

K-lounge Lifestyle Limited
Company Identification Number: U52520MH2021PLC355879
Balance Sheet as on 31-03-2022

(Amount Rs. in lakhs)

Particulars	Note No	As At 31st Mar 2022
ASSETS		
1) Non-Current Assets		-
2) Current Assets		-
Financial Assets		
i) Investments	2.1	495.80
ii) Cash & Cash Equivalents	2.2	19.30
		515.10
TOTAL ASSETS		515.10
EQUITY AND LIABILITIES		
Equity		
a) Equity Share Capital	2.3	500.00
b) Other Equity	2.4	15.00
		515.00
Liabilities		
1) Non-Current Liabilities		-
		-
2) Current Liabilities		0.10
		0.10
TOTAL EQUITY AND LIABILITIES		515.10

As per our audit report of even date
For and on behalf of
Jain & Trivedi
Chartered Accountants
Registration No. : 113496W

Satish Trivedi



Satish Trivedi
Partner
Membership No. : 38317

Place: Mumbai
Date: 02-05-2022

For and on behalf of the Board of Directors

Kewalchand P Jain

H.P. Jain

Kewalchand P Jain
Director
DIN. 00029730

Hemant P Jain
Director
DIN. 00029822

Place: Mumbai
Date: 02-05-2022

K-lounge Lifestyle Limited

Company Identification Number: U52520MH2021PLC355879

Statement of Profit and Loss for the period from 25-02-2021 to 31-03-2022

(Amount Rs. in lakhs)

Particulars	Note No	For the Quarter Ended 31st Mar 2022	For the Period Ended 31st Mar 2022
INCOME			
Revenue from operations			
Other Income	2.5	4.86	15.80
		4.86	15.80
EXPENDITURE			
Administrative Expenses	2.6	0.13	0.80
		0.13	0.80
Profit before tax		4.73	15.00
Tax Expense			
Current tax		-	-
Deferred tax		-	-
Profit/(Loss) for the year		4.73	15.00
Other Comprehensive Income			
Total Comprehensive Income for the year		4.73	15.00
Earning per equity share of Rs. 10 each			
Basic		0.09	0.30
Diluted		0.09	0.30

As per our audit report of even date

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Place: Mumbai

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K-lounge Lifestyle Limited
Company Identification Number: U52520MH2021PLC 355879
Notes forming part of the Financial Statements for the period from 25-02-2021 to 31-03-2022
(Amount Rs. in lakhs)

Note No	Notes	As At 31st Mar 2022
2.1	Current Investments	31st Mar 2022
	<i>Investments in Mutual funds - (liquid & Debt Funds)- Unquoted</i>	
	Aditya BSL Debt POOL A/c	155.22
	[Units: 52,391.421 units]	
	Axis Banking & PSU Debt Fund	154.87
	[Units: 7234.460 units]	
	Hdfe Mutual Fund	185.71
	[Units: 756,277.418 units]	
	Total	495.80

Aggregate value of Unquoted Investments

At Cost	480.00
At Market Value	495.80

2.2	Cash and cash equivalents	31st Mar 2022
	Balances with banks	
	In Current Account	19.30
	Cash on hand	
	Total	19.30

2.3	Equity Share Capital	31st Mar 2022
	Authorised Share capital	
	1,00,00,000 Equity shares of Rs.10/- each	1,000
		1,000
	Issued, subscribed & fully paid up equity share capital	
	50,00,000 Equity shares of Rs.10/- each, fully paid up	500
	Total	500

a) Reconciliation of the Equity shares outstanding at the beginning and at the end of the reporting period

Equity Shares	31st Mar 2022	
	No. of shares	Face value of Shares
Shares outstanding at the beginning of the year	50,00,000	5,00,00,000
Shares Issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	50,00,000	5,00,00,000

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

Name of Shareholder	31st Mar 2022	
	No. of Shares held	% of Holding
Kewal Kiran Clothing Ltd	49,99,994	99.9999

c) Shares held by promoters at the end of the year 31st March 2022

Promoter Name	No. of Shares	% of total shares
Kewal Kiran Clothing Ltd	49,99,994	99.9999
Hemant P. Jain	1	0.00002
Dinesh P. Jain	1	0.00002
Vikas P. Jain	1	0.00002
Pankaj K. Jain	1	0.00002
Hitendra H. Jain	1	0.00002
Yash V. Jain	1	0.00002
Total	50,00,000	100

2.4	Other Equity	31st Mar 2022
	Balance in Statement of Profit and Loss	
	Opening balance	-
	Add: Net profit transferred from Statement of Profit and Loss	15.00
	Less:- Transferred to General Reserve	-
	Total	15.00

