

# MUZALI ARTS LIMITED

(Formerly Known as Welcon International Limited)

Registered Office: Plot No. 3 B-44 Near Manav Mandir Katol Road Yerla Nagpur - 441501.

Phone: +91 9545896999 E-mail ID: office@muzaliarts.com Website: www.muzaliarts.com

CIN: L20100MH1995PLC322040

Date: 26<sup>th</sup> February, 2024

To,  
Dept. of Corporate Services,  
BSE Limited,  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai – 400001.

**Scrip Code: 539410; Scrip ID: MUZALI**

Dear Sir / Madam,

**Subject: Outcome of Board meeting held on Monday i.e. 26<sup>th</sup> February, 2024.**

This is with reference to the above subject, we wish to inform you that the Board of Directors of the company has at its meeting held on Monday, 26th February, 2024 at its registered office of the company to transact following businesses:

Pursuant to Regulation 33 and other applicable Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; the Board of Directors of the company considered and approved Consolidated Audited Financial Results for period ended 31st March, 2023 along with the Audit Report is enclosed for your information and records.

Kindly acknowledge the receipt of the letter and take on record.

The Meeting commenced at 06:00 P.M and concluded at 07.30 P.M

Yours faithfully,

**For M/s. Muzali Arts Limited**

FARHEEN

MANSOORBHAI

MURTUZA

Digitally signed by FARHEEN

MANSOORBHAI MURTUZA

Date: 2024.02.26 19:47:48

+05'30'

**Farheen Mansoorbhai Murtuza**

**Managing Director**

**DIN: 08965752**

## **INDEPENDENT AUDITORS' REPORT**

To The Members of MUZALI ARTS LIMITED

### **Report on the audit of the consolidated financial statements**

#### **Disclaimer of Opinion**

We have audited the accompanying consolidated financial statements of MUZALI ARTS LIMITED (hereinafter referred to as "the Holding Company"), its subsidiary (the Holding Company and its subsidiary together referred to as "Group") which comprise the consolidated balance sheet as at March 31, 2023, and the consolidated Statements of Profit and Loss (including Other Comprehensive Income), the consolidated Statements of changes in Equity and consolidated statements of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information. (hereinafter referred to as 'the consolidated financial statements').

We do not express an opinion on the accompanying consolidated financial statements of the entity. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

#### **Basis for Disclaimer of opinion**

The Holding company has not received the financial data from its subsidiary company for the Quarter ended on 31st March 2023 and year to date from April 01, 2022 to March 31, 2023. Due to which Statement of Consolidated Financial Results (the Statement') of Muzali Arts Limited ('the Holding Company') and its Subsidiary (the Holding Company and its Subsidiary together referred to as "the Group") has been prepared by taking old financial data i.e April 22 to Sept 2022. As we have not received sufficient and appropriate evidence for audit and for consolidation in view of the unavailability of financial statements, we were unable to determine whether conversion adjustment and classification of assets and liabilities prepared by the management of Holding Company comply with the IND AS.

#### **Information other than the financial statements and auditors' report thereon**

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

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

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatements of this other information, we are required to report that fact. We have nothing to report in this regard as no other information as described above has been made available for review.

## **Management's responsibility for the financial statements**

The Company's board of directors and management are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group 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 Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

In preparing the consolidated financial statements, the respective board of directors of the companies included in the Group are responsible for assessing the ability of the Groups 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 Group or to cease operations, or has no realistic alternative but to do so.

That respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

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## **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatements, 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 misstatements when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Identify and assess the risks of material misstatements of the consolidated 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 misstatements resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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 ability of the Group 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 Group 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.

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 statements 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.

### **Other Matters**

The Holding company has not received the financial data from its subsidiary company for the Quarter ended on 31st March 2023 and year to date from April 01, 2022 to March 31, 2023. Due to which Statement of Consolidated Financial Results (the Statement') of Muzali Arts Limited ('the Holding Company') and its Subsidiary (the Holding Company and its Subsidiary together referred to as "the Group") has been prepared by taking old financial data i.e April 22 to Sept 2022. As we have not received sufficient and appropriate evidence for audit and for consolidation in view of the unavailable unaudited financial statements, we were unable to determine whether conversion adjustment and classification of assets and liabilities prepared by the management of Holding Company comply with the IND AS.

