Bagaria Lalit & Co.
Chartered Accountants

4, Synagogue Street
10th Floor, Room No. 1015, Kolkata - 700 001
Phone : 033 4600 9376
E-mail : bagarialalitco@gmail.com

Independent Auditor's Report

To the Members of
K. K. EMULSIONS PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **K. K. EMULSIONS PRIVATE LIMITED** ("the Company"), which comprises the **Balance Sheet** as at **March 31, 2021**, the **Statement of Profit and Loss** for the year then ended, the **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.

Opinion

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 Act 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, 2021**, **profit** and its **cash flows** for the year ended on that date.

Basis for Opinion

We conducted our audit 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.

Responsibilities of Management and those charged with governance 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, 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 implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

BAGARIA LALIT & CO. Kolkata Chartered Accountants

(contd...2)

Auditor's Responsibilities for the Audit of Financial Statement

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. A further description of the auditor's responsibilities for the audit of the financial statements is included in **Annexure A**. This description forms part of our auditor's report.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure B**, a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 Cash Flows 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) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
   f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      i) The Company does not have any pending litigations which would impact its financial position.
      ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
      iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For BAGARIA LALIT & CO.
(Chartered Accountants)
Firm Reg. No.323206E

Place: Kolkata

BAGARIA LALIT & CO. Kolkata Chartered Accountants

Dated:31.08.2021
UDIN:21057869AAAAAV5526

(LALIT BAGARIA)
Proprietor
Membership No. 057869

Annexure "A" of Responsibilities for Audit of Financial Statement

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

1) 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.
2) 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.
3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4) 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.
5) 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.

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.

For BAGARIA LALIT & CO.
(Chartered Accountants)
Firm Reg. No.323206E

Place: Kolkata

BAGARIA LALIT & CO. Kolkata Chartered Accountants

Dated:31.08.2021
UDIN:21057869AAAAAV5526

(LALIT BAGARIA)
Proprietor
Membership No. 057869

Annexure –"B" to the Independent Auditor's Report of even date to the members of **K. K. EMULSIONS PRIVATE LIMITED,** on the financial statements for the year ended **31st March 2021**

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) (a) As explained to us, inventories have been physically verified by the management at reasonable intervals. No material discrepancy was noticed on physical verification of stocks by the management compared to book records.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) In our opinion and according to the information and explanation given to us, the company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans, investments, guarantees and securities.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) To the best of our knowledge and belief, the Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products/ services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.

(b) There are no dues in respect of income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess that have not been deposited with the appropriate authorities on account of any dispute.

(contd..4)

BAGARIA LALIT & CO. Kolkata Chartered Accountants

(viii) According to the records of the company examined by us and the information and explanation given to us, the company has not defaulted in repayment of loans or borrowings to any financial Institution or bank or government or dues to debenture holders as at the balance sheet date.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. The Company has applied the proceeds of the term loans for the purpose for which those are raised.

(x) According to the Information and explanations given to us , no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provision of section 197 read with schedule V of the Act.

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

(xiii) According to the Information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with sections 177 and section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

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

(xiv) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For BAGARIA LALIT & CO.
(Chartered Accountants)
Firm Reg. No.323206E

