sent by Company/RTA or contact Company/RTA.		
Dividend	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as		
Bank	recorded in your demat account or in the company records in order to login.		
Details	• If both the details are not recorded with the depository or company,		
<b>OR</b> Date	please enter the member id / folio number in the Dividend Bank		
of Birth	details field.		
(DOB)			

- (xi) After entering these details appropriately, click on "SUBMIT" tab.
- (xii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xiii) For shareholders holding shares in physical form, the details can be used only for evoting on the resolutions contained in this Notice.
- (xiv) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xv) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- (xvi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xvii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xviii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xix) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xx) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xxi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

## (xxii) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.

- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; idealopticsltd@gmail.com (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

## PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id.

2. For Demat shareholders -, please update your email id & mobile no. with your respective Depository Participant (DP)

3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call at toll free no. 1800 22 55 33

#### <u>Board's Report</u>

To, The Members of M/s. Kretto Syscon Limited (Formerly known as Ideal Texbuild Limited)

Your Directors have pleasure in presenting the Board's Report of your Company together with the Audited Statement of Accounts and the Auditors' Report of your company for the financial year ended, 31st March, 2022.

#### **FINANCIAL HIGHLIGHTS**

		<u>(Rs.In Lacs)</u>	
Particulars	Standa	Standalone	
	2021-2022	2020-2021	
Gross Income	415.11	64.95	
Profit Before Interest and Depreciation	23.82	15.52	
Finance Charges	0.00	0.00	
Gross Profit	24.15	16.01	
Provision for Depreciation	0.34	0.49	
Net Profit Before Tax	24.15	16.01	
Provision for Tax	6.29	4.13	
Net Profit After Tax	17.86	11.88	

#### **DIVIDEND**

With a view to conserve the resources of company and by looking at financial prospects the directors of the company have not recommended any dividend.

#### **AMOUNTS TRANSFERRED TO RESERVES**

The Board of the company has decided/proposed to carry current year profit to its reserves.

#### **CHANGES IN SHARE CAPITAL, IF ANY**

During the Financial Year 2021-2022, changes were occurred in the share capital of the company.

The authorized share capital of the company as on March 31, 2021 was Rs. 150,000,000/divided into 15,000,000 equity shares of Rs. 10/- each and the Paid-up Equity Share Capital of the Company as on March 31, 2021 was Rs. 142,543,740/- divided into 14,254,374 equity shares of Rs. 10/- each.

During the year under review your Company has increased the authorized share capital of from existing to Rs. 160,000,000/- divided into 16,000,000 equity shares of Rs. 10/- each.

Further, the company has opted option to split of share at equity shares having face value of 10 divided into face value of Rs. 1/- each and the Company has issued bonus shares 14254374 of Rs. 1/- at proportion of 1:10 to all the eligible members, vide approval of shareholders in an Extra Ordinary General Meeting held on 31<sup>st</sup> January, 2022.

Due to Stock Split and issued of Bonus Shares, the Authorised capital and Paid-up capital of the Company were increased. Details of the Authorized, Issued, and paid-up share Capital of the Company before and after Sub-Division (Stock Split) and Issue of Bonus equity shares are as follows:

Particulars	Pre Capital	After increase in Authorised Share capital	After Sub- division or Stock Split	After Bonus Issue in the ratio of 1:10	After Increase in Authorised Capital, Bonus Issue and Sub- division (Stock Split)
	Face value of Rs. 10/- each	Face value of Rs. 10/- each	Face value of Rs. 1/- each	Face value of Rs. 1/- each	Face value of Rs. 1/- each
Authorised Share Capital	150,000,000	160,000,000	160,000,000	160,000,000	160,000,000
Issued, Paid- up and Subscribed Share Capital	142,543,740	142,543,740	142,543,740	156,798,114	156,798,114

#### INFORMATION ABOUT SUBSIDIARY/ JV/ ASSOCIATE COMPANY

Company does not have any Subsidiary, Joint venture or Associate Company.

## TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCTION AND PROTECTION FUND

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no dividend declared and / or paid last year.

#### **MATERIAL CHANGES AND COMMITMENTS**

No material changes and commitments affecting the financial position of the Company occurred between the ends of the financial year to which these financial statements relate on the date of this report.

#### ANNUAL RETURN

The copy of Annual Return as required under section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, is available on the website of the company. The link of website is <u>www.krettosysconltd.com</u>

#### **MEETINGS OF THE BOARD OF DIRECTORS**

During the Financial Year 2021-2022, the Company held Ten (10) board meetings of the Board of Directors as per Section 173 of Companies Act, 2013 which is summarized below. The provisions of Companies Act, 2013 and SEBI (Listing obligations & Disclosure

Requirements) Regulations, 2015 were adhered to while considering the time gap between two meetings.

S No.	Date of Meeting	Board Strength	No. of Directors Present
1	05/05/2021	3	3
2	25/06/2021	3	3
3	10/07/2021	3	3
4	13/08/2021	3	3
5	04/09/2021	3	3
6	02/11/2021	3	3
7	03/01/2022	3	3
8	04/02/2022	3	3
9	09/02/2022	3	3
10	14/02/2022	3	3

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134(5) of the Companies Act, 2013 the Board of Directors of the Company confirms that-

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The directors had prepared the annual accounts on a going concern basis; and
- (e) The directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### AUDITORS AND REPORT THEREON

M/s. S. Mandawat & Co, Chartered Accountants, are the statutory auditor of the company

There are no qualifications or adverse remarks in the Auditors' Report which require any clarification/ explanation. The Notes on financial statements are self-explanatory, and needs no further explanation.

Further the Auditors' Report for the financial year ended, 31st March, 2022 is annexed herewith for your kind perusal and information.

#### LOANS, GUARANTEES AND INVESTMENTS

The Company has given Loans and advances amounting to Rs. 168,970,230/-as per section 186 of the companies act, 2013.

However, the company has not given Guarantee under section 186 of the Companies Act, 2013 for the financial year ended 31st March 2022.

#### **RELATED PARTY TRANSACTIONS**

There are no materially significant related party transactions of the Company with key managerial personnel during the financial year 2021-2022 which have potential conflict with the interest of the Company at large.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:**

#### (A) Conservation of energy and Technology absorption

The particulars as required under the provisions of Section 134(3) (m) of the Companies Act, 2013 in respect of conservation of energy and technology absorption have not been furnished considering the nature of activities undertaken by the company during the year under review.

#### (B) Foreign exchange earnings and Outgo

There were no foreign exchange earnings and outgo during the year under review.

#### **RISK MANAGEMENT**

Periodic assessments to identify the risk areas are carried out and management is briefed on the risks in advance to enable the company to control risk through a properly defined plan. The risks are classified as financial risks, operational risks and market risks. The risks are taken into account while preparing the annual business plan for the year. The Board is also periodically informed of the business risks and the actions taken to manage them. The Company has formulated a policy for Risk management with the following objectives:

- Provide an overview of the principles of risk management
- Explain approach adopted by the Company for risk management
- Define the organizational structure for effective risk management

• Develop a "risk" culture that encourages all employees to identify risks and associated Opportunities and to respond to them with effective actions.