### **Report on other legal and regulatory requirements**

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) As described in the Basis of Disclaimer of Opinion section above, We have sought but we were unable to obtain all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) Due to the possible effect of the matter described in the Basis of Disclaimer of Opinion section above, we are unable to state whether proper books of account as required by law have been kept by the Holding Company so far as it appears from our examination of those books for consolidation of financial statements.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report

are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Financial Statements;

d) Due to the possible effect of the matter described in the Basis of Disclaimer of Opinion section above, we are unable to state whether the aforesaid consolidated financial statements comply with the accounting standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended

(e) On the basis of the written representations received from the directors of Holding Company as on March 31, 2022 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Consolidated Financial Statements and the operating effectiveness of such controls, refer to our separate Report in “Annexure 1” to this report; and

(h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;

i. Due to the possible effect of the matter described in the Basis of Disclaimer of Opinion section above, we are unable to state whether the Group have any pending litigations which would impact its financial position.

ii. Due to the possible effect of the matter described in the Basis of Disclaimer of Opinion section above, we are unable to state whether the Group have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.

iv. (a) The Management of the Holding Company have represented to us, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management of the Holding Company whose financial statements have been audited under the Act, have represented to us to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate

Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

© Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatements.

v. The company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

2 With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor’s Report) Order, 2020 (the “Order”/ “CARO”) issued by the Central Government in terms of Section 143(11) of the Act, we report that the subsidiary is not incorporated in India hence reporting under CARO is not applicable to the subsidiary.

For M/s Gupta Ravi & Associates  
Chartered Accountants  
FRN: 006970N



CA Akhil Sharma  
Partner  
M.No-225300  
Date:26/02/2024  
UDIN: **24225300BKFGTG1203**



### **Annexure - 1 to the Auditors' Report**

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

We have audited the internal financial controls over financial reporting of MUZALI ARTS LIMITED (" hereinafter referred to as "the Holding Company") as of 31 March 2023 in conjunction with our audit of the consolidated financial statements for the year ended on that date.

#### **Management and Board of Director's Responsibility for Internal Financial Controls**

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

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements based on our audit conducted in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India.

Because of the matter described in the Disclaimer of Opinion paragraph below, we were not able to obtain sufficient appropriate evidence to provide a basis for an audit opinion on internal financial controls system with reference to these consolidated financial statements.

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

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

#### **Disclaimer of Opinion**



Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph in our main audit report, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion on whether the Holding Company had adequate internal financial controls over financial reporting with reference to those consolidated - financial statements as at March 31, 2023 and whether such internal financial controls were operating effectively. Accordingly, we do not express an opinion on Internal Financial Controls over Financial Reporting with reference to these consolidated financial statements.

For M/s Gupta Ravi & Associates  
Chartered Accountants  
FRN: 006970N



CA Akhil Sharma  
Partner  
M.No-225300  
Date:26/02/2024  
UDIN: **24225300BKFGTG1203**



**MUZALI ARTS LIMITED**  
**CONSOLIDATED BALANCE SHEET AS AT 31st March, 2023**

(Rs. In Lacs)

Particulars	Notes	As At 31st March 2023	As At 31st March 2022
<b>Assets</b>			
<b>(1) Non-Current Assets</b>			
(a) Property, plant and equipment	2	2.46	2.72
(b) Capital Work in Progress		7.53	7.53
(c) Financial assets			
(i) Investments	3	284.72	476.19
(ii) Loans			
(iii) Others			
(d) Non-current tax assets			
(e) Other non-current assets	4	27.11	26.15
(d) Deferred Tax Asset (Net)			
<b>Total Non-Current Assets</b>		321.82	512.59
<b>(2) Current Assets</b>			
(a) Inventories	5	1,186.51	1,146.23
(b) Financial assets		-	
(i) Trade receivables	6	2.76	5.78
(ii) Cash and cash equivalents	7	244.69	207.44
(iii) Loans	8	466.91	477.84
(c) Others Current Assets	9	339.15	381.21
<b>Total Current Assets</b>		2,240.03	2,218.50
<b>Total Assets</b>		<b>2,561.85</b>	<b>2,731.08</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	10	839.47	747.56
(b) Other Equity	11	547.72	686.51
<b>Total Equity</b>		1,387.19	1,434.07
<b>Non Controlling interest</b>		23.00	42.73
<b>Liabilities</b>			
<b>(1) Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	12	222.72	415.76
<b>Total Non-Current Liabilities</b>		222.72	415.76
<b>(2) Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	13	513.65	495.52
(ii) Trade Payables	14	202.56	102.95
(iii) Other financial liabilities	15	92.48	89.22
(b) Other Current Liabilities	16	120.24	143.99
(c) Current Tax Liabilities (Net)	17	-	6.85
<b>Total Current Liabilities</b>		928.93	838.53
<b>Total Equity and Liabilities</b>		<b>2,561.85</b>	<b>2,731.08</b>
Summary of significant accounting policies	1		
Notes to accounts	2-25		