2.5	Other Current Liabilities	31st Mar 2022
	Provision For Expenses	0.10
	Total	0.10

2.6	Other Income	For the Quarter Ended 31st Mar 2022	For the Period Ended 31st Mar 2022
	<i>Income from Current Investments</i>		
	Effect of Fair Value Measurement	4.86	15.80
	Misc. Income	-	0.00
	Total	4.86	15.80

2.7	Administrative Expenses	For the Quarter Ended 31st Mar 2022	For the Period Ended 31st Mar 2022
	Demat charges	-	0.48
	ROC fees	-	0.03
	Miscellaneous charges	-	0.08
	Professional Fees	0.03	0.11
	Audit Fees	0.10	0.10
	Total	0.13	0.80



K-lounge Lifestyle Limited
Company Identification Number: U52520MH2021PLC355879
Cash Flow Statement for the Period from 25-02-2021 to 31-03-2022

(Amount Rs. in lakhs)

Particulars	For the Period Ended 31st Mar, 2022	
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Taxes as per Statement of Profit and Loss		15.00
Adjustments for:		
Effect of fair value measurement of investments	-15.80	-15.80
		-0.80
Trade Receivable and Other Assets	-	
Trade Payables, Liabilities and Provisions	0.10	0.10
Net Cash Inflow from Operating Activities		-0.70
Less: Income Tax paid (Net of Refund)		-
Net Cash Inflow/(outflow) from Operating Activities		-0.70
B. CASH FLOW FROM INVESTING ACTIVITIES		
Investment in Mutual Funds		-480.00
Net Cash inflow/(Outflow) from Investing Activities		-480.00
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issuance of Share Capital		500.00
Net Cash Inflow/(Outflow) from Financing Activities		500.00
Net Increase/ (Decrease) in Cash & Cash Equivalents		19.30
CASH AND CASH EQUIVALENTS - OPENING		-
		19.30
Effect of Exchange(Gain)/Loss on Cash and Cash Equivalents		-
CASH AND CASH EQUIVALENTS - CLOSING		19.30

As per our audit report of even date

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Place: Mumbai

Date: 02-05-2022

Significant Accounting policies and Notes forming part of the Financial Statements for the period ended 31st Mar, 2022

1. Company Overview and Significant Accounting Policies:

A. Corporate Information

K-Lounge Lifestyle Limited (“the Company”) is a Limited Company incorporated in India having its registered office at Mumbai, Maharashtra. The Company is engaged into Retail business.

B. Statement of Compliance and Basis of Preparation

(i) Compliance with Ind AS

The financial statements are prepared in accordance with Indian Accounting Standards (“Ind AS”) as notified under the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter, the relevant provisions of the Companies Act, 2013 (“the Act”).

For the period ended March 31, 2022, the Company has prepared its financial statements in accordance with Accounting Standards as specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 (“Previous GAAP”).

(ii) Basis of Preparation and presentation

Basis of Preparation:

The financial statements have been prepared on a historical cost basis, except the following assets and liabilities which have been measured at fair value

- Certain financial assets and liabilities (refer accounting policy regarding financial instruments)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date

Functional and Presentation Currency:

The financial statements are presented in Indian Rupees and all values are in absolute Rupees except otherwise indicated.



C. Summary of Significant Accounting Policies

1.1 Classification of Assets and Liabilities into Current/Non-Current:

The Company has ascertained its operating cycle as twelve months for the purpose of Current/ Non-Current classification of its Assets and Liabilities.

For the purpose of Balance Sheet, an asset is classified as current if:

- a) It is expected to be realised, or is intended to be sold or consumed, in the normal operating cycle; or
- b) It is held primarily for the purpose of trading; or
- c) It is expected to realise the asset within twelve months after the reporting period; or
- d) The asset is a cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current. A liability is classified as current if:

- a) It is expected to be settled in the normal operating cycle; or
- b) It is held primarily for the purpose of trading; or
- c) It is due to be settled within twelve months after the reporting period; or
- d) The Company does not have an unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could result in its settlement by the issue of equity instruments at the option of the counterparty does not affect this classification.

All other liabilities are classified as non-current.