• Identify, access and manage existing and new risks in a planned and coordinated manner with Minimum disruption and cost, to protect and preserve Company's human, physical and financial assets.

#### **DIRECTORS and KMP**

Following changes has occurred in the constitution of directors of the company during the year.

Sr. No	Name	Designation	Date of appointment	Date of cessation	Mode of Cessation
1	RAJESH MODI	Director	05/05/2021	-	-
2	BHAVNA SHAH	Director	-	05/05/2021	Resignation

#### **DEPOSITS**

The company has not accepted any deposits during the year.

#### **CORPORATE SOCIAL RESPONSIBILITY**

The company does not meet the criteria of Section 135 of Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 so there is no requirement to constitute Corporate Social Responsibility Committee.

#### **RATIO OF REMUNERATION TO EACH DIRECTOR**

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Companies (Particulars of Employees) Rules, 1975, in respect of employees of the Company and Directors is furnished hereunder:

No remuneration is paid to any director of the company.

#### **ANNUAL EVALUATION**

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Compliance Committees.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

#### **CORPORATE GOVERNANCE**

Report on Corporate Governance is not applicable to the company. The company does not meet the criteria for applicability of regulation 27 of LODR, 2015.

#### **INDEPENDENT DIRECTORS and DECLARATION**

The Board of Directors of the Company hereby confirms that all the Independent directors duly appointed by the Company have given the declaration and they meet the criteria of independence as provided under section 149(6) of the Companies Act, 2013.

#### NOMINATION AND REMUNERATION COMMITTEE

As per the section 178(1) of the Companies Act, 2013 the Company's Nomination and Remuneration Committee comprises of three Directors. The table sets out the composition of the Committee:

Name of the Director	Position held in the Committee	Category of the Director
Mr. Rajesh Modi	Chairman	Independent, Non-Executive Director
Mr. Tushar Shah	Member	Executive Director
Ms. Kapadia Kruti Kevin	Member	Non-Executive Director

\* Ms. Bhavana Ritesh Shah resigned from the board on 05.05.2021 thus she also ceased as a member of the committee and Mr. Rajesh Modi appointed as a Chairman of the committee

#### Terms of Reference

The Terms of Reference of the Nomination and Remuneration Committee are as under:

- 1. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance.
- 2. To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
- 3. The Nomination and Remuneration Committee shall, while formulating the policy ensure that:
  - a. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
  - b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - c. remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals:

- 4. Regularly review the Human Resource function of the Company
- 5. Discharge such other function(s) or exercise such power(s) as may be delegated to the Committee by the Board from time to time.
- 6. Make reports to the Board as appropriate.
- 7. Review and reassess the adequacy of this charter periodically and recommend any proposed changes to the Board for approval from time to time.
- 8. Any other work and policy, related and incidental to the objectives of the committee as per provisions of the Act and rules made there under.

#### **REMUNERATION POLICY**

#### **Remuneration to Executive Directors:**

The remuneration paid to Executive Directors is recommended by the Nomination and Remuneration Committee and approved by Board in Board meeting, subject to the subsequent approval of the shareholders at the General Meeting and such other authorities, as may be required. The remuneration is decided after considering various factors such as qualification, experience, performance, responsibilities shouldered, industry standards as well as financial position of the Company. However, no remuneration is paid to executive directors of the company.

#### **Remuneration to Non-Executive Directors:**

The Non-Executive Directors are not paid any remuneration by way of Sitting Fees and Commission. The Non-Executive Directors are not paid any sitting fees for meeting of the Board and Committee of Directors attended by them.

#### AUDIT COMMITTEE

According to Section 177 of the Companies Act, 2013 the company's Audit Committee comprised of three directors. The board has accepted the recommendations of the Audit Committee. The table sets out the composition of the Committee:

Name of the Director	Position held in the Committee	Category of the Director	
Mr. Rajesh Modi	Chairman	Independent, Non-Executive	
		Director	
Mr. Tushar Shah	Member	Executive Director	
Ms. Kapadia Kruti	Member	Non-Executive Director	
Kevin			

\* Ms. Bhavana Ritesh Shah resigned from the board on 05.05.2021 thus she also ceased as a member of the committee and Mr. Rajesh Modi appointed as a Chairman of the committee

#### SECRETARIAL AUDIT REPORT

There are qualifications or adverse remarks in the Secretarial Audit Report which require any clarification/ explanation as below:

- 1. The company is under process of appointment of internal auditor.
- 2. The company will publish the newspaper advertisement of financial results as per Regulation 47 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 3. The company has submitted the Closure of Trading Window for the Quarter ended 30th June, 2021 on 09th July, 2021
- 4. The website of the company is duly working and updated.
- 5. The company will do the Retirement of Directors as per section 152 of the Companies Act, 2013.

Further the Secretarial Audit Report **as provided by Mrs. Khushbu Trivedi, Practicing Company Secretary** for the financial year ended, 31st March, 2022 is annexed herewith for your kind perusal and information.

#### COST AUDIT

Cost audit is not applicable to the Company.

#### VIGIL MECHANISM

As per Section 177(9) and (10) of the Companies Act, 2013, and as per the Clause 49 of the Listing Agreement, the company has established Vigil Mechanism for directors and employees to report genuine concerns and made provisions for direct access to the chairperson of the Audit Committee. Company has formulated the present policy for establishing the vigil mechanism/ Whistle Blower Policy to safeguard the interest of its stakeholders, Directors and employees, to freely communicate and address to the Company their genuine concerns in relation to any illegal or unethical practice being carried out in the Company. The details of the Vigil Committee are annexed herewith for your kind perusal and information.

## DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSEL) ACT, 2013:

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (Permanent, contractual, temporary, trainees) are covered under this policy.

#### **DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS**

Your company has established adequate internal financial control systems to ensure reliable financial reporting and compliance with laws and regulations

#### **ACKNOWLEDGEMENT**

Your Directors wish to express their grateful appreciation to the continued co-operation received from the Banks, Government Authorities, Customers, Vendors and Shareholders during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed service of the Executives, staff and Workers of the Company.

#### FOR & ON BEHALF OF THE BOARD OF DIRECTORS

DATE: 05.07.2022 PLACE: AHMEDABAD

> Sd/-(KAPADIA KRUTI KEVIN) DIN: 07746940 DIRECTOR

Sd/-(TUSHAR SHAH) DIN: 01748630 MANAGING DIRECTOR

#### KRETTO SYSCON LIMITED (FORMERLY IDEAL TEXBUILD LIMITED)

#### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

#### **1. Overall Review**

The Growth rate has been on the upward trend as compared to the previous year with favorable market conditions which reflect the positive market.

#### 2. Financial Review

During the year the company has continue its business activities and earned the profit of Rs. 17.86 Lakhs.