The accompanying notes are an integral part of the financial statements.  
As per our report of even date

**For Gupta Ravi & Associates**  
**Chartered Accountants**  
**Firm number: 006970N**

**For and on behalf of the Board**  
**MUZALI ARTS LIMITED**

sd/-

sd/-

sd/-

**Partner: Akhil Sharma**  
**Membership No. 225300**  
**Place: Nagpur**  
**Date : 26.02.2024**  
UDIN: 24225300BKFGTG1203

(FARHEEN MANSOORBHAI)  
Managing Director  
DIN :08965752

(MANSOORBHAI MURTUZA)  
Additional Director  
DIN: 08965751

**MUZALI ARTS LIMITED**  
**Consolidated Statement of Profit and Loss for the year ended 31st March, 2023**

(Rs. In Lacs)

Particulars		Note No.	For the year ended 31st March, 2023	For the year ended 31st March, 2022
I)	<b>Revenue From Operations</b>	18	242.80	275.43
II)	<b>Other Income</b>	19	37.60	37.51
III)	<b>Total Revenue (I+II)</b>		280.40	312.93
IV)	<b>Expenses :</b>			
	Purchase of Stock-in-Trade	20	174.55	173.99
	Changes in Inventory of Finished goods, Work-in-Progress and Stock-in-Trade	21	(2.02)	(58.87)
	Employee Benefit expenses	22	119.83	73.57
	Finance Cost	23	17.26	12.50
	Depreciation and amortization Expenses	2	1.04	1.17
	Other Expenses	24	158.25	81.12
	<b>Total Expenses (IV)</b>		468.91	283.49
V)	Profit/(Loss) Before exceptional and tax (III-IV)		(188.51)	29.45
VI)	Exceptional Items	25	245.01	-
VII)	Profit/(Loss) Before Tax (V-VI)		(433.52)	29.45
VIII)	<u>Tax Expenses</u>			
	i) Current Tax		-	4.57
	ii) Deferred Tax		-	-
	iii) Excess/ Short Provision of tax relating to earlier years		(7.94)	-
IX)	Profit (Loss) from Continuing Operations (VII-VIII)		(425.58)	24.87
X)	<b>Other Comprehensive income;</b>			
	<b>A (i)</b> Items that will not be reclassified to profit or loss			
	- Equity Instruments through other comprehensive income		589.93	119.62
	<b>B (i)</b> Items that will be reclassified to profit or loss		0.00	0.00
XI)	<b>Total Comprehensive Income for the period (Comprising profit/ (loss) and other Comprehensive Income for the period (IX-X))</b>		164.36	144.49
XII)	<b><u>Earnings per Equity Shares</u></b>	25		
	1) Basic		(0.72)	0.05
	2) Diluted		(0.72)	0.05
	Summary of significant accounting policies	1		
	Notes to accounts	2-25		

The accompanying notes are an integral part of the financial statements.  
As per our report of even date

**For Gupta Ravi & Associates**  
**Chartered Accountants**  
**Firm number: 006970N**

**For and on behalf of the Board**  
**MUZALI ARTS LIMITED**

sd/-

sd/-

sd/-

**Partner: Akhil Sharma**  
**Membership No. 225300**  
**Place: Nagpur**  
**Date : 26.02.2024**  
**UDIN: 24225300BKFGTG1203**

(FARHEEN MANSOORBHAI)  
Managing Director  
DIN :08965752

(MANSOORBHAI MURTUZA)  
Additional Director  
DIN: 08965751

**MUZALI ARTS LIMITED**  
**Consolidated Cash Flow Statement for the year ended March 31, 2023**

(Rs. In Lacs)