Place: Kolkata

Dated:31.08.2021
UDIN:21057869AAAAAV5526

BAGARIA LALIT & CO. Kolkata Chartered Accountants

(LALIT BAGARIA)
Proprietor
Membership No. 057869

K. K. EMULSIONS PRIVATE LIMITED

CIN : U24100WB2012PTC187541

Balance Sheet as at 31st March 2021

Particulars	Note No	Figures at the end of current reporting period Amount in Rupees	Figures at the end of previous reporting period Amount in Rupees
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	17,255,000	11,900,000
Reserves and Surplus	4	4,512,760	5,696,193
Non-Current Liabilities			
Non Current Borrowings	5	8,100,236	8,663,341
Current Liabilities			
Current Borrowings	6	19,661,875	17,568,282
Trade Payables	7	45,528,417	20,257,703
Other Current Liabilities	8	7,609,941	6,881,951
Current Provisions	9	3,805,464	2,134,017
Total		106,473,692	73,101,487
II.Assets			
Non Current Assets			
Property,Plant & Equipments	10	15,919,088	17,308,528
Deffered Tax Assets	11	209,514	111,889
Non Current Loan & Advances	12	514,230	376,900
Current assets			
Inventories	13	24,624,283	12,200,615
Trade Recievables	14	56,016,950	38,222,086
Cash and Cash Equivalents	15	5,933,795	3,042,195
Current Loans and Advances	16	2,953,163	1,700,444
Other Current Assets	17	302,670	138,830
Total		106,473,692	73,101,487
Summary of significant accounting policies	2.1		
The accompanying notes are an integral part of the financial statements	3-28	-	-

As per our report of even date
for Bagaria Lalit & Co.
Chartered Accountants
Firm Reg. No. 323206E

(Lalit Bagaria)
Proprietor
M.No.057869

Place: Kolkata
Dated: The 31st day of August 2021

for and on behalf of Board
For K. K. EMULSIONS PVT. LTD.

Managing Director
Kamal Kumar Dugar
(DIN : 01151900)

For K. K. EMULSIONS PVT. LTD.

Director
Mohan Lal Dugar
(DIN : 06405717)

K. K. EMULSIONS PRIVATE LIMITED

CIN : U24100WB2012PTC187541

Statement of Profit and Loss for the year ended 31st March 2021

	Particulars	Note No	Figures for the current reporting period Amount in Rupees	Figures for the previous reporting period Amount in Rupees
I.	Revenue From Operation	18	203,383,743	148,980,850
II.	Other Income	19	181,391	146,050
III.	**Total Revenue(I+II)**		203,565,134	149,126,900
IV.	*Expenses:*			
	Purchase of Raw Materials	20	177,055,693	122,500,611
	(Increase)/decrease in invetories	21	(12,423,668)	(3,875,599)
	Employee Benefit Expense	22	2,950,469	2,553,128
	Finance Costs	23	3,228,156	3,594,454
	Depreciation and amortization expense		2,639,918	2,917,888
	Other expenses	24	22,235,161	18,099,901
	Total Expenses		195,685,729	145,790,383
V.	Profit before exceptional and extraordinary items and tax (III - IV)		7,879,406	3,336,517
VI.	Tax expense:			
	Current tax for the year		2,079,964	944,017
	Current tax for earlier year		-	21,212
	Deferred Tax Liability/(Assets)		(97,625)	(114,630)
VII.	Profit/(Loss) for the period from the continuing operations (V-VI)		5,897,067	2,485,918
VIII.	Earning per equity share:			
	Basic	25	4.90	2.36
	Summary of significant accounting policies	2.1		
	The accompanying notes are an integral part of the financial statements	3-28		

As per our report of even date
for Bagaria Lalit & Co.
Chartered Accountants
Firm Reg. No. 323206E

BAGARIA LALIT & CO.
Kolkata
Chartered Accountants

(Lalit Bagaria)
Proprietor
Membership No: 057869

Place: Kolkata
Dated: The 31st day of August 2021

for and on behalf of Board
For K. K. EMULSIONS PVT. LTD.

Managing Director
Kamal Kumar Dugar
(DIN : 01151900)

For K. K. EMULSIONS PVT. LTD.

Director
Mohan Lal Dugar
(DIN : 06405717)