#### 3. Risk and Concern

Bullish about the construction business. However, Changes in rate of Interest will affect Company's Profitability. The changes in law also affect the quantum of work for the company.

#### 4. Internal Control System and their adequacy

The internal control system is looked after by Directors themselves, who also looked after the day to day affairs to ensure compliance of guide lines and policies, adhere to the management instructions and policies to ensure improvements in the system. The Internal Audit reports are regularly reviewed by the management.

#### 5. Environmental Issues

As the company is not in the field of manufacture, the matter relating to produce any harmful gases and the liquid effluents are not applicable.

#### 6. Financial Performance with Respect to Operation Performance

The Company has all the plans for tight budgetary control on key operational performance indication with judicious deployment of funds without resorting to any kind of borrowing where ever possible.

#### 7. Cautionary Statement

Statement in this report on Management Discussion and Analysis may be forward looking statements within the meaning of applicable security laws or regulations. These statements are based on certain assumptions and expectations of future events. Actual results could however, differ materially, from those expressed or implied. Important factors that could make a difference to the company's operations include global and domestic demand supply conditions, finished goods prices, raw material cost and availability and changes in government regulation and tax structure, economic development within India and the countries with which the company has business contacts and other factors such as litigation and industrial relations.

The Company assumes no responsibility in respect of forward - looking statements, which may be amended or modified in future on the basis of subsequent developments, information or events.

#### Form No. MR-3

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

#### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON 31-03-2022

To, The Members, M/s. **KRETTO SYSCON LIMITED** Ahmedabad

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **KRETTO SYSCON LIMITED**, (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the **KRETTO SYSCON LIMITED's** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31-03-2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the **KRETTO SYSCON LIMITED** for the financial year ended on 31<sup>st</sup> March, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under.

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings- (Not applicable to the Company during the Audit Period).

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 2014 (Not Applicable to the Company during the Audit Period);
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable to the Company during the Audit Period);-
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable to the Company during the Audit Period) and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not Applicable to the Company during the Audit Period);-

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following prima facie observations:

- Company should appoint internal auditor.
- Newspaper Advertisement of Financial Results was not done as per Regulation 47 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Closure of Trading Window for the Quarter ended 30th June, 2021 was not submitted within time to the Stock Exchange.
- Audit report of the company should be signed by CS and CFO of the company.
- Website of the company should be updated.
- Retirement of Directors as per Section 152 of the Companies Act, 2013 should be complied.

#### I further report that

The Board of Directors of the company should be duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provision of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**I further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I/we further report that during the audit period the company has:

(i) Sub-division of equity shares of the company from the face value of Rs. 10/- each to Rs. 1/- each.

(ii) Allotted 14,254,374 Equity Shares of Rs. 1/- each as fully paid up Bonus Equity Shares in the proportion of 1:10 i.e. 1 (One) new fully paid-up equity share for every 10 (Ten) existing fully paid-up equity share.

Place: Ahmedabad Date: 27.06.2022 SD/-Khushbu Trivedi FCS NO.: 9151 COP NO: 9115 UDIN: F009151D000532731 To, The Members M/s. KRETTO SYSCON LIMITED

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit as presented by management to us.

2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.

5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards are the responsibility of the management. Our examination was limited to the verification of procedure on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Ahmedabad Date: 27.06.2022 SD/-Khushbu Trivedi FCS NO.: 9151 COP NO: 9115 UDIN: F009151D000532731

#### **INDEPENDENT AUDITOR'S REPORT**

#### To the Members of KRETTO SYSCON LIMITED Report on the Audit of the Financial Statements

#### Opinion

We have audited the Financial Statements of **KRETTO SYSCON LIMITED** ("the Company"), which comprise the balance sheet as at 31<sup>st</sup> March 2022, and the statement of profit and loss, (*statement of changes in equity*) and statement of cash flows for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information [hereinafter referred to as "the Financial Statements"].

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its profit/loss, (*changes in equity*) and its cash flows for the year ended on that date.

#### **Basis for Opinion**

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

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

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

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

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

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

#### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters 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, (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. 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 Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the Board of Directors 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 the Board of Directors 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

Those Board of Directors are also responsible for overseeing the Company'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.

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

- a. Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b. 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
- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- d. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- e. Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the 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 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. The provisions of 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 is applicable to the Company, refer to our separate Report in "Annexure A".
- 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, (the Statement of Changes in Equity) and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014
- (e) In our opinion there are no observations or comments on the financial transactions, which may have an adverse effect on the functioning of the Company.
- (f) 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.
- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (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 have 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.

For S.Mandavat & Co. CHARTED ACCOUNTANTS FRN: 118330w

Sd/-CA. Subhashchandra Mandawat M.No. : 102708

Place: Ahmedabad Date: 25.05.2022

#### UDIN: 22102708AJOTFY3114

#### ANNEXURE TO INDEPENDENT AUDITORS' REPORT

#### Annexure 'A'

### <u>Referred to in Paragraph 1 under the heading of "Report on other Legal and Regulatory</u> <u>Requirements" of our report of even date</u>

On the basis of such checks as we considered appropriate and in terms of the information and explanations given to us, we state that: -

- i. The Company has fixed assets, and company is maintaining proper records showing full particulars including quantitative details and situation of property plant and machinery. The physical verification and all the proper records maintained by the management.
- ii. There is no Closing stock at the end of the year, hence Not Applicable.
- According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties listed in the register maintained under Section 189 of the Companies Act, 2013.Consequently, the provisions of clauses iii (a), (b) and (c) of the order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, company has complied with the provision of section 185 and 186 of the Companies Act, 2013 In respect of loans, investment, guarantees, and security.
- v. The company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provision of sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules,2015 with regards to the deposits accepted from the public are not applicable.
- Vi. As per information & explanation given by the management, maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 1480f the Companies Act, 2013.

- vii. According to information and explanations given to us and on basis of our examination of the books of account, and records, the company has been generally regular in depositing undisputed statutory dues including, Sales-tax, Service Tax, Custom Duty, Excise Duty, value added tax, cess and any other statutory dues with the appropriate authorities. The company has demand for the F.Y 2014-15, : 1,15,71,910/- , F.Y 2012-13 : 32,17,610/-, AND F.Y 2015-16 : 1,41,48300/- . against which CIT(A) is pending.
- viii. There is no any such transaction which was not recorded in the books of accounts, and disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix. In our opinion and according to the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution or bank. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.
- x. Based on our audit procedures and according to the information given by the management, the company has not raised any money by way of initial public offer or further public offer (including debt instruments) or taken any term loan during the year.
- xi. According to the information and explanations given to us, we report that no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
- xii. The company is not a Nidhi Company. Therefore clause (xii) of the order is not applicable to the company.
- xiii. According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.
- xiv. As per company size and nature of its transaction there is no need to apply internal audit systems, hence N.A
- xv. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or person connected with him. Accordingly, the provision of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