PARTICULARS	For the Year Ended 31st March 2023	For the Year Ended 31st March 2022
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit /(Loss) before tax	(433.52)	(175.76)
<u>Adjustment for:-</u>	-	-
Interest Income	(35.66)	(35.14)
Dividend Received	(0.02)	-
Finance Cost	17.26	34.45
Depreciation	1.04	-
Written off	-	0.20
Foreign Currency exchange loss on investment	-	(2.85)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	(450.89)	(179.10)
<u>Movements in Working Capital :-</u>		
(Increase)/decrease Trade and other receivables	8.58	(159.89)
Increase/(decrease) Trade Payables	90.84	51.20
Increase/(decrease) Other Current Liabilities	(31.47)	2.46
(Increase)/decrease in Inventories	(2.02)	(105.31)
(Increase)/decrease Others Current Assets	42.41	71.15
<b>CASH GENERATED FROM OPERATIONS</b>	(342.55)	(319.49)
Direct Taxes Paid	-	-
Last Year Direct Taxes Paid		
<b>I NET CASH FLOW FROM OPERATING ACTIVITIES</b>	(342.55)	(110.82)
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Loan Received / (Given) (NET)	10.93	130.40
Purchase of Fixed Assets	(0.78)	(7.29)
New Investments	-	(173.87)
Sale of Investments	191.47	-
Interest Received	35.66	35.14
Dividend Received	0.02	-
<b>II NET CASH USED IN INVESTING ACTIVITIES</b>	237.30	(15.61)
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Preceeds from issue of share capital	83.17	142.99
Cash received from securities premium	150.21	-
Loans Taken/ (Repaid) (Net)	(200.51)	501.11
Proceeds from issue of Equity warrants	-	-
Changes in OCI	0.00	(216.64)
Proceeds from Share Allotment Money	-	48.40
Interest Paid	(17.26)	(34.45)
<b>III NET CASH USED IN FINANCING ACTIVITIES</b>	15.60	441.40
<b>NET INCREASE/(DECREASE) IN CASH OR CASH EQUIVALENTS (I + II + III)</b>	(81.71)	(41.24)
<u>Add:- CASH &amp; CASH EQUIVALENTS AS AT BEGNNING</u>	208.63	249.87
<b>CLOSING BALANCE OF CASH &amp; CASH EQUIVALENTS (Refer Note 7)</b>	126.92	208.63

The above Cash Flow Statement has been prepared under the "Indirect Method" set out in Indian Accounting Standard (Ind AS) 7 on Statement of Cash Flows.

**For Gupta Ravi & Associates**  
**Chartered Accountants**  
**Firm number: 006970N**

**For and on behalf of the Board**  
**MUZALI ARTS LIMITED**

sd/-

sd/-

sd/-

**Partner: Akhil Sharma**  
**Membership No. 225300**  
**Place: Nagpur**  
**Date : 26.02.2024**

(FARHEEN MANSOORBHAI) (MANSOORBHAI MURTUZA)  
Managing Director Additional Director  
DIN :08965752 DIN: 08965751

## **MUZALI ARTS LIMITED**

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

**(Rs. IN LACS)**

SR. No.	PARTICULARS	Usefull Life	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
			AS ON 01.04.2021	ADDITIONS DURING THE YEAR	SALE / DISPOSAL DURING THE YEAR	TOTAL AS ON 31.03.2022	UPTO 01.04.2021	FOR THE YEAR	ADJUSTMENT	UPTO 31.03.2022	NET CARRYING AMOUNT AS ON 31.03.2022	NET CARRYING AMOUNT AS ON 31.03.2022
1	Building Shed	30	1.61	-	-	1.61	0.15	0.14	-	0.28	1.33	1.47
2	CCTV Cameras	5	0.21	-	-	0.21	0.09	0.05	-	0.14	0.06	0.11
3	Mobile Handsets	5	2.07	0.78	-	2.85	0.93	0.85	-	1.78	1.07	1.14
	TOTAL		3.89	0.78	-	4.67	1.17	1.04	-	2.21	2.46	2.72

# MUZALI ARTS LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR 31<sup>st</sup> March , 2023

(Rs. In Lacs)