K. K. EMULSIONS PRIVATE LIMITED

CIN : U24100WB2012PTC187541

Cash Flow Statement for the year ended 31st March 2021

Sr. No.	PARTICULARS	31st March 2021 Amount(Rs.)	31st March 2020 Amount(Rs.)
A.	**CASH FLOW FROM OPERATING ACTIVITIES :**		
	Profit After Tax	5,897,067	2,485,918
	Adjustments for:		
	Depreciation and Ammortisation	2,639,918	2,917,888
	Interest and Finance Charges	3,226,156	3,594,454
	Interest Income	(181,391)	(146,050)
	Operating Profit before working capital changes	11,583,750	8,852,209
	Adjustments for:		
	(Increase)/ Decrease in Inventories	(12,423,686)	(3,875,599)
	(Increase)/ Decrease in Trade Receivables	(17,794,864)	(10,890,093)
	(Increase)/ Decrease in Loans & Advances	16,172	956,944
	(Increase)/ Decrease in Other Current Assets	(163,840)	15,584
	(Decrease)/ Increase in Short Term Borrowings	2,093,593	4,255,618
	(Decrease)/ Increase in Trade Payables	25,270,714	7,594,158
	(Decrease)/ Increase in Other Current Liabilities	727,990	2,785,599
	(Decrease)/ Increase in Provisions	535,500	(3,496)
	Cash generated from operations	9,845,347	9,590,923
	Provision for Taxes (net of taxes paid)	(230,570)	(183,054)
	Net Cash from Operating Activities (A)	9,614,777	9,407,869
B.	**CASH FLOW FROM INVESTING ACTIVITIES :**		
	Purchases of Fixed Assets/Capital Work in Progress	(1,250,478)	(1,999,094)
	(Increase)/ Decrease in Long Loans & Advances	(137,330)	(28,764)
	Interest Income	181,391	146,050
	Net Cash Generated (used) in Investing Activities (B)	(1,206,417)	(1,881,808)
C.	**CASH FLOW FROM FINANCING ACTIVITIES :**		
	Interest and Finance Charges	(3,226,156)	(3,594,454)
	(Decrease)/ Increase in Long Term Borrowings	(563,105)	(4,086,659)
	Proceeds from Share Capital & Premium	5,355,000	3,000,000
	Utilisation of Reserve & Surplus for Issue of Bonus Shares	(5,355,000)	-
	Dividend & Dividend Distribution Tax	(1,725,500)	(1,190,000)
	Net Cash from Financing Activities (C)	(5,516,761)	(5,871,113)
	Net Increase/(decrease) in cash and cash equivalents (A + B + C)	2,891,600	1,654,948
	Opening Cash and Cash Equivalents	3,042,195	1,387,247
	Closing Cash and Cash Equivalents	5,933,795	3,042,195
		2,891,600	1,654,948
		-	-

As per our report of even date

for Bagaria Lalit & Co.
Chartered Accountants
Firm Reg. No. 323206E

(Lalit Bagaria)
Proprietor
Membership No.: 057869

BAGARIA LALIT & CO. Kolkata Chartered Accountants

Place: Kolkata
Dated: The 31st day of August 2021

for and on behalf of Board
K. K. EMULSIONS PRIVATE LIMITED
For K. K. EMULSIONS PVT. LTD.

Kamal Kumar Dugar

Managing Director

Kamal Kumar Dugar
(DIN : 01151900)

For K. K. EMULSIONS PVT. LTD.

Mohan Lal Dugar

Director

Mohan Lal Dugar
(DIN : 06405717)

K. K. EMULSIONS PRIVATE LIMITED

Notes to the financial statements for the year ended 31st March 2021

1 Corporate Information

K. K. Emulsions Private Limited is a private limited company incorporated under the provisions of the Companies Act,1956.

2 Basis of preparation of financial statements

The Financial Statements are prepared in accordance with the Generally Accepted Accounting Principles under the historical cost convention on accrual basis. Generally Accepted Accounting Principles (GAAP) comprises mandatory Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.Accounting policies have been consistently applied except where a newly issued accounting standardis initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2.1 Summary of Significant Accounting Policies

a. Change in Accounting Policy

Presentation & Disclosure in financial statements

From the year ended 31.03.2015 onwards the Schedule III notified under the Companies Act 2013, has become applicable to the Company, for preparation and presentation of its financial statements.The adoption of Schedule III does not impact recognition and measurement principles followed for preparation of financial statements by the company. However, it has significant impact on presentation & disclosures made in the financial statements.The company has also reclassified the previous year's figures in accordance with the said requirements.

b. Use of estimates

The preparation of the financial statements in the conformity with the GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

c. Property, Plant & Equipments

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses,if any. The cost comprises purchase price, borrowing costs if capitaliztion criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is addded to its book value only if it increases the future benefits from the existing assetbeyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure of cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derocgnition of fixed assets are measured as difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

d. Depreciation

Depreciation on fixed assets is charged on written down value method as per useful life prescribed under schedule II of the Companies Act 2013. Any Addition or extension to an existing asset which is of capital nature and which becomes an integral part of the existing asset is depreciated over the remaining useful life of that asset. When assets are disposed or discarded, their cost and accumulated depreciation are removed from the financial statements.