- xvi. In our opinion, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. And accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.
- xvii. There is no any cash losses incurred during the year consideration, hence N.A.
- xviii. There is no any resignation of statutory auditors during the year consideration, hence N.A
- 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, and as per the auditor's opinion that **there is no any material uncertainty exists as on the date of the audit report.** The company **is capable** of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- xx. There is no any ongoing projects, the company has transferred unspent amount during the year consideration.
- xxi. There is no any adverse demand and qualification by the respective auditors, hence N.A

#### For S.Mandavat & Co. CHARTED ACCOUNTANTS FRN: 118330w

Sd/-CA. Subhashchandra Mandawat M.No. : 102708

Place: Ahmedabad Date: 25.05.2022

UDIN: 22102708AJOTFY3114

#### ANNEXURE - B TO THE AUDITORS' REPORT

## Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **KRETTO SYSCON LIMITED**("The Company") as of 31<sup>st</sup> March 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

#### Auditors' Responsibility

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

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

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

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

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

#### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.Mandavat & Co. CHARTED ACCOUNTANTS FRN: 118330w

Sd/-CA. Subhashchandra Mandawat M.No. : 102708

Place: Ahmedabad Date: 25.05.2022

#### UDIN: 22102708AJOTFY3114

## Annexure C to the Independent Auditors' Report

Additional Reporting as per Revised Schedule-III of the Companies Act -2013 [Amended on 24<sup>th</sup> March 2021]

Additional Regulatory Information

### 1. <u>Title Deeds of Immovable Property not held in the name of the Company</u>

As per the information and explanation given to me, the records examined by me and based on the examination, in company there is no any immovable property, hence N.A

### 2. <u>Revaluation of Property, Plant & Equipments</u>

The Company has not revalued its Property, Plant and Equipments during the current financial year.

### 3. Loans & Advances to Directors, Promoters KMPs & Related Parties

The Company has not granted any loans or advances in the nature of loan outstanding to any of its Promoters, Directors, Key Managerial Personals and related parties.

### 4. <u>Capital Work-in-Progress</u>

The Company does not have any Capital Work in Progress Account as at the Balance Sheet Date.

### 5. Intangible Assets under Development

The Company does not have any Intangible Assets under development as at the Balance Sheet Date.

### 6. Details of Benami Property held

The Company does not hold any Benami Property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

### 7. Wilful Defaulter

As informed by the management, the name of the Company and any of its directors does not appear under the list of wilful defaulter.

### 8. <u>Relationship with Struck off Companies</u>

The Company does not have any transactions with the Companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.

### 9. <u>Registration of charges or satisfaction with Registrar of Companies</u>

The Company does not require to create/modified/satisfied charge on the assets of the Company during the financial year.

### 10. <u>Compliance with number of layers of Companies</u>

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

## 11. <u>Financial Ratios FY 2021-22</u>

SR.	Ratio	Numerator	Denominator	Current	Previous	%	Reason
No				Period	Period	Variance	for
							Variance
1	Current Ratio	Current	Current	10.42	12.52	-	
		Assets	Liabilities				
2	Debt-Equity Ratio	Loans	Capital	0.00	0.19	-	
		(Liabilities)	Accounts +				
			Net Profit				
3	Debt Service	Net	Interest on	0.00	0.00	-	
	Coverage Ratio	Operating	Loan + Loan				
		Income	Repayment				
4	Return on Equity	Profit	Equity+Profit	1.10	0.74		
	Ratio						
5	Inventory	Inventory	Turnover	0.00	0.00	-	
	Turnover Ratio						
6	Trade Receivable	Trade	Turnover	0.00	0.00	-	
	Turnover Ratio	Receivable					

### 12. <u>Compliance with approved Scheme(s) of Arrangements</u>

There is not any scheme of arrangements has been approved by the competent authority in terms of section 230 to 237 of the Companies Act, 2013 during the current financial year.

### 13. <u>Utilization of Borrowed funds and Share Premium</u>

- [A] The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), 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[B] The Company has not received any funds from any persons(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall
  - i. 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

ii. Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

### 14. <u>Undisclosed Income</u>

The Company does not have any transaction which was not recorded in the books of accounts in earlier years & that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

### 15. <u>Corporate Social Responsibility</u>

The Company is not covered under section 135 of the Companies Act, 2013.

### 16. <u>Details of Crypto Currency or Virtual Currency</u>

The Company has not traded or invested in Crypto currency or Virtual Currency during the current financial year.

#### Kretto Syscon Limited formerly known as Ideal Texbuild Limited Balance Sheet as at 31st March, 2022

Doutionlong	Note N-	Manah 21 2022	in Rs. March 31, 2021
Particulars	Note No	March 31, 2022	March 31, 2021
ASSETS			
A00110			
(1) Non-Current Assets			
(a) Property, Plant and Equipment	2	7,301,182	7,335,370
(b) Capital Work-in-Progress		-	
(c) Intangible Assets		-	
(d) Financial Assets			
(i) Investments		-	
(ii) Loans	3	168,970,230	165,452,450
(iii) Other financial assets		-	
(e) Other Non-Current Assets	4	60,000	-
(2) Current Assets			
(a) Inventories		-	
(b) Financial Assets			
(i) Investment		-	
(ii) Trade Receivables			
(iii) Cash and Cash Equivalents	5	24,151	20,059
(iv) Bank Balances (Other than (iii) above)	5	2,712,547	1,639,195
(v) Loans	5	2,712,547	1,059,195
(v) Dother financial assets			
(c) Other Current Assets	6	248,105	162,183
(c) Onler Current Assets	0	240,105	102,102
TOTAL ASSETS		179,316,215	174,609,256
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	7	156,798,114	142,543,740
(b) Other Equity	8	6,015,441	18,483,963
LIABILITIES			
(1) Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings		-	
(ii) Other financial liabilities		-	
(b) Provisions		-	
(c) Deferred Tax Liabilities (net)	9	12,037	10,25
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	10	-	220,000
(ii) Trade Payables	10	11,103,043	9,813,600
(iii) Other financial liabilities		11,105,045	>,015,000
		_	
(b) Other current liabilities		=	
(b) Other current liabilities (c) Provisions	12	4 704 054	3 121 38
<ul><li>(b) Other current liabilities</li><li>(c) Provisions</li><li>(d) Current tax liabilities (Net)</li></ul>	12 13	4,704,054 683,526	3,121,384 416,308

Significant Accounting Policies and other accompanying Notes (1 to 20) form an integral part of the Financial Statements

As per our report of even date

For, S. Mandawat & Co. **Chartered Accountant** Firm Reg. No. 118330W

Sd/-(Subhashchandra K. Mandawat) Partner Place :- Ahmedabad Date :- 25.05.2022 UDIN: 22102708AJOTFY3114 Sd/-Director TUSHAR SHAH DIN: 01748630