PARTICULARS		As at 31.03.2023	As at 31.03.2022
<b>NOTE # 3</b>			
<b>Non - Current Investment</b>			
<b>Investments carried at Fair Value Through Other Comprehensive Income (FVOCI)</b>			
<b>INVESTMENTS IN EQUITY INSTRUMENTS - QUOTED(fully paid up) :</b>			
East West Holding Limited	1,00,000	4.29	8.66
Amaze Entertech Limited	1,17,297	-	139.58
Trio Mercantile & Trading Ltd	33,04,330	-	68.40
Aditya Consum Mkting	4,000	2.05	-
Aptus Value Housing	100	0.24	-
Avenue Supermarts Lt	100	3.40	-
Bharat Seats	250	0.20	-
Croissance Ltd	2,500	0.18	-
Hdfc Bank-Shares	100	1.61	-
Hdfc Life Insurance Company Ltd.	250	1.25	-
Hindustan Construction Company Ltd.	2,500	0.34	-
Indian Energy Exch L	3,000	3.84	-
Indian Railway Cater-Irctc	200	1.15	-
Kokuyo Camlin	2,000	1.38	-
NLC India Limited	345	0.27	-
Olectra Greentech	100	0.62	-
Railtel Corporation Of India	1,000	1.01	-
Religare Enterprises	1,500	2.18	-
Sharda Motors Ind	100	0.56	-
Som Distillers & Breweries	400	0.61	-
		25.17	216.64
<b>UNQUOTED :</b>			
Jalan Jalan Collection Inc.		259.55	259.55
<b>TOTAL INVESTMENTS</b>		<b>284.72</b>	<b>476.19</b>
Agreegate of Quoted Investment & market value thereof		25.17	216.64
Agreegate of Un-Quoted Investment		<b>260</b>	<b>260</b>

PARTICULARS	As at 31.03.2023	As at 31.03.2022
<b>NOTE # 4</b>		
<b>Non Current Assets</b>		
Security Deposits	6.48	26.15
Sartup Cost	20.63	-
	<b>27.11</b>	<b>26.15</b>

<b>NOTE # 4</b>		
<b>Deferred Tax Asset</b>		
Property Plant Equipment	-	-
	-	-

In assessing the realizability of deferred income tax assets, management considers whether some portion or all of deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. The amount of the deferred income tax assets considered realizable, however could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

<b>NOTE # 5</b>		
<b>Inventories</b>		
Stock in Trade	1,186.51	1,146.23
	1,186.51	1,146.23

<b>NOTE # 6</b>		
<b>Trade Receivables (Unsecured, Considered good)</b>		
- Current Trade Receivable	2.76	5.78
Less: Allowance for Bad & Doubtful Debts	-	-
	<b>2.76</b>	<b>5.78</b>

Note :- No amounts are receivable from directors or other officers of the company either severally or jointly with any other person or from by the firms or private companies in which any director is a partner or a director or a member.

<b>NOTE # 7</b>		
<b>Cash and Cash Equivalents</b>		
Balances with Bank		
-in Current accounts	233.80	203.29
-deposits with maturity of less than 3 months	-	-
Cash on Hand	10.89	4.14
	<b>244.69</b>	<b>207.44</b>

<b>NOTE # 8</b>		
<b>Current Loans</b>		
<b>(Unsecured, Considered good)</b>		
<u>Demand Loan : Others</u>	-	-
- Intercompany Deposit	8.14	8.14
- Others	458.77	469.70
	<b>466.91</b>	<b>477.84</b>

Note :- No amounts are receivable from directors or other officers of the company either severally or jointly with any other person or from by the firms or private companies in which any director is a partner or a director or a member.