1.2 Property, Plant and Equipment (PPE):

The initial cost of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use, including relevant borrowing costs and any expected costs of decommissioning. Following initial recognition, items of PPE are carried at its cost less accumulated depreciation and accumulated impairment losses, if any. Expenditure incurred after the PPE have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred. Cost of an item of PPE includes purchase price including non - refundable taxes and duties, borrowing cost directly attributable to the qua



Significant Accounting policies and Notes forming part of the Financial Statements for the period ended 31st Mar, 2022

asset, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and the present value of the expected cost for the dismantling/decommissioning of the asset. Parts (major components) of an item of property, plant and equipment having different useful lives are accounted as separate items of property, plant and equipment. Capital work-in-progress comprises of cost incurred on property, plant and equipment under construction / acquisition that are not yet ready for their intended use at the Balance Sheet Date

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE. Material items such as spare parts, stand-by equipment and service equipment are classified as PPE when they meet the definition of PPE as specified in Ind AS 16 – Property, Plant and Equipment.

1.3 Expenditure during construction period:

Expenditure / Income during construction period (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) is included under Capital Work-in-Progress and the same is allocated to the respective PPE on the completion of their construction.

Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under “Other non-current Assets”.

1.4 Depreciation:

- a) Property, plant and equipment are eliminated from financial statement either on disposal or when retired from active use. Assets held for disposal are stated at net realizable value. Losses arising in case of retirement of property, plant and equipment and gains or losses arising from disposal of property, plant and equipment are recognized in the statement of profit and loss in the year of occurrence.
- b) Depreciation on the property, plant and equipment (other than freehold land and capital work in progress) is provided on a straight-line method (SLM) over their useful lives which is in consonance of useful life mentioned in Schedule II to the Act except certain class of assets specified in table (i) below, based on



internal assessment estimated by the management of the Company, where the useful life is lower than as mentioned in Schedule II.

- c) In case of assets purchased, sold or discarded during the year, depreciation on such assets is calculated on pro-rata basis from the date of such addition or as the case may be, upto the date on which such asset has been sold or discarded.
- d) Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted prospectively.
- e) Leasehold lands are amortized over the period of lease or useful life whichever is lower. Buildings constructed on leasehold land are depreciated over its useful life which matches with the useful life mentioned in Schedule II. In cases where building is having useful life greater than the period of lease (where the Company does not have right of renewal), the same is amortized over the lease period of land. Non- Factory Building 60 years

1.5 Intangible Assets and Amortisation:

- a) Intangible assets are recognized only if it is probable that the future economic benefits attributable to asset will flow to the Company and the cost of asset can be measured reliably. Intangible assets are stated at cost of acquisition/development less accumulated amortization and accumulated impairment loss if any.
- b) Cost of an intangible asset includes purchase price including non - refundable taxes and duties, borrowing cost directly attributable to the qualifying asset and any directly attributable expenditure on making the asset ready for its intended use.
- c) Intangible assets under development comprises of cost incurred on intangible assets under development that are not yet ready for their intended use as at the Balance Sheet date.



Significant Accounting policies and Notes forming part of the Financial Statements for the period ended 31st Mar, 2022

- d) Amortisation methods and useful lives are reviewed at each financial year end and adjusted prospectively.
- e) In case of assets purchased during the year, amortization on such assets is calculated on pro-rata basis from the date of such addition.

1.6 Current assets (or disposal Company) classified as held for disposal:

Assets are classified as held for disposal and stated at the lower of carrying amount and fair value less costs to sell.

To classify any Asset as “Asset held for disposal” the asset must be available for immediate sale and its sale must be highly probable. Such assets or Company of assets are presented separately in the Balance Sheet, in the line “Assets held for disposal”. Once classified as held for disposal, intangible assets and PPE are no longer amortised or depreciated.

1.7 Impairment of Non-Financial Assets:

At the end of each reporting period, the Company reviews the carrying amounts of non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.



If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Inventories:

The inventories (including traded goods) are valued at lower of cost and net realizable value after providing for cost of obsolescence wherever considered necessary. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

The cost comprises of costs of purchase, duties and taxes (other than those subsequently recoverable), conversion cost and other costs incurred in bringing the inventories to their present location and condition. Since the Company is in fashion industry with diverse designs / styles, the cost of inventory is determined on the basis of specific identification method (as the same is considered as more suitable).

In case of work in progress and finished goods, the costs of conversion include costs directly related to the units of production and systematic allocation of fixed and variable production overheads. The cost of finished goods also includes excise duty wherever applicable.



Significant Accounting policies and Notes forming part of the Financial Statements for the period ended 31st Mar, 2022

1.9 Borrowing Costs:

Borrowing costs that are directly attributable to the acquisition, construction or development of a qualifying asset are capitalized as part of the cost of the respective asset till such time the asset is ready for its intended use. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest, amortization of discounts and other costs that an entity incurs in connection with the borrowing of funds.