Particulars	Note No	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from Operations	14	34,768,384.00	-
Other Income	15	6,742,706.00	6,495,293.00
TOTAL INCOME		41,511,090.00	6,495,293.00
EXPENSES			
Purchase of Stock in Trade	16	35,360,495.00	-
Employee Benefits Expense	17	1,361,450.00	2,190,250.00
Other Expenses	18	2,373,423.00	2,703,857.00
TOTAL EXPENSES		39,095,368.00	4,894,107.00
Profit before tax		2,415,722.00	1,601,186.00
Tax Expense:			
(1) Current Tax		628,088.00	416,308.38
(2) Deferred Tax		1,782.00	(3,281.00)
Profit for the year		1,785,852.00	1,188,158.62
OTHER COMPREHENSIVE INCOME			
i. Items that will not be reclassified to profit or loss		-	-
ii. Income tax relating to items that will not be reclassified to profit or loss		-	-
Other Comprehensive Income for the year (net of tax)		-	-
Total Comprehensive Income for the year		1,785,852.00	1,188,158.62
Earning per equity share( Face Value Rs. 10/- each) Basic and Diluted (Rs.)	=		

### Kretto Syscon Limited formerly known as Ideal Texbuild Limited Statement of Profit & Loss for the year ended 31st March, 2022

Significant Accounting Policies and other accompanying Notes (1 to 20) form an integral part of the Financial Statements As per our report of even date For and on behalf of the Board

For, S. Mandawat & Co. **Chartered Accountant** Firm Reg. No. 118330W

Sd/-(Subhashchandra K. Mandawat) Partner Place :- Ahmedabad Date :- 25.05.2022 UDIN: 22102708AJOTFY3114 Sd/-Director TUSHAR SHAH DIN: 01748630

#### Kretto Syscon Limited formerly known as Ideal Texbuild Limited STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2022

		For the ye March 3		For the ye March 3	
A.CASH FLOW I	FROM OPERATING ACTIVITIES				
Profit before	Tay		2,415,722		1,601,186
			2,413,722		1,001,100
Add :	Depreciation and amortisation expenses Tranfer to Reserve	34,188		49,904	
	Bad debts	-		-	
	Appropriations	-		1,168,026	
	Miscellaneous Expenses amortized Miscellaneous Expenses - incurred	15,000 -75,000		153,238	
	Impairment Allowances for doubtful debts	-75,000		-	
	r		-25,812		1,371,168
_			2,389,910		2,972,354
Less:	Interest Income Dividend Income from Investments	-		-	
	Net gain/(loss) on sale of Current Investments	-		-	
	Net gain/(loss) on Fair Valuation of current investments	-		-	
	Net gain/(loss) on Foreign Exchange fluctuation and translation	-		-	
	Provisions / Liabilities no longer required written back	-		-	
	Profit/(Loss) on sale / discard of Fixed Assets (Net)	-	-	-	-
Operating Pr	rofit before Working Capital changes		2,389,910		2,972,354
Less:	Increase/(Decrease) in Inventories	-		-	
1000	Increase/(Decrease) in Trade Receivables	-			
	Increase/(Decrease) in Loans & advances, other financial and non				
	financial assets	-3,603,692		-3,533,218	
	(Increase)/Decrease in Trade Payables, other financial and non-financial liabilities and provisions	2 120 226	1(1)(	2 277 290	1 155 020
Cash generat	ted from Operations	3,139,326	-464,366 1,925,544	2,377,289	<u>-1,155,929</u> 1,816,425
Less:	Direct Taxes paid (Net)		628,088		416,308
Net cash flow	r from Operating activities	-	1,297,456		1,400,117
B. CASH FLOW	FROM INVESTING ACTIVITIES				
	e of Property, Plant and Equipment, Intangible Assets and ssets sold/discarded	-			
	se)/Sale of Investment (net)	-			
	es and Loans to subsidiaries	-		-	
Interest	received	-		-	
Dividen	d received	-			
	ent in bank deposits (having original maturity of more than 3	-	-	-	-
Net Cash flow	w from Investing activities	-	-		-
C. CASH FLOW	FROM FINANCING ACTIVITIES				
		222.000			
	s/(Repayments) from short term borrowings (net) s/(Redemption / Repayment) of Long Term Debentures/Term Loan	-220,000			
	and other borrowing cost paid	-		-	
Dividend		-		-	
	pplication Money Returned	-		-	
Tax on I	Dividend	-	-220,000	-	-
Net cash flow	r from Financing activities	-	-220,000		-
Cash and Cash eq	uivalents (A+B+C)		1,077,456		1,400,117
	uivalents as at 1st April		1,659,254		259,137
I				-	
Coch and Cb	uivalents as at 31st March (refer note no. 6)		2,736,710		1,659,254

Note :

1. The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'

Significant Accounting Policies and other accompanying Notes (1 to 20) form an integral part of the Financial Statements As per our report of even date

For, S. Mandawat & Co. Chartered Accountant Firm Reg. No. 118330W

Sd/-(Subhashchandra K. Mandawat) Partner Place :- Ahmedabad

Date :- 25.05.2022 UDIN: 22102708AJOTFY3114 Sd/-Director TUSHAR SHAH DIN: 01748630

#### Statement of Changes in Equity for the year ended 31st March, 2022

(i) Equity Share Capital

Particulars	In Rs lakh
Balance as at April 1,2020	1,425.44
Changes during the year	
Balance as at March 31,2021	1,425.44
Changes during the year	143
Balance as at March 31,2022	1,567.98

#### (ii) Other Equity As at March 31,2022

Particulars		Reser	ves & Surplus		Items of Other Comprehensive Income	Equity Instrument through Other	Total
	Capital Reserve	Central State Subsidy	General Reserve	Retained Earnings	Remeasurements of the Defined Benefit Plans	Comprehensive Income	
Balance as at March 31, 2021	-	-	18,483,963	-	-	-	18,483,963
Total comprehensive income for the year	-	-		1,785,852	-	-	1,785,852
Transferred from Retained earnings to General Reserve	-	-	1,785,852	-1,785,852	-	-	-
Appropriations for the year	-	-	-	-	-	-	-
Transfer to Retained earning on disposal of Bonus Shares	-	-	-14,254,374	-	-	-	-14,254,374
Interim Dividend including tax thereon	-	-	-	-	-	-	-
Balance as at March 31, 2022	-	-	6,015,441	-	-	-	6,015,441

#### As at March 31, 2021

Balance as at April 1, 2020	-	-	16,127,778	-	-	-	16,127,778
Total comprehensive income for the year	-	-	-	1,188,159	-	-	1,188,159
I ransferred from Retained earnings to General Reserve		-	1,188,159	-1,188,159	-	_	-
Appropriations for the year			1,168,026				1,168,026
Transfer to Retained earning on disposal of							, , , , , , , , , , , , , , , , , , ,
Equity Instruments	-	-	-	-	-	-	-
Final Dividend including tax thereon	-	-	-	-	-	-	-
Interim Dividend including tax							
thereon	-	-	-	-	-	-	-
Balance as at March 31, 2021	-	-	18,483,963	-	-	-	18,483,963

Significant Accounting Policies and other accompanying Notes (1 to 20) form an integral part of the Financial Statements As per our report of even date

For, S. Mandawat & Co. **Chartered Accountant** Firm Reg. No. 118330W

Sd/-(Subhashchandra K. Mandawat) Partner Place :- Ahmedabad Date :- 25.05.2022 UDIN: 22102708AJOTFY3114 Sd/-Sd/-DirectorDirectorTUSHAR SHAHKAPADIA KRUTI KEVINDIN: 01748630DIN: 07746940

#### Notes: Forming Part of the Financial Statement as at 31st March, 2022 Note:-1

#### I. CORPORATE INFORMATION

M/s. Kretto Syscon Limited is a public limited company incorporated under the provisions of Companies Act, 1956 and having its registered office at Ahmedabad in the state of Gujarat.