<b>NOTE # 9</b>		
<b>Other Current Assets</b>		
<b><u>Advances other than capital advances</u></b>		
Security Deposits	0.25	0.25
Duties & Taxes - GST (Net)	8.87	21.55
Advance to Supplier	330.04	72.24
Advance to Related Party	-	287.17
	-	-
	<b>339.15</b>	<b>381.21</b>



**Note - 10 Share Capital**

(Rs. In Lacs)

PARTICULAR	As at 31st March, 2023
<b><u>Authorized Capital</u></b>	
6,00,00,000 equity shares of Rs. 1/- each	600.00
(6,00,00,000 and 6,00,00,000 Equity Shares of Re. 1/- each and Re. 1/-each at March 31, 2023 )	
<b><u>Issued, Subscribed &amp; Fully Paid - up</u></b>	
2,02,98,000 Equity Shares of Rs 1/- each	202.98
( 2,02,98,000 and 2,02,98,000 Equity Shares of Re. 1/- each and Re. 1/-each at March 31, 2022)	
<b><u>Issued, Subscribed &amp; Fully Paid - up</u></b>	
2,52,00,000 Equity Shares of Rs 1/- each	252.00
( 2,52,00,000 and 2,52,00,000 Equity Shares of Re. 1/- each and Re. 1/-each at March 31, 2022)	
<b><u>Issued, Subscribed &amp; Fully Paid - up</u></b>	
32,00,000 Equity Shares of Rs 1/- each	32.00
(32,00,000 and 32,00,000 Equity Shares of Re. 1/- each and Re. 1/-each at March 31, 2022)	
<b><u>Issued, Subscribed &amp; Fully Paid - up</u></b>	21.50
21,50,000 Equity Shares of Rs 1/- each	
(21,50,000 and 21,50,000 Equity Shares of Re. 1/- each and Re. 1/-each at March 31, 2022)	
<b><u>Issued, Subscribed &amp; Fully Paid - up</u></b>	21.50
21,50,000 Equity Shares of Rs 1/- each	
(21,50,000 and 21,50,000 Equity Shares of Re. 1/- each and Re. 1/-each at March 31, 2022)	
<b><u>Issued, Subscribed &amp; Fully Paid - up</u></b>	61.67
61,66,667 Equity Shares of Rs 1/- each	
(61,66,667 and 61,66,667 Equity Shares of Re. 1/- each and Re. 1/-each at March 31, 2023)	
	591.65

**(i)Reconciliation of number of share outstanding at beginning and at the end of the reporting period:**

At the beginning of the year  
Issued during the Year  
Less Forfeited During the Year  
Outstanding at the end of the year

No of Shares	Amount
5,08,48,000	508
83,16,667	83
-	
5,91,64,667	592

**(ii) Terms/ right attached to Equity Shares**

The Company has Only one Class of equity shares having par value of Rs.1 per Shares. Each holder of Equity Shares is Entitled to one vote per share. In the event of liquidation of the company, the holders of equity share will be entitled to receive remaning assets of the Company, after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(III) Detail of shares held by the holding company, the ultimate holding company, their subsidiaries and associates :**

NIL

**Details of Shareholders holding more than 5% shares in the Company**

(Rs. In Lacs)

Name of the Shareholders	As at 31st March, 2023	
	%	No of Shares
Farheen Murtuza Mansoorbhai	15.54	91.94
Mansoorbhai Murtuza	15.54	91.94

In Foreign Subsidiary at the end of the year 31st March 2023

Name of the Shareholders	As at 31st March, 2023	
	No. of Shares	Amount
Opening Capital	3,13,500.00	247.83
Fresh issue of Shares to Muzali Arts	-	
Fresh issue of Shares to Bruce Platt`	-	
	<b>3,13,500.00</b>	<b>247.83</b>

In Foreign Subsidiary at the end of the year 31st March 2022

Name of the Shareholders	As at 31st March, 2023	
	No. of Shares	Amount
Opening Capital	1,000.00	0.76
Fresh issue of Shares to Muzali Arts	2,50,000.00	190.65
Fresh issue of Shares to Bruce Platt`	62,500.00	47.66
	<b>3,13,500.00</b>	<b>239.08</b>

**NOTE # 11****Other Equity**

(a) General Reserve

As per last Balance Sheet

101.36

101.36

Addition during the year

-

-

101.36

101.36

(b) Retained Earnings

As per last Balance Sheet

58.22

243.51

Add: Profit for the year

(425.58)

(184.36)

Less : Allocations &amp; Appropriations

-

-

Less : Previous Year Tax

-

-

Transfer to Reserves

-

-

(367.35)

59.15

(c) Equity Instruments through Other Comprehensive Income

Opening Balance

(92.92)

(3.95)

During the year addition

589.93

119.62

Deletion During the year

472.16

208.59

Closing Balance

24.85

(92.92)