Preference shares, which are mandatorily redeemable on a specific date are classified as liabilities. The dividend on these preference shares is recognized in Statement of Profit and Loss as finance costs

1.10 Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost.

Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability.

Contingent liabilities are also disclosed 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.

Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.



Significant Accounting policies and Notes forming part of the Financial Statements for the period ended 31st Mar, 2022

A contingent asset is disclosed, where an inflow of economic benefits is probable. Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

1.11 Revenue Recognition:

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

- a) Sales of goods are recognized when significant risks and rewards of ownership of the goods have passed to the buyer that coincides with delivery and is measured at the fair value of consideration received or receivable taking into account the amount of goods and services tax (GST), sales tax, rebates, trade discounts and sales returns.
- b) Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.
- c) Dividend income on investment is accounted for in the year in which the right to receive the payment is established.
- d) Rental income on assets given under operating lease arrangements is recognized on a straight-line basis over the period of the lease unless the receipts are structured to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases.

1.12 Income Taxes:

- a) Tax expenses comprise of current tax, deferred tax charge or credit and adjustments of taxes for earlier years. In respect of amounts adjusted against securities premium or retained earnings or other reserves, the corresponding tax effect is also adjusted against the securities premium or retained earnings or other reserves as the case may be, as per the announcement of Institute of Chartered Accountant of India.



- b) Current Tax is measured on the basis of estimated taxable income for the current accounting period in with the applicable tax rates and the provisions of the Income-tax Act, 1961 and other applicable tax laws.
- c) Deferred tax is provided, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date.

Tax relating to items recognised directly in equity or OCI is recognised in equity or OCI and not in the Statement of Profit and Loss. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable

1.13 Earnings per Share:

Basic earnings per share (EPS) are calculated by dividing the net profit or loss (after tax) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue and share split if any.

For the purpose of calculating diluted earnings per share, the net profit or loss (after tax) for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.



1.14 Financial Instruments:

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

Measurement

At initial recognition, the Company measures a financial asset at its fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Statement of Profit and Loss.

Classification and Subsequent Measurement: Financial Assets

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") on the basis of following:

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

Amortised Cost:

A financial asset shall be classified and measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Fair Value through OCI:

A financial asset shall be classified and measured at FVOCI if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual



cash flows and selling financial assets and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Fair Value through Profit or Loss:

A financial asset shall be classified and measured at fair value through profit or loss unless it is measured at amortised cost or at FVOCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Equity Investments:

The Company subsequently measures its specific equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the Statement of Profit and Loss. Dividends from such investments are recognized in the Statement of Profit and Loss as other income when the Company's right to receive payments is established.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Derecognition of financial assets:

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and



Significant Accounting policies and Notes forming part of the Financial Statements for the period ended 31st Mar, 2022

recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset (other than specific equity instrument classified as FVOCI) in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct costs.



Significant Accounting policies and Notes forming part of the Financial Statements for the period ended 31st Mar, 2022

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Loans and Borrowings

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends (including Dividend distribution tax) on these preference shares are recognised in Statement of Profit and Loss as finance costs.

1.15 Cash and Cash Equivalents:

Cash and cash equivalents include cash in hand, bank balances, deposits with banks (other than on lien) that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

1.16 Dividend distribution:

Final equity dividends on shares are recorded as a liability on the date of approval by the shareholders and interim equity dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

1.17 Segment Reporting:

Operating segments have been identified taking into account the nature of the products / services, geographical locations, nature of risks and returns, internal organization structure and internal financial reporting system. The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole. These operating results are regularly reviewed by the company's Chief Operating Decision Maker ("CODM").

1.18 Analytical Ratios :

Mar-22

(a) Current ratio	5151.02
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Significant Accounting policies and Notes forming part of the Financial Statements for the period ended 31st Mar, 2022

(b) Debt-equity ratio	N.A
(c) Debt service coverage ratio	N.A
(d) Return on equity ratio	0.03
(e) Inventory turnover ratio	N.A
(f) Trade receivables turnover ratio	N.A
(g) Trade payables turnover ratio	N.A
(h) Net capital turnover ratio	N.A
(i) Net profit ratio	N.A
(j) Return on capital employed	0.03
(k) Return on investment	NA

D. Critical accounting judgements and key sources of estimation uncertainty:

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in the



Significant Accounting policies and Notes forming part of the Financial Statements for the period ended 31st Mar, 2022

periods.

Critical judgements and estimates in applying accounting policies:

In the process of applying the Company's accounting policies, management has made the following judgements and estimates, which have the most significant effect on the amounts recognised in the financial statements

1) Income Taxes:

The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions

2) Property, Plant and Equipment:

Property, Plant and Equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life. The useful lives of the Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.