#### II. STATEMENT OF COMPLIANCE :

Standalone Financial Statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and relevant provisions of the Companies Act, 2013.

Accordingly, the Company has prepared these Standalone Financial Statements which comprise the Balance Sheet as at 31 March, 2022, the Statement of Profit and Loss for the year ended 31 March 2022, the Statement of Cash Flows for the year ended 31 March 2022 and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinaftere referred to as 'Standalone Financial Statements' or 'Financial Statements')

#### III. SIGNIFICANT ACCOUNTING POLICIES :

#### 1. BASIS OF ACCOUNTING:

The Financial Statements have been prepared under the historical cost convention on accrual basis excepting certain financial instruments which are measured in terms of relevant Ind AS at fair value/ amortized costs at the end of each reporting period and investment in one of its subsidiary which as on the date of transition have been fair valued to be considered as deemed cost.

#### 2. PLANT, PROPERTY & EQUIPMENT

Property, Plant and Equipment are stated at cost of acquisition, construction and subsequent improvements thereto less accumulated depreciation and impairment losses, if any. For this purpose cost include deemed cost on the date of transition and adjustment for exchange difference wherever applicable and comprises purchase price of assets or its construction cost including duties and taxes, inward freight and other expenses incidental to acquisition or installation and any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended for its use. For major projects and capital installations, interest and other costs incurred on / related to borrowings to finance such projects or fixed assets during construction period and related pre-operative expenses are capitalized.

#### 3. REVENUE RECOGNITION

Revenue from sale of goods rendered is recognised upon passage of title.

#### 4. TAXATION OF INCOME

Tax expenses comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred taxes reflects the impact of current year timing diffrences between taxable income and accouting income for the year and reversal of timing diffrences of earlier year.

#### 5. Earnings per Share

Basic Earnings per Share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted Earnings per Share is calculated by adjustment of all the effects of dilutive potential equity shares from the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period.

#### 6. INVENTORIES

Inventories are valued at lower of cost or net realisable value.

Costs for the purpose of Raw materials, stores and spares and consumables comprise of the respective purchase costs including non-reimbursable duties and taxes. Cost for carriage, clearing and forwarding are included in inventory proportionately.

#### 7. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a legal or constructive obligation as a result of past events and it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of obligation. Provisions are not recognised for future operating losses. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Contingent liabilities are not recognized and are disclosed by way of notes to the financial statements when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or when there is a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the same or a reliable estimate of the amount in this respect cannot be made.

Contingent assets are not recognised but disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

#### Notes forming part of accounts

Note:- 2 Tangible Assets

[Amount in Rs.]

				GROSS BLOG	CK (At cost)			DEPRECI	IATION		NET BLOCK	
Sr.	Particulars	Rate	As at			As at	Up to	For the		Up to	As at	As at
No.		%	01/04/2021	Additions	Deduction	31/03/2022	01/04/2021	year	Adjustments	31/03/2022	31/03/2022	31/03/2021
1	Khajuri Pole Assets	-	72 20 000	-	-	72 20 000	-	-	-	-	72 20 000	72 20 000
2	Computer & Printer	39.30%	1 44 000	-	-	1 44 000	1 11 794	12 657	-	1 24 451	19 549	32 20
3	Furniture & Fixtures	25.89%	2 04 318	-	-	2 04 318	1 21 154	21 531	-	1 42 685	61 633	83 164
	Total :	-	72 20 000	-	-	75 68 318	2 32 948	34 188	-	2 67 136	73 01 182	73 35 37
	Previous Year :	-	75 68 318		-	75 68 318	1 09 490	73 554	-	1 83 044	73 85 274	74 58 828

#### Notes: Forming Part of the Provisional Financial Statement as at 31st March, 2022

#### Note : 3 Long Term Loans and Advances

Sr. No	Particulars	As at 31.03.2022	As at 31.03.2021
		Rs	Rs
	Secured, Considered Good Unsecured, Considered Good Deposits	168,970,230 -	- 165,452,450
	Total	168,970,230	165,452,450

#### Note : 4 Other Non Current Assets

Sr. No	Particulars	As at 31.03.2022	As at 31.03.2021
		Rs	Rs
	Miscellaneous Expenses		
	Opening Balance	75,000	153,238
	Add: Expenses incurred during the year	-	-
	Less: Expenses written off	15,000	153,238
	Total	60,000	-

#### Note: 5 Cash and Cash Equivalents

Sr. No	Particulars	As at 31.03.2022	As at 31.03.2021
1 2	Cash on Hand (As certified by Management) Balances with Bank in current accounts	<b>Rs</b> 24,151 2,712,547	<b>Rs</b> 20,059 1,639,195
	Total	2,736,698	1,659,254

### Note : 6 Other Current Assets

Sr. No	Particulars	As at 31.03.2022	As at 31.03.2021
		Rs	Rs
	TDS Receivable		
	TDS Receivable	-	162,183
	TDS Receivable current F.Y	248,105	
	Total	248,105	162,183

### Notes: Forming Part of the Provisional Financial Statement as at 31st March, 2022

#### Note : 7 Share Capital

Sl. No	Particulars	As at 31.	03.2022	As at 3	1.03.2021
		No of Shares	Amount in Rs	No of Shares	Amount in Rs
a)	AUTHORISED CAPITAL				
	Equity Shares of Rs. 10/- each.	15,000,000	150,000,000	15,000,000	150,000,000
	Add : Increase authorised Shares Capital	1,000,000	10,000,000		
	Total :	16,000,000	160,000,000		
	Sub Division of Equity Shares Rs.10 to Rs.1/- each Add : Increase authorised Shares Capital	160,000,000	160,000,000		
		160,000,000	160,000,000	15,000,000	150,000,000
b)	ISSUED , SUBSCRIBED & FULLY PAID UP Equity Shares of Rs 10/- Each , Fully paid up				
	Balance at the beginning of the year	14,254,374	142,543,740	14,254,374	142,543,740
	Sub Division of Equity Shares Rs.10 to Rs.1/- each	142,543,740	142,543,740		
	Add : issued Bonus Shares During the year	14,254,374	14,254,374		
	Balance at the end of the year	156,798,114	156,798,114	14,254,374	142,543,740
	Total	156,798,114	156,798,114	14,254,374	142,543,740