(c) Security Premium

Opening Balance

645.53

568.00

During the year addition

150.21

77.53

Closing Balance

795.74

645.53

(d) Equity Warrant

Opening Balance

16.13

66.75

During the year deletion

-

99.03

During the year addition

-

48.40

Closing Balance

16.13

16.13

570.72

729.24

<b>NOTE # 12</b>		
<b>Non Current - Long Term Borrowings</b>		
<b>Unsecured</b>		
Demand Loans	10.75	211.26
<b>Other Non Current Liabilities</b>		
Loan from Stakeholders	46.30	44.67
Ally Fin Truck Loan	7.57	7.31
Laguna design Dunhill	79.05	76.26
Paula Platt	79.05	76.26
	<b>222.72</b>	<b>415.76</b>

<b>NOTE # 13</b>		
<b>Current - Long Term Borrowings</b>		
<b>Unsecured</b>		
<b>Secured</b>		
Credit Line Regions Bank	118.47	114.29
SBA Loan 3.17.22	395.18	381.23
	<b>513.65</b>	<b>495.52</b>

<b>NOTE # 14</b>		
<b>Trade Payables</b>		
Current Trade payables	202.56	102.95
	202.56	102.95
i. Total outstanding dues of micro enterprises and small enterprises	-	-
ii. Total outstanding dues of creditors other than micro enterprises and small enterprises*	202.56	102.95

\*Disclosure in relation to Micro and Small enterprises 'Suppliers' as defined in the Micro, Small and Medium Enterprises Development Act, 2006 ('Act').

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with their customers the Entrepreneurs Memorandum Number as allocated after filing of the said Memorandum. Accordingly, the disclosures above in respect of the amounts payable to such enterprises as at the period end has been made based on information received and available with the Company.

As explained by management there is no outstanding balance related to Micro and Small enterprises 'Suppliers' as defined in the Micro, Small and Medium Enterprises Development Act, 2006 ('Act') as at year end.

PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
<b>NOTE # 15</b>		
<b>OTHER FINANCIAL LIABILITIES</b>		
<b>Unsecured</b>		
Bank of America	34.85	33.62
Amex 3-15004	35.39	34.14
Regions Bank 1979	22.18	21.40
Regions Now Prepaid Card	0.06	0.06
	<b>92.48</b>	<b>89.22</b>

<b>NOTE # 16</b>		
<b>Other Current Liabilities</b>		
<b>Other Payables</b>		
Statutory Dues	71.79	93.33
Creditors for Expenses payable	23.98	27.06
Sales Tax Payable	0.75	0.73
Loan from Nafeez Hakimi	23.72	22.88
	<b>120.24</b>	<b>143.99</b>

<b>NOTE # 17</b>		
<b><u>Current Tax Liabilities</u></b>		
Income Tax (Net)	-	6.85
	-	6.85

**MUZALI ARTS LIMITED**

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2023**

(Rs. In Lacs)

<b>PARTICULARS</b>	<b>As at 31st March, 2023</b>	<b>As at 31st March, 2022</b>
<b>Note -18</b>		
<b>Revenue From Operation</b>		
Sale of Goods	242.80	275.43
<b>Total In `</b>	<b>242.80</b>	<b>275.43</b>
<b>Note -19</b>		
<b>Other Income</b>		
Interest on Loan	35.66	34.78
Dividend Received	0.02	-
Discount Received	-	0.63
Transporting Charges received	0.15	-
Balances written Off	-	-
Duty Drawback received	1.34	2.10
Collection Allowance	0.05	-
Other Income	0.01	-
Equipment Rental	0.38	-
<b>Total In `</b>	<b>37.60</b>	<b>37.51</b>
<b>Note -20</b>		
Purchase of Stock in Trade	174.55	173.99
<b>Total In `</b>	<b>174.55</b>	<b>173.99</b>
<b>Note -21 Change in inventories</b>		
Opening Stock	100.60	41.73
Closing stock	102.62	100.60
<b>Total In `</b>	<b>(2.02)</b>	<b>(58.87)</b>
<b>Note - 22</b>		
<b>Employee Benefit Expenses</b>		
Salaries to Employees	61.12	71.51
Provident Fund Exp	1.61	2.06
Staff Welfare expenses	-	-
Salaries Officer	26.32	-
Salaries Regular	25.75	-
Taxes and Payrolls	5.04	-
	-	-
<b>Total In `</b>	<b>119.83</b>	<b>73.57</b>
<b>Note - 23</b>		
<b>Finance Cost</b>		
Interest on Loan	17.26	12.50
<b>Total In `</b>	<b>17.26</b>	<b>12.50</b>