BAGARIA LALIT & CO
Kolkata
Chartered Accountants

e. Impairment of assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any impairment exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's(CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset,unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets.Where the carrying amount af an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

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

An assessment is made at each reporing date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the amount of the asset does not exceed it's recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revalution increase.

f. Borrowing Cost

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition , construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

g. Government Grants & Subsidios

As per the provisions of AS-12 Grants & Subsidies from the Government are recognised when there is reasonable assurance that
i) the company will comply with the conditions attached to them and

ii) the grant/subsidy relates to revenue,it is recognised as income on systematic basis in the statement of Profit & loss over the periods necessary to match them with the related cost which they arte intended to compensate.Where the grant relates to an asset,it is recognised as deferred income and released to income in equal amounts over the expected useful life of the related asset.

h. Investments

As per the provisions of AS 13 investments which are readily relisable and intended to be held for not more than one year from the date on which such investments are made,are classifed as current investments. All other investments are classified as Long Term Investments/Non Current Investments.

BAGARIA LALIT & CO.
Kolkata
Chartered Accountants

i. Inventories

1) Stock of traded goods are valued at lower of Cost and Net Realisable Value. Cost includes purchase price and any other expenses directly attributable to the product.
2) Stock of raw-materials are valued at lower of Cost and Net Realisable Value. Cost includes purchase price and any other expenses directly attributable to the product.
3) Stock of Semi, Finished Goods, Scrap are valued at lower of Cost and Net Realisable Value. Cost includes purchase price and any other expenses directly attributable to the product.
4) Stock of Packing Materials are valued at lower of Cost and Net Realisable Value. Cost includes purchase price and any other expenses directly attributable to the product.

j. Revenue recognition

Revenue is recognised to the extent that it is probable the the economic benefits will flow to the company and revenue can be reliably measured. The provisions of AS -9 are complied to the extent applicable to the company.

Sale of Goods

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The company collects sales tax and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the company and are not included in revenue.

k. Employee benefits

Short Term employee benefits are recognised as an expenses in th Profit & Loss Account of the year in which the related service is rendered.No post retirement benefits are payable by the company to its employees due to non applicability of relevant statutory legislations.provisions of AS 15 have been complied with to the extent applicable to company.

l. Income Tax

As per the provisions of AS 22 tax expense comprises current & 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.The tax rate & tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Defferred Tax is recognized, on timing difference being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Where there is unabosorbed depreciation or carry forward lossess, deffered tax assets are recognized if there is virtual certainity that sufficient future taxable income will be available against which such assets can be realised. Other deffered tax assets are recognised only to the extent there is reasonable certainity of realization in future. Such assets are reviewed at each Balance Sheet date to reassess realisation.

m. Earning per share

In accordance with the provisions of AS 20 basic earnings per share are calculated by dividing the net profit or loss after tax for the period attributable to equity shareholders.

n. Share Issue Expenses

In accordance with the provisions of AS 26 preliminary expenses / share issue expenses have been written off in the year of its incurring.

o. Contingencies

Contingent liability is a possible obligation that arises from past events and 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 enterprise, or is a present obligation that arises from past events but is not recognised because either it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or a reliable estimate of the amount of the obligation cannot be made.