#### **Rights, Preferences and Restrictions attached to Equity Shares**

The Company has only one class of Equity Shares having a par Value of Rs 1/- per share. Each Shareholder is eligible

## Notes: Forming Part of the Provisional Financial Statement as at 31st March, 2022

## Note : 8 Reserve & Surplus

Sr. No	Particulars	As at 31.03.2022	As at 31.03.2021
		Rs	Rs
1	Surplus in Statement of Profit & Loss		
	Balance at the beginning of the year	18,483,963	16,127,778
	Add: Profit for the year	1,785,852	1,188,159
		20,269,815	17,315,937
	Add: Appropriations	-	1,168,026
	Less : Issued Bonus Shares	(14,254,374)	
	Balance at the end of the year	6,015,441	18,483,963
	Total	6,015,441	18,483,963

### Note : 9 Deferred Tax Liability

Sr. No	Particulars	As at 31.03.2022	As at 31.03.2021
		Rs	Rs
	<b>Deferred Tax Liabilities (Opening Balance)</b> Difference of book depreciation and tax depreciation	10,255	13,536
	Deferred Tax Assets/Liability during the year	1,782	3,281
	Total	12,037	10,255

## Note : 10 Long Term Borrowings

Sr. No	Particulars	As at 31.03.2022	As at 31.03.2021
		Rs	Rs
	Unsecured Loan	-	220,000
	Total	-	220,000

### Note : 11 Trade Payables

Sr. No	Particulars	As at 31.03.2022	As at 31.03.2021
		Rs	Rs
	For Goods	11,103,043	9,813,606
	Total	11,103,043	9,813,606

### **Note : 12 Short Term Provision**

Sr. No         Particulars         As at 31.03.2022         As at 31.03.2021
--

		Rs	Rs
	Other Payables		
1	Provision for Income Tax (Net)	-	63,330
2	Provision for Expenses	4,704,054	3,058,054
	Total	4,704,054	3,121,384

## Note : 13 Current Tax Liability

Sr. No	Particulars	As at 31.03.2022	As at 31.03.2021
		Rs	Rs
	Other Payables Provision for Income Tax current tax	683,526	416,308
	Total	683,526	416,308

## 14 Revenue from operations

Particulars	For The Year Ended March 31, 2022	For The Year Ended March 31, 2021
Sale of products	34,768,384.00	-
TOTAL	34,768,384.00	-

## 15 Other Income

Particulars	For The Year Ended March 31, 2022	in Rs. For The Year Ended March 31, 2021
Interest Income Other Income	6,741,798.00 908.00	6,495,293.00
TOTAL	6,742,706.00	6,495,293.00

## 16 Cost of Material Consumed

		in Rs.
Particulars	For The Year Ended March 31, 2022	For The Year Ended March 31, 2021
Opening Stock (Including Consumables) Purchases During the Year Less: Closing Stock (Including Consumables)	- 35,360,495.00 -	
TOTAL	35,360,495.00	-

## 17 Employee Benefit Expenses

		III KS.
Particulars	For The Year Ended	For The Year Ended

in Rs.

in Rs.

	March 31, 2022	March 31, 2021
		1 42 4 000 00
Salaries, Wages and Bonus	1,285,000.00	1,434,000.00
Bonus Expense	-	-
Director Salary	-	720,000.00
Staff Welfare Expenses	76,450.00	36,250.00
TOTAL	1,361,450.00	2,190,250.00

# 18 Other Expenses

		in Rs.
Particulars	For The Year Ended	For The Year Ended
	March 31, 2022	March 31, 2021
BSE Expenses	538,580.00	354,000.00
Bank Charges	1,905.00	2,741.00
CDSL Expenses	334,370.00	66,570.00
Computer Expenses	-	7,024.00
Conveyance Expense	167,785.00	60,255.00
GST Expenses	-	4,345.00
Fire Saftey Expenses	165,000.00	-
Depreciation Expense	34,188.00	49,904.00
Interest Expenses	21,240.00	-
Legal & ProfessonaL Expenses	25,000.00	35,600.00
Miscellaneous Expenses	57,577.00	112,580.00
Miscellaneous Expenses written off	15,000.00	153,238.00
New Branch Office Expense	-	140,250.00
NSDL Expenses	212,759.00	53,100.00
Office Expenses	231,441.00	29,232.00
Rent Expenses	456,000.00	1,265,000.00
Travelling Expenses	_	299,720.00
Stationary Expenses	69,578.00	41,298.00
Stamp Duty Expenses	14,500.00	
ROC Fees Expenses	1,200.00	
Website Expenses	2,300.00	4,000.00
Auditor's Remuneration		
Audit Fees	25,000.00	25,000.00
TOTAL	2,373,423.00	2,703,857.00

#### Notes Forming Part of the Financial Statement as at 31st March, 2022

Note : 19 Earning Per Equity Share (EPS)	Note : 19	Earning	Per	Equity	Share	(EPS)
--	-----------	---------	-----	--------	-------	-------

	Particulars	As at 31.03.2022	As at 31.03.2021
		Amount in Rs	Amount in Rs
1	<u>Basic EPS</u> a. Net Profit /(Loss) after Tax	1,785,852	1,188,159
	a. Net FIOIIt /(Loss) after Tax	1,785,852	1,100,516
		7 7	, - ,
	b. Paid up Equity Capital (Rs. 10 each)	156,798,114	142,543,740
		(142,543,740)	(142,543,740)
	c. Basic EPS (a*10/b)	0.11	0.08
		0.08	0.08
2	Diluted EPS		
	a. Net Profit /(Loss) after Tax per Accounts	1,785,852	1,188,159
		1,188,159	1,100,516
	b. Paid up Equity Capital (Rs. 10 each)	156,798,114	142,543,740
		(142,543,740)	(142,543,740)
		0.11	0.00
	c. Diluted EPS (a*10/b)	0.11	0.08
		0.08	0.08
<u> </u>			

### <u>Note : 20</u>

Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/ disclosure.

### Signature to Note No. 1 to 20

Significant Accounting Policies and other accompanying Notes (1 to 20) form an integral part of the Financial Statements As per our report of even date

### For, S. Mandawat & Co. **Chartered Accountant** Firm Reg. No. 118330W

Sd/-(Subhashchandra K. Mandawat) Partner Place :- Ahmedabad Date :- 25.05.2022 UDIN: 22102708AJOTFY3114 Sd/-Sd/-DirectorDirectorTUSHAR SHAHKAPADIA KRUTI KEVINDIN: 01748630DIN: 07746940

### M/s. **KRETTO SYSCON LIMITED**

### NOTES ANNEXED TO AND FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

### Notes to Balance sheet and Profit & Loss Account

### 1. Significant Accounting Policies:-

i) Basis of Accounting:

Financial Statement is prepared under historical cost convention on an accrual basis in accordance with the requirements of the Companies Act. 2013.