2. NOTES TO ACCOUNTS

2.07 Shareholders Agreement:

There is an Shareholder agreement with Kewal Kiran Clothing Limited.

2.08 Related Party Disclosure

Disclosures as per Ind AS 24 – ‘Related Party Disclosures’ are given below:

- a) Related Parties where i) control exists and ii) where significant influence exists (with whom transaction have taken place during the year)

Venturers:

Kewal Kiran Clothing Ltd

Key Management Personnel:

Kewalchand P. Jain Director

Hemant P Jain Director

- b) The following transactions were carried out with the related parties in the ordinary course of business:

Nil

2.09 Auditors Remuneration:

Particulars	31st Mar 2022	31st March 2021
Audit Fees (Including GST)	10,000	Nil
Taxation Matters	-	-
Other Matters	-	-

2.10 Income taxes:

As there is no taxable income as per Income Tax Act, 1961, provision is not made for Income Tax. Further, in view of inability to assess future taxable income, deferred tax assets which may be adjusted in the subsequent years is not ascertainable at this stage and accordingly the same has not been recognized in these accounts on prudent basis.



2.11 Fair Value Measurement:

The management assessed that cash and bank balances, trade receivables, trade payables, and other financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Company has established the following fair value hierarchy that categorises the values into 3 levels.

The inputs to valuation techniques used to measure fair value of financial instruments are:

Level 1: This hierarchy uses quoted (unadjusted) prices in active markets for identical assets or liabilities.

The fair value of all equity investments and units of mutual funds which are traded in the stock exchanges is valued using the closing price or dealer quotations as at the reporting date.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on company specific estimates. The mutual fund units are valued using the closing Net Asset Value. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

The Company's assets and liabilities are measured at amortised cost using Level 3 except financial asset being investments in mutual funds are measured at fair value through profit and loss as per Level 2 hierarchy.

2.12 Financial risk management objectives and policies:

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations.



Significant Accounting policies and Notes forming part of the Financial Statements for the period ended 31st Mar, 2022

The Company's principal financial assets include trade and other receivables, investments, and cash & cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks

2.13 These financial statements have been prepared in the format prescribed by the Schedule III to the Companies Act, 2013.

As per our audit report of even date

For and on behalf of the Board of Directors


For and on behalf of



Jain & Trivedi

Chartered Accountants

Registration No. : 113496W


Satish Trivedi

Partner

Membership No. : 38317

Place: Mumbai

Date: 02-05-2022



Kewalchand P. Jain

Director

DIN:00029730

Place: Mumbai

Date: 02-05-2022



Hemant P. Jain

Director

DIN:00029822



JAIN & TRIVEDI

CHARTERED ACCOUNTANTS

319/321, Narshi Natha Street, 2/4, Mody Chambers, Masjid, Mumbai – 400 009
Tel: 2342 4814, 2342 9107, e-mail: ca@jaintrivedi.com/cajaintrivedi@gmail.com

DILIP L.JAIN
B.Com, LL.B.(G.),C.S.,FCA

NIMESH P. JAIN
B.Com., LLB, FCA

SATISH C.TRIVEDI
B.Com, LL.B.(G.), FCA

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
K-Lounge Lifestyle Limited

Opinion

1. We have audited the accompanying Financial Results of **K-Lounge Lifestyle Limited** ('the Company'), for the quarter and year to date from February 25, 2021 to March 31, 2022, (being the first year of incorporation) the Statement of Profit and Loss (including Other Comprehensive Income), and the Statement of Cash Flows, and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its Profit (including other comprehensive income), and its cash flows for the quarter and year to date from February 25, 2021 to March 31, 2022.

Basis for Opinion

2. We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act 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 on the Financial Results.

Key Audit Matters

3. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial results for the quarter under audit. We have determined that there is no key audit matter to be communicated in our report.





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Information Other than the financial results and Auditor's Report Thereon

4. The Company's Board of Directors is responsible for the preparation of the other information, comprising of the information included in the Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report, Corporate Governance and such other disclosures related Information, excluding the financial results and auditors report thereon ('Other Information'). Our opinion on the financial results 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 results, our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial results or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. When we read the other Information and if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charges with governance as required under SA 720 'The Auditor's responsibilities Relating to other Information'.

Management's & Board of Director's Responsibilities for Financial results.