BAGARIA LALIT & CO.
Kolkata
Chartered Accountants

K. K. EMULSIONS PRIVATE LIMITED

Notes to the financial statements for the period ended 31st March 2021

Note No.		Figures for the current reporting period	Figures for the previous reporting period
3	**Share Capital**		
	Authorised Share capital	Rs.	Rs.
	2000000(previous year 1500000) Equity Shares of Rs 10 each	20,000,000	15,000,000
	Issued, subscribed & fully paid share capital 1725500(previous year 1190000) Equity Shares of Rs 10 each (Out of above 535500 Equity Shares of Rs.10/- each has been issued as bonus shares)	17,255,000	11,900,000
	Total	**17,255,000**	**11,900,000**
3(a)	**Reconciliation of the shares outstanding at beginning & at end of the reporting period**	No.	No.
	Equity Shares:		
	Balance as at the beginning of the year	1,190,000	990,000
	Add: Addition during the year	535,500	200,000
	Less: Deletion during the year	-	-
	Balance as at the end of the year	1,725,500	1,190,000
	Total	1,725,500	1,190,000
3(b)	**Details of sharesholdersholding more than 5 % shares in the company**	No & Percentage	No & Percentage
	Equity Shares:		
	Name of shareholder		
	Kamal Kumar Dugar	690200 40%	476000 40%
	Mohan Lal Dugar	517650 30%	357000 30%
	Suraj Dugar	517650 30%	357000 30%
	Total	**1725500 100%**	**1190000 100%**
4	**Reserves and Surplus**		
	(a) Securities Premium	Rs.	Rs.
	Balance as per last financial statements	1,000,000	1,000,000
	Less : Utilised for issue of Bonus Shares	1,000,000	-
		-	1,000,000
	(b)Surplus/(Deficit) in the Statement of Profit & Loss		
	Balance as per last financial statements	4,696,193	3,400,275
	Add:Profit/((Loss) for the year	5,897,067	2,485,918
	Less : Utilised for Issue of Bonus Shares	4,355,000	-
	Less : Proposed Dividend	1,725,500	1,190,000
	Net Surplus/(Deficit) in the Statement of Profit & Loss	4,512,760	4,696,193
	Total	**4,512,760**	**5,696,193**
5	**Non Current Borrowings**		
	Term Loan From South Indian Bank (Unsecured)	4,200,000	-
	Term Loan From South Indian Bank (Secured)	3,900,236	8,150,636
	Car Loan From Hdfc Bank	-	512,705
	Total	**8,100,236**	**8,663,341**

For K. K. EMULSIONS PVT. LTD.

Mohan Lal Dugar

Director

For K. K. EMULSIONS PVT. LTD.

Kamal Kumar Dugar

Managing Director

BAGARIA LALIT & CO. Kolkata Chartered Accountants

K. K. EMULSIONS PRIVATE LIMITED

Notes to the financial statements for the period ended 31st March 2021

Note No.		Figures for the current reporting period	Figures for the previous reporting period
6	**Current Borrowings(bearing interest)**		
	Loans repayble on demand-(From Banks, secured)	19,661,875	17,373,859
	Loans repayble on demand-(From Banks, unsecured)	-	194,424
	Total	**19,661,875**	**17,568,282**
7	**Trade Payables**		
	Creditors for Goods	45,340,114	20,044,960
	Advance from Parties	188,303	212,743
	Total	**45,528,417**	**20,257,703**
8	**Other Current Liabilities**		
	Other Payables		
	Creditors for Expenses,Services & Other Finance	1,446,836	2,308,862
	Secured Loans(Payable within 12 months)		
	Term Loan From South Indian Bank	4,250,400	4,250,400
	Car Loan From Hdfc Bank	512,705	322,688
	Unsecured Loans(Payable within 12 months)		
	Term Loan From South Indian Bank (Unsecured)	1,400,000	-
	Total	**7,609,941**	**6,881,951**
9	**Current provisions**		
	Provision for Income Tax	2,079,964	944,017
	Provision for Proposed Dividend	1,725,500	1,190,000
	Total	**3,805,464**	**2,134,017**
10	**Property,Plant & Equipments**		
	Tangible Assets (As per separate sheet attached)		
	GROSS BLOCK	26,708,541	25,458,063
	Less: Accumulated Depreciation	10,789,453	8,149,535
	NET BLOCK	15,919,088	17,308,528
	Total	**15,919,088**	**17,308,528**
11	**Deffered Tax Assets**		
	Tax impact of Fixed Asset as per IT Rs.16751549/-(P.Y.17753095/-) & as per Accounts Rs.15919088/-(P.Y.17308528/-)=Rs. 832461/-(P.Y. 444567/-).	209,514	111,889
12	**Non Current Loan & Advances**		
	Security Deposit with West Bengal VAT Department	25,000	25,000
	Security Deposit with WBSEDCL	205,856	205,856
	Security Deposit Against Rent	180,684	-
	Prepaid Pollution License Expenses	59,420	88,350
	Prepaid Motor Car Expenses	43,270	57,694
	Total	**514,230**	**376,900**

For K. K. EMULSIONS PVT. LTD.