**Note -24****Other Expenses****Payment to Auditors-**

as Statutory Auditor

1.08

1.00

as Income Tax Auditor

-

-

**Others :**

-

-

Advertisement Expenses

5.07

1.70

Accounting Charges

0.24

-

Battery Charges

-

0.09

AGM Expenses

0.03

-

Bad Debts

-

1.30

Bank Charges

1.44

0.49

Book &amp; Periodicals

0.06

-

BSE Listing Fees

6.00

3.00

BSE SOP Fine Paid

13.97

-

CDSL fees

0.90

0.64

Caning Job Work

0.21

0.90

CHA Agencies Charges

0.06

1.17

Commission Paid

-

0.10

Crane Services

-

0.05

Drill Machine Charges

-

0.02

Cousion Work Exp

-

1.80

Conveyance Exp

0.03

1.08

C.O.O Application &amp; processign Charges

0.24

-

Curior Expenses

0.04

0.28

Demat Charges

0.03

0.01

Director Sitting Fees

0.33

1.32

Electricity Expenses

1.04

1.72

Email Renewal Exp

-

0.03

Export Insurance

0.08

0.24

EPCH liecense fees

0.05

0.16

Food Exp

1.42

0.05

Freight Charges

4.33

0.23

Furniture Making Charges

0.28

5.56

Govt. Fee for certificate of Origin

0.14

-

Hardware Material (Refinishing )

2.57

4.53

Gram Panchayat tax

0.50

-

Interest on TDS

0.01

0.01

Inspection Charges

0.05

-

Internet Expenses

0.75

0.83

Labour Expenses

6.21

7.66

Late Payment Charges

0.01

0.13

Loss on sale of shares

-

0.62

Packing Charges

2.05

0.04

Loading Charges

0.01

0.03

MCA Fees

-

0.08

NSDL Fees

1.04

0.54

Office Expenses

1.15

1.91

Penalty Charges

-

0.14

Petrol Charges

0.34

0.29

PF Administration Charges

0.15

0.02

PF EDLIS Account

0.15

-

Photography Expenses

-

0.11

Printing And Stationery

0.11

0.02

Polish Charges

1.45

-

Professional Fees

9.01

6.48

Professional Tax

0.03

0.03

Legal Fee

0.07

-

ROC Charges

-

0.06

Rent Paid

14.41

0.39

Refinishing Exp

0.15

1.28

Repairs &amp; Maintenance

7.17

3.81

Round off

0.00

0.00

RTA Fees

1.50

0.89

Shipping Charges

4.41

4.40

Stamp Duty

0.01

0.00

Telephone Expense

3.60

0.42



Transaction Charges	-	0.01
Transportation Charges	2.52	2.22
Travelling Conveyance	6.12	9.05
Warehouse Rent	12.00	12.00
Written Off	0.00	0.20
ITC a	-	-
Fabric	3.10	-
Design Consultation	1.71	-
Automobile Expenses	0.72	-
Computer Service	0.87	-
Credit card Processing	2.78	-
Dues & Subscriptions	0.50	-
E Commerce	1.03	-
Insurance	2.14	-
Health Insurance	9.73	-
Parking Tolls	0.19	-
Postage and Delivery	0.05	-
Professional fees	4.22	-
Security and Alarm	0.11	-
Subcontracted work	12.10	-
Travel	1.60	-
Utilities	1.61	-
Wharehouse supplies	1.20	-
<b>Total In</b>	<b>158.25</b>	<b>81.12</b>
<b>Note -25</b>		
Exceptional Items		
Salaries written Off	7.72	-
GST input avaiable but not avaiaded in earlier years	17.25	-
Long term capital Loss	220.03	-
	<b>245.01</b>	

#### Note No: 25 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of

#### Particulars

#### Net Profit after tax attributable to equity holders

Weighted average no of equity shares outstanding during the year- for Both Basic and Diluted EPS

Face value of Equity Share ( INR )

Basic

Diluted