5. The Company's Management and the Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial results that give a true and fair view of the financial position, financial performance including other comprehensive income, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under prescribed 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; 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 Ind AS 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 results, management & Board of Directors are 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





JAIN & TRIVEDI

CHARTERED ACCOUNTANTS

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realistic alternative but to do so. The respective Company's Management and Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Results.

6. Our objectives are to obtain reasonable assurance about whether the Ind AS financial results, 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 results. Our audit process in accordance with the SAs is narrated in **Annexure 1** to this report.

Report on other legal and regulatory requirements

7. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the '**Annexure 2**', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable
8. 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, 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) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;





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- f) 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 3**.
- g) 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 Jain & Trivedi,

Chartered Accountants

FRN No. 113496W

Satish C. Trivedi

M No. 038317

UDIN: 22038317AIKCRD3839



Place: Mumbai

Date: May 02, 2022



JAIN & TRIVEDI

CHARTERED ACCOUNTANTS

319/321, Narshi Natha Street, 2/4, Mody Chambers, Masjid, Mumbai – 400 009

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DILIP L.JAIN
B.Com, LL.B.(G.),C.S.,FCA

NIMESH P. JAIN
B.Com., LLB, FCA

SATISH C.TRIVEDI
B.Com, LL.B.(G.), FCA

Annexure 1 to the Independent Auditors' Report of K-Lounge Lifestyle Limited.

(Referred to in para 6 titled "Auditor's Responsibilities for the Audit of the Financial Results")

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, to design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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.
- 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.
- 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





JAIN & TRIVEDI

CHARTERED ACCOUNTANTS

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B.Com, LL.B.(G.), FCA

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 audit key matters. We describe these matters in our audit 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 communications.

For Jain & Trivedi,
Chartered Accountants
FRN No. 113496W

Satish C. Trivedi
M No. 038317
UDIN: 22038317AIKCRD3839



Place: Mumbai
Date: May 02, 2022



JAIN & TRIVEDI

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Annexure “2” to the Independent Auditor’s Report – Referred to in Para 7 under Report on other legal and regulatory requirements

1. The Company does not have any property, plant and equipment right of use assets and Investment property and accordingly, reporting under clause 3(i)(A) of the Order is not applicable to the Company.

The Company does not have any intangible assets and accordingly, reporting under clause 3(i)(a)(B) of the Order is not applicable to the Company.

The Company does not own any immovable property. Accordingly, reporting under clause 3(i)(c) of the Order is not applicable to the Company.

The Company not have any property plant equipment and hence no revaluation has been done and accordingly, reporting under clause 3(i)(d) of the Order is not applicable to the Company.

No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.

2. The Company does not hold any inventory. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.

The Company has not taken any working capital loans and accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.

3. The Company has not made any investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or any other parties during the year. Accordingly, reporting under clause 3(iii) of the Order is not applicable to the Company.

4. The Company has not entered into any transaction covered under sections 185 and 186 of the Act. Accordingly, reporting under clause 3(iv) of the Order is not applicable to the Company.





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B.Com, LL.B.(G.), FCA

5. The Company has not accepted any deposits or there is no amount which has been considered as deemed deposit within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
6. The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the activities of the company and accordingly paragraph 3 (vi) of the order is not applicable.
7. In respect of statutory dues:

According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been generally regularly deposited during the year by the company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at March 31, 2022 for a period of more than six months from the date they became payable

According to the information and explanations given to us and the records of the company examined by us, there are no dues of income-tax, goods and services tax, duty of customs, duty of excise and value added.

8. According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.
9. According to the information and explanations given to us, the Company does not have any loans or other borrowings from any lender. Accordingly, reporting under clause 3(ix) of the Order is not applicable to the Company.





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DILIP L.JAIN
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B.Com, LL.B.(G.), FCA

10. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company

11. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.

No report under section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.

According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.

12. The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

13. The Company has not entered into any transactions with the related parties covered under Section 177 or Section 188 of the Act. Accordingly, reporting under clause 3(xiii) of the Order is not applicable to the Company.

14. According to the information and explanations given to us, the Company is not required to have an internal audit system under section 138 of the Act and consequently, does not have an internal audit system. Accordingly, reporting under clause 3(xiv) of the Order is not applicable to the Company.

15. According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them and accordingly, provisions of section 192 of the Act are not applicable to the Company

16. The Company is not required to be registered under section 45-IA of the Reserve Bank





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SATISH C.TRIVEDI

B.Com, LL.B.(G.), FCA

of India Act, 1934. Accordingly, reporting under clause 3(xvi) of the Order is not applicable to the Company.