Mohan Lal Dugar

Director

For K. K. EMULSIONS PVT. LTD.

Kamal Kumar Dugar

Managing Director

BAGARIA LALIT & CO. Kolkata Chartered Accountants

K. K. EMULSIONS PRIVATE LIMITED

Notes to the financial statements for the period ended 31st March 2021

Note No.		Figures for the current reporting period	Figures for the previous reporting period
13	**Inventories**		
	a) Stock of Raw Materials	14,642,448	5,584,293
	b) Stock of Packing Materials	508,660	713,848
	c) Stock of Finished Goods	9,473,174	5,902,474
	Total	24,624,283	12,200,615
14	**Trade Recievables**		
	Debts Outstanding For A Period Exceeding Six Months	3,550,123	4,229,738
	Other Debts	52,466,827	33,992,348
	Total	**56,016,950**	**38,222,086**
15	**Cash and cash equivalents**		
	Balances with banks:		
	In Current Accounts	3,826,228	368,387
	Other Bank balances:		
	Deposits with original maturity for less than 12 months	2,000,000	2,000,000
	Cash on hand	107,568	673,809
	Total	**5,933,795**	**3,042,195**
16	**Current Loans and Advances**		
	Others		
	Advance to Parties	192,200	306,854
	Advance to Staff	200,000	214,958
	Duties & Taxes	366,047	252,608
	Tax Deducted at Source(F.Y.19-20)	-	13,883
	Tax Collected at Source(F.Y.19-20)	-	12,141
	Advance Tax (F.Y.19-20)	-	900,000
	Tax Deducted at Source(F.Y.20-21)	12,504	-
	Tax Collected at Source(F.Y.20-21)	82,412	-
	Advance Tax (F.Y.20-21)	2,100,000	-
	Total	**2,953,163**	**1,700,444**
17	**Other current assets**		
	Accrued Interest on Fixed Deposits(less than 12 months)	302,670	138,830
	Total	**302,670**	**138,830**
18	**Revenue from Operations**		
	Sales	203,383,743	148,980,850
	Total	**203,383,743**	**148,980,850**
19	**Other Income**		
	Interest on Fixed Deposit	163,849	145,544
	Interest on Income tax Refund	-	99
	Misc. Income	17,542	-
	Profit On Exchage Rate Fluctuation	-	407
	Total	**181,391**	**146,050**

For K. K. EMULSIONS PVT. LTD.

Mohan Lal Dugar

Director

For K. K. EMULSIONS PVT. LTD.

Kamal Kumar Dugar

Managing Director

BAGARIA LALIT & CO. Kolkata Chartered Accountants

K. K. EMULSIONS PRIVATE LIMITED

Notes to the financial statements for the period ended 31st March 2021

Note No.		Figures for the current reporting period	Figures for the previous reporting period
20	**Purchases of Raw-Material**		
	Purchase of Raw-Materials	177,055,693	122,500,611
	Total	**177,055,693**	**122,500,611**
21	**(Increase)/decrease in Stock**		
	Inventories at the end of the year	24,624,283	12,200,615
	Inventories at the beginning of the year	12,200,615	8,325,016
	Total	**(12,423,668)**	**(3,875,599)**
22	**Employee Benefit Expenses**		
	Wages & Bonus - Factory	1,954,074	1,649,830
	Salary & Bonus - Office	777,386	701,032
	Employees State Insurance	61,406	52,982
	Staff welfare	157,603	149,284
	Total	**2,950,469**	**2,553,128**
23	**Finance Costs**		
	Bank Charges	81,353	53,407
	Interest to Others	-	29,918
	Interest on Car Loan	64,731	51,864
	Interest to Bank	1,424,980	1,499,574
	Interest on Premature of FD	-	22,115
	Loan Processing Charges	195,100	316,509
	LC Charges	20,075	-
	Interest on Term Loan	1,441,917	1,621,066
	Total	**3,228,156**	**3,594,454**
24	**Other Expenses**		
	Direct Expenses :-		
	- Carriage Inward	10,704,103	8,738,325
	- Electricity Charges(Factory)	973,973	781,760
	- Fuel Charges	1,734,000	1,801,367
	- Factory Rent	361,368	361,368
	- Consumption of Store & spares parts	358,894	188,662
	Administrative & Other Expenses :-		
	Advertisement	-	23,500
	Auditor's Remuneration - Statutory Audit Fee	30,000	30,000
	Auditor's Remuneration - Tax Audit Fee	10,000	10,000
	Brokerage & Commission Charges	1,069,865	345,150
	Carriage Outward	2,095,712	1,505,105
	Conveyance	170,782	141,574
	Computer Exp	31,136	12,791
	Coolie & Cartage	68,790	1,509
	Clearing & Forwarding Charges	18,542	-
	Director's Remuneration	1,800,000	1,800,000
	Discount Allowed	143,713	184,388
	Filing Fees	50,090	51,570
	Fire Refiling Charge	28,500	5,000
	Insurance Charges	295,996	266,345
	(Contd...)		