- ii) Fixed Assets and Depreciation:
  - a) The Fixed Assets stand at their historical cost.
  - b) <u>Depreciation</u>:

The Depreciation Calculate on the Fixed Assets as per WDV method of the Companies Act, 2013.

### iii) **INVENTORIES**:

There is no Inventories, hence does Not Applicable.

### iv) <u>MISCELLANEOUS EXPENSES:</u>

There is no Preliminary Expenditure, hence does not applicable.

### V) <u>CONTINGENT LIABILITIES:</u>

No provision is made for liabilities, which are contingent in nature but, if material the same is disclosed by way of notes to the accounts.

VI) Taxation:

N.A

### M/s. KRETTO SYSCON LIMITED

#### -2-

### Deferred Tax Deferred Tax Expenses is Rs. 1782.00 and Closing Balance as on 31.03.2022 is Rs.12037

None of the employees of the Company has crossed the Limits Prescribed u/s. 217 (2A) of the Companies (Particulars of Employees) Amendment Rules, 1988 during the year.

### 4. (a) Value of Import calculates on CIF basis

5.

a) Audit Fees

	Current year	Previous year
1. Raw Material	N.A.	(N.A.)
2. Components & Spare Parts	N.A.	(N.A.)
3. Capital Goods	N.A.	(N.A.)
(b) Expenditure in Foreign Currency	Nil	Nil
(c) Amount remitted in foreign currency on account of divided to Non Resident	Nil	Nil
Auditors Remuneration		
	As at	As at
	2021-2022	2020-2021

6. In the opinion of the Board, Current Assets, Loans and Advances have the value at which they are stated in the Balance Sheet, if realized in the ordinary course of business and are subject to confirmation.

25,000.00

25,000.00

7. Additional Information under Schedule III of the Companies Act, 2013: Nil

8. Cash on Hand and Stock value, Sundry Debtors, Sundry Creditors, Provisions and Loans & Advances Balances are subject to Physical Verification due to Covid-19. We relied on management representation.

For, S. Mandavat & Co. *Chartered Accountants* 

For & on behalf of the Board

Sd/-(Subhashchandra Mandavat )

Firm No. 118330W

Sd/-Director TUSHAR SHAH DIN: 01748630

UDIN: 22102708AJOTFY3114

PLACE: AHMEDABAD DATE: 25.05.2022

## <u>ANNEXURE I</u>

### **KRETTO SYSCON LIMITED**

## Statement on Impact of Audit Qualifications (for audit report with modified opinion) submittedalong-with Annual Audited Financial Results - (Standalone and Consolidated separately)

	<i>ee</i> Kegu	lation 33 / 52 of the SEBI (LODR) (Amendment) Regulat	cions, 2016] (A	Amount in Lakhs)	
l.	SI. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)	
	1.	Turnover / Total income	41511090	41511090	
	2.	Total Expenditure	39095368	39095368	
	3.	Net Profit/(Loss)	1785852	1785852	
	4.	Earnings Per Share	0.011	0.011	
	5.	Total Assets	179316215	179316215	
	6.	Total Liabilities	16502660	16502660	
	7.	Net Worth	162813555	162813555	
	8.	Any other financial item(s) (as felt appropriate by the management)			
II.	<u>Audit</u>	Qualification (each audit qualification separately):			
	a b				
	c. Frequency of qualification: N.A d. For Audit Qualification(s) where the impact is quantified by the auditor, Managemen				
	е	. For Audit Qualification(s) where the impact is not o	uantified by theaudit	tor: N.A	
		(i) Management's estimation on the impact	of auditqualification:		
		(ii) If management is unable to estimate the i	mpact, reasons for th	esame:	
		(iii) Auditors' Comments on (i) or (ii) above:			
III.	<u>Signat</u>	ories:			
		• CEO/Managing Director: TUSHAR SHAH (DIN:	01748630)	S/D	
		Audit Committee Chairman: RAJESH MODI (D	DIN: 09161222)	S/D	
		• Statutory Auditor: SUBHASH K MANDAWAT ( (M. No: 102708) (F.R.No: 118330W)	S. MANDAWAT&CO.)	S/D	
	1				

# **ATTENDANCE SLIP**

I/We......R/o.....R/o......R/o......hereby record my/our presence at the Annual General Meeting of the Company on Tuesday, 9<sup>th</sup> day of August, 2022 at 2:00 P.M. at C/1/G, Ground Floor, Ashish Appt, Brahmkshtriya CO. OP. H.Soc, Opp. Guj College, Ahmedabad-380006.

DPID * :	Folio No. :
Client Id * :	No. of Shares :

\* Applicable for investors holding shares in electronic form.

Signature of shareholder(s)/proxy

Note:

1. Please fill this attendance slip and hand it over at the entrance of the hall.

2. Please complete the Folio / DP ID-Client ID No. and name, sign this Attendance Slip and hand it over at the Attendance Verification Counter at the ENTRANCE OF THE MEETING HALL.

3. Electronic copy of the Annual Report for 2022 and Notice of the Annual General Meeting (AGM) along with Attendance Slip and Proxy Form is being sent to all the members whose email address is registered with the Company/ Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.

4. Physical copy of the Annual Report for 2022 and Notice of the Annual General Meeting along with Attendance Slip and Proxy Form is sent in the permitted mode(s) to all members whose email is not registered or have requested for a hard copy.

# Form No. MGT-11 Proxy form

[*Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies* (Management and Administration) *Rules, 2014*]

CIN: L70100GJ1994PLC023061

Name of the Company: KRETTO SYSCON LIMITED

Registered office: C/1/G, Ground Floor, Ashish Appt, Brahmkshtriya CO. OP. H.Soc, Opp. Guj College, Ahmedabad-380006

Name of the member (s):	E-mail ld:
	No. of shares held
	Folio No.
Registered address:	DP ID*.
	Client ID*.

\* Applicable for investors holding shares in electronic form.

I/We being the member(s) of the above named Company hereby appoint:

S.No.	Name	Address	Email address	
1				or failing him
2				or failing him
3				

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company on Tuesday, 9<sup>th</sup> day of August, 2022 at 2.00 P.M at C/1/G, Ground Floor, Ashish Appt, Brahmkshtriya CO. OP. H.Soc, Opp. Guj College, Ahmedabad-380006, and at any adjournment thereof in respect of such resolutions as are indicated below:

\*\* I wish my above Proxy to vote in the manner as indicated in the box below:

S.No.	Resolution	For	Against
1	To Adoption of the Audited Profit and Loss Account And Balance sheet for the year ended 31 <sup>st</sup> March, 2022		


\*\* It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

Signed this ..... day of..... 2022

Signature of shareholder.....

Signature of Proxy holder(s) (1).....

Signature of Proxy holder(s) (2).....

Signature of Proxy holder(s) (3).....

Affix Revenue Stamp not less than Re.0.15

## Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

2. A Proxy need not be a member of the company.

3. A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

4. In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

5. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the Annual General Meeting.

6. Please complete all details including details of member(s) in above box before submission.