17. The Company has not incurred any cash loss in the current as well as the immediately preceding financial year.
18. There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
19. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the plans of the Board of Directors and management, we are of the opinion that no material uncertainty exists as on the date of the audit report that 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. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
20. According to the information and explanations given to us, The Company does not fulfill the criteria as specified under section 135(1) of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and according, reporting under clause (xx) of the Order is not applicable to the Company





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21. The reporting under clause (xxi) is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report

For Jain & Trivedi,
Chartered Accountants
FRN No. 113496W

Satish C. Trivedi
M No. 038317
UDIN: 22038317AIKCRD3839



Place: Mumbai
Date: May 02, 2022



JAIN & TRIVEDI

CHARTERED ACCOUNTANTS

319/321, Narshi Natha Street, 2/4, Mody Chambers, Masjid, Mumbai – 400 009
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Annexure “3” to the Independent Auditor’s Report – Referred in Para 8 (f) under ‘Report on other legal and regulatory requirements’ section of our report

Report on the internal financial controls over financial reporting 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 the Company for the year ended on that date.

Management’s responsibility for internal financial controls

The board of directors of the Company 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. 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, 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 internal financial controls over financial reporting of the Company 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”) issued by the Institute of Chartered Accountants of India and the standards on auditing prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 reporting were established 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 in the financial statements, whether due to fraud or error.





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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 control 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 (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) 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 authorisations of management and directors of the company; and (iii) 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.

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 of 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.





JAIN & TRIVEDI

CHARTERED ACCOUNTANTS

319/321, Narshi Natha Street, 2/4, Mody Chambers, Masjid, Mumbai – 400 009

Tel: 2342 4814, 2342 9107, e-mail: ca@jaintrivedi.com/cajaintrivedi@gmail.com

DILIP L.JAIN
B.Com, LL.B.(G.),C.S.,FCA

NIMESH P. JAIN
B.Com., LLB, FCA

SATISH C.TRIVEDI
B.Com, LL.B.(G.), FCA

Opinion

In our opinion and according to the information and explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 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 Jain & Trivedi,

Chartered Accountants

FRN No. 113496W

Satish C. Trivedi

Satish C. Trivedi

M No. 038317

UDIN: 22038317AIKCRD3839



Place: Mumbai

Date: May 02, 2022

DIRECTORS' REPORT

To

The Members,

Your Directors have pleasure in presenting the 1st Annual Report of K-Lounge Lifestyle Limited along with audited Accounts of the Company for the period ended March 31, 2022.

FINANCIAL HIGHLIGHTS:

Our Company's financial performance for the period under review has been encouraging and is summarized below:

Particulars	Amount in Rs.
	*2021-22
Revenue from Operations	
Other Income	15,80,000
Total Revenue	15,80,000
Total Expenditure	80,000
Profit before Tax Expenses (PBT)	15,00,000
Tax Expenses	
Net Profit/ (Loss) for the year	15,00,000
Earnings per share (EPS)	0.30

* The Company was incorporated on 25th February, 2021 and this is being the very first year of operation.

STATE OF COMPANY AFFAIRS AND PERFORMANCE REVIEW:

Your Directors pleased to inform you that the Company earned profit in the financial year 2021-22. The gross income of the company stood at Rs. 15,80,000 during current year. In the period under review the company made a profit before and after tax of Rs. 15,00,000. The Company has not started any business activity.

Your Directors are confident of improving the performance of the company in the ensuing year.

DIVIDEND:

No Dividend was declared for the financial year in order to conserve resources.

TRANSFER TO RESERVES:

The Company has not transferred any amount to the reserves for the financial year 2021-22.

SHARE CAPITAL:

There is no change in share capital during the financial year 2021-22.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Company has proper and adequate system of internal control to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that transaction are authorized, recorded and reported correctly. The Company has effective system in place for achieving efficiency in operations, optimum and effective utilization of resources, monitoring thereof and compliance with applicable laws. During the year, such control was tested and no reportable material weakness in the design or operation was observed.

DIRECTORS:

Pursuant to Articles of Association following are the First Directors of the Company and their appointment will be regularized in the ensuing 1st Annual General Meeting of the Company:

- i) Kewalchand P. Jain
- ii) Hemant P. Jain
- iii) Dinesh P. Jain
- iv) Vikas P. Jain

- v) Pankaj K. Jain
- vi) Hitendra H. Jain

STATUTORY AUDITORS:

M/S Jain and Trivedi, Chartered Accountants, Mumbai, the Statutory Auditors, will retire at the conclusion of the First Annual General Meeting and being eligible, offer themselves for re- appointment.