For K. K. EMULSIONS PVT. LTD.

Mohan Lal Dugar

Director

For K. K. EMULSIONS PVT. LTD.

Managing Director

BAGARIA LALIT & CO. Kolkata Chartered Accountants

K. K. EMULSIONS PRIVATE LIMITED

Notes to the financial statements for the period ended 31st March 2021

Note No.		Figures for the current reporting period	Figures for the previous reporting period
24	(Contd...)		
	Legal & Professional Charges	426,235	357,250
	Loss on Exchage Rate Fluctuation	18,309	-
	Licence Expenses	42,430	41,830
	Membership Fees	33,250	51,100
	Miscelleneous Expenses	290,215	49,980
	Motor car Expenses	77,642	46,963
	Packaging Charges	172,477	186,770
	Postage & Courier	18,306	15,565
	Printing & Stationery	44,215	42,986
	Professional Tax	2,500	2,500
	Repairs & Maintanance	241,543	107,888
	GST & Other Taxes for Earlier Year	33,200	39,695
	Sales Promotion	660,315	642,385
	Supervision Charges	90,000	42,000
	Sample Testing Charge	27,237	57,769
	Telephone Expenses	20,319	16,390
	Travelling Expenses	91,505	150,416
	Total	**22,235,161**	**18,099,901**
25	**Earning per share (EPS)**		
	i)Profit /(loss) after tax	5,897,067	2,485,918
	ii)Number of equity shares	1,725,500	1,190,000
	EPS ((i)/(ii))	**4.90**	**2.36**
26	**Related Party Transactions**		
	Key Managerial Person :		
		Sales	
	K.K. Polyfilms & Adhesives LLP-Director Related Concern	1,647,687	3,173,939
	Kamal Enterprises-Director Related Concern	989,945	51,453
	K.K. Enterprises-Director Related Concern	216,294	-
		Purchases	
	K.K. Enterprises-Director Related Concern	-	202,488
	K.K. Organsys & Polymenrs Pvt. Ltd.-Director Related Concern	-	42,834
		Interest On Loan	
	Suraj Dugar-Director	-	7,397
	Mohan Lal Dugar-Director	-	13,841
	Kamal Kumar Dugar-Director	-	8,680
		Brokerage&Commission	
	Meeta Daga-Director's Sister	-	164,490
		Factory Rent	
	Anjana Dugar-Director's Wife	361,368	361,368
		Security Deposit	
	Anjana Dugar-Director's Wife	180,684	-
		Directors Remuneration	
	Mohan Lal Dugar-Director	600,000	600,000
	Suraj Dugar-Director	600,000	600,000
	Kamal Kumar Dugar-Director	600,000	600,000

For K. K. EMULSIONS PVT. LTD.

Mohan Lal Dugar

Director

For K. K. EMULSIONS PVT. LTD.