The Board of Director recommend for the re-appointment of M/s Jain & Trivedi, Chartered Accountants, Mumbai for 5 (five) years i.e. from the conclusion of ensuing annual general meeting till the conclusion of 6th annual general meeting of the company (Financial Year 2026-27) as the Statutory Auditors of the company.

The company has received a certificate from the auditors to the effect that their re-appointment, if made, will be within the limits prescribed under Section 139(1) of the Companies Act, 2013.

AUDITORS REPORT:

The Auditors' Report does not contain any qualification, reservation or adverse remark or disclaimer.

The Board of Directors state that no fraud has been reported by the Auditors under section sub-section 12 of section 143 of the Companies Act, 2013.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT 2013:

Your Company has not given any loans, guarantee or investment in securities during the financial year 2021-22.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

During the year the Company has not entered into any related party transactions therefore the details of AOC-2 is not given.

WHOLLY OWNED SUBSIDIARY COMPANY:

The company is a wholly owned subsidiary of Kewal Kiran Clothing Limited.

PARTICULARS OF SUBSIDIARY, JOINT VENTURE OR ASSOCIATE COMPANY:

The Company does not have any subsidiary, joint venture or associate company.

MATERIAL CHANGES AFFECTING THE COMPANY:

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and date of this report.

There has been no change in the nature of business of the Company.

SECRETARIAL STANDARDS:

The Company has complied with all applicable Secretarial Standards issued by Institute of Company Secretaries of India on Meetings of Board of Directors, General Meeting and Report of the Board of Directors.

EXTRACT OF ANNUAL RETURN:

Since the company does not have Web address, the annual return as on 31st March, 2022 referred to in section 92(3) read with 134(3)(a) of The Companies Act, 2013 has not been placed on its website.

DETAILS OF MEETINGS OF THE BOARD OF DIRECTORS:

The Board meets at regular interval to discuss and decide on the Company's policies and strategies apart from other Board matters. The tentative annual calendar of the Board Meeting is circulated in advance to facilitate the Directors to plan their schedule and to ensure participation in the meeting.

Board Meetings held till date:

Sr. No.	Day & Date of the Meeting
1	Monday, March 1,2021
2	Monday, April 19, 2021
3	Wednesday, April 21, 2021
4	Tuesday, July 20, 2021
5	Thursday, October 20, 2021
6	Monday, January 17, 2022

The gap between the two Board Meetings did not exceed 120 days.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

A) Conservation of energy:

Energy conservation dictates how efficiently a company can conduct its operation. The Company recognized the importance of energy conservation.

Energy Conservation measure taken:

Adequate Care is taken to minimize the use of electricity by switching off the lights etc. when not in use.

B) Technology absorption:

The Company has not imported any technology and hence the question of its absorption does not arise.

C) Foreign exchange earnings and Outgo:

Foreign Exchange Earnings - Nil
Foreign Exchange Outgo – Nil

MAINTENANCE OF COST RECORD:

The Company is not required to maintain cost record as specified by the Central Government under section 148(1) of the Companies Act, 2013.

CHANGES IN DIRECTORSHIP:

There are no Change in composition of Board of Directors.

FIXED DEPOSITS:

During the year under review, the Company has not accepted any deposits within the meaning of Section 73 and 76 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL:

There are no significant material orders passed by the Regulators / Courts / Tribunal which would impact the going concern status of the Company and its future operations.

DIRECTORS' RESPONSIBILITY STATEMENT:

To the best of Directors knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013 read with section 134 (5) of Companies Act, 2013.

- a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departure's;
- 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 had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CORPORATE SOCIAL RESPONSIBILITY:

The provisions relating to Corporate Social Responsibility are not applicable to the Company.

PARTICULARS OF EMPLOYEES:

During the year no employees has received remuneration exceeding the limits, the statement of employees are not attached to this report pursuant to Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

RISK MANAGEMENT:

The Board of Directors is, on continuous basis, implementing and monitoring the risk management plan for the Company. The Board is responsible for reviewing risk management plan and ensuring its effectiveness. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

ANTI SEXUAL HARASSMENT POLICY:

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 and 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. During the year under review, there were no complaints reported to the Board.

ACKNOWLEDGMENTS:

Your Board of Directors wish to place on record its appreciation for the commitment, dedication and hard work done by the employees of the Company and the cooperation extended by Banks, Government Authorities, Customers, Shareholders and looks forward to a continued mutual support and co-operation,

For & On behalf of Board
K-LOUNGE LIFESTYLE LIMITED



Date: May 2, 2022
Place: Mumbai

Kewalchand P. Jain (DIN - 00029730)
Chairman