Kamal Kumar Dugar

Managing Director

BAGARIA LALIT & CO. Kolkata Chartered Accountants

K. K. EMULSIONS PRIVATE LIMITED

Notes to the financial statements for the period ended 31st March 2021

Note No.		Figures for the current reporting period	Figures for the previous reporting period
27	**Dues to micro, small, and medium enterprises** Pursuant to Micro, Small and Medium Enterprises Development Act, 2006 ("the Act"), amount payable to such enterprises was Rs. 73,04,056/-(P.Y. Rs. 66,198/-) as at 31st March 2021. Necessary disclosure has been made in the notes to financial statements based on information received and available with the company.		
28	**Previous year figures** Previous year's figures have been regrouped, rearranged and reclassifed wherever necessary.		

As per our report of even date
for Bagaria Lalit & Co.
Chartered Accountants
Firm Reg. No. 323206E

(Lalit Bagaria)
Proprietor
M.No.057869

BAGARIA LALIT & CO. Kolkata Chartered Accountants

Place: Kolkata
Dated: The 31st day of August 2021

for and on behalf of Board
For K. K. EMULSIONS PVT. LTD.

Managing Director
Kamal Kumar Dugar
(DIN : 01151900)

For K. K. EMULSIONS PVT. LTD.

Director
Mohan Lal Dugar
(DIN : 06405717)

K. K. EMULSIONS PRIVATE LIMITED
NOTE NO. 10 PROPERTY, PLANT & EQUIPMENTS

SL. No	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Cost as at 01.04.2020	Addition during the Year	Sale/Adjust during the period	Cost as at 31.03.2021	Depreciation up to 31.03.2020	Depreciation for the Full Year	Adjustment during the period	Depreciation Total Up To 31.03.2021	As on 31.03.2021	As on 31.03.2020
A)	***Land***										
	Land-Freehold	1,456,299	-	-	1,456,299	-	-	-	-	1,456,299	1,456,299
B)	***Buildings***										
	Factory Building & Shed	8,563,759	-	-	8,563,759	1,972,474	574,138	-	2,546,612	6,017,147	6,591,285
C)	***Plant & Machinery***										
	Plant & Machinery	11,739,103	1,025,958	-	12,765,061	4,770,160	1,392,980	-	6,163,140	6,601,921	6,968,943
	CCTV	65,811	10,800	-	76,611	26,885	8,277	-	35,162	41,449	38,926
	Elevator	620,169	-	-	620,169	253,409	70,953	-	324,362	295,807	366,760
	Fire Extinguisher	78,190	-	-	78,190	29,986	9,360	-	39,346	38,844	48,204
	KVA Generator	538,280	-	-	538,280	245,760	56,924	-	302,684	235,596	292,520
	Weighing Machine	147,715	-	-	147,715	32,359	21,227	-	53,586	94,129	115,356
	Kent R/o	22,881	-	-	22,881	2,383	3,587	-	5,970	16,911	20,498
D)	***Furniture & Fixtures***										
	Furniture & Fixtures	46,268	25,157	-	71,425	19,261	8,307	-	27,568	43,857	27,007
E)	***Office Equipments***										
	Mobile Phone	26,786	13,814	-	40,599	17,589	8,243	-	25,832	14,767	9,197
F)	***Electrical Installations & Equipments***										
	Electrical Installation	825,232	86,373	-	911,606	425,250	127,107	-	552,357	359,249	399,982
G)	***Computers & Data Processing Devices***										
	Computer	56,983	88,376	-	145,359	45,357	17,595	-	62,952	82,407	11,626
	Printer	56,457	-	-	56,457	36,417	10,176	-	46,593	9,864	20,040
H)	***Motor car***										
	Mahindra XUV 300	1,214,130	-	-	1,214,130	272,245	331,044	-	603,289	610,841	941,885
	T O T A L	25,458,063	1,250,478	-	26,708,541	8,149,535	2,639,918	-	10,789,453	15,919,088	17,308,528
	PREVIOUS YEAR	23,458,969	1,999,094	-	25,458,063	5,231,647	2,917,888	-	8,149,535	17,308,528	18,227,322

For K. K. EMULSIONS PVT. LTD.

Mohan Lal Dugar

Director

For K. K. EMULSIONS PVT. LTD.

Kamal Kumar Dugar

Managing Director

BAGARIA LALIT & CO. Kolkata Chartered Accountants