

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 8655012379

E-mail ID: office@muzaliarts.com Website: www.muzaliarts.com

CIN: L20100MH1995PLC322040

Date: 07.09.2022

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

Scrip Code: 539410; Scrip ID: MUZALI

Dear Sir,

Sub: Submission of Annual Report including Notice of AGM for the Financial Year 2021-2022 under Regulation 34 of Securities and Exchange Board of India (LODR), Regulations, 2015.

With reference to the subject cited and in compliance of Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby furnish the Notice of the 27th Annual General Meeting to be held on 30th day of September, 2022 at 09:30 AM and the Annual Report for the financial year 2021-2022.

This is for your information and records.

Thanking You

Yours faithfully,

For Muzali Arts Limited



Farheen Mansoorbhai Murtuza
Managing Director
DIN: 08965752

27TH
ANNUAL
REPORT
OF
MUZALI
ARTS
LIMITED

MUZALI ARTS LIMITED

Board of Directors

Mrs. Farheen Mansoorbhai Murtuza	Managing Director
Mr. Vishal Jaisingh Ladharam	Independent Director
Mr. Lalit Kripashankar Dave	Non-Executive Director
Mr. Mansoorbhai Murtuza (Resigned on 29 th March 2022)	Chairman & Managing Director
Ms. Mala Brijlal Lalchandani (Resigned on 26 th July 2022)	Independent Director

Key Managerial Personnel

Mr. Lalit Kripashankar Dave (Resigned on 23 rd July 2022)	Chief Financial Officer
Mr. Rakesh Moreshwar Kanzode (Resigned on 24 th June 2021)	Company Secretary
Mr. Rohit Raghunath Jadhav (Effect from 14 th February 2022)	Company Secretary

Auditors

M/s. Koshal & Associates	Chartered Accountant
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Registrar and Transfer Agent

Satellite Corporate Services Pvt Ltd

Unit No 49, Building No 13AB, 2nd Floor,
Samhita Commercial Co-Op Society Ltd,
Off Andheri Kurla Road, MTNL Lane, Sakinaka,
Mumbai -400072

Website: www.satellitecorporate.com

Registered Office

Plot No. 3 B-44, Near Manav Mandir, Kantol Road, Yerla, Nagpur, Maharashtra, India-441501.

CIN: L20100MH1995PLC322040

Tel: 84446581165

Email Id: office@muzaliarts.com

Website: www.muzaliarts.com

27th Annual General Meeting on Friday, 30th September 2022 at 9:30 A.M at the Registered Office of the company at Plot No. 3 B-44, Near Manav Mandir, Kantol Road, Yerla, Nagpur, Maharashtra, India-441501.

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NOTICE

NOTICE IS HEREBY GIVEN THAT THE 27TH ANNUAL GENERAL MEETING OF THE MEMBERS OF MUZALI ARTS LIMITED (FORMERLY KNOWN AS WELCON INTERNATIONAL LIMITED) WILL BE HELD ON FRIDAY, 30TH SEPTEMBER 2022 AT 09:30 A.M. AT PLOT NO. 3 B-44, NEAR MANAV MANDIR, KANTOL ROAD, YERLA, NAGPUR, MAHARASHTRA, INDIA- 441501 TO TRANSACT THE FOLLOWING BUSINESS, NAMELY.

ORDINARY BUSINESS:

Item No. 1 - Adoption of Financial Statements:

To consider, approve and adopt

(a) the audited standalone financial statement of the Company for the financial year ended March 31, 2022, and the reports of the Board of Directors and Auditors thereon; and the audited consolidated financial statement of the Company for the financial year ended March 31, 2022, and the report of Auditors thereon and, in this regard, to consider and if thought fit, to pass, the following resolutions as an Ordinary Resolution.

- **“RESOLVED THAT** pursuant to the provisions of Section 134 of the Companies Act, 2013, the audited financial statement of the Company for the financial year ended March 31, 2022 and the reports of the Board of Directors and Auditors thereon, as circulated to the Members, be and are hereby considered and adopted.”
- **“RESOLVED THAT** pursuant to the provisions of Section 134 of the Companies Act, 2013, the audited consolidated financial statement of the Company for the financial year ended March 31, 2022, and the reports of the Board of Directors and Auditors thereon, as circulated to the Members, be and are hereby considered and adopted.”

Item No. 2 – Re-Appointment of Director retiring by rotation:

To appoint a director in place of Farheen Mansoorbhai Murtuza (DIN: 08965752), who retires by rotation and being eligible, offers himself for re-appointment.

“RESOLVED THAT in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Farheen Mansoorbhai Murtuza (DIN: 08965752), who retires by rotation at this meeting being eligible, be and is hereby appointed as a Director of the Company liable to retire by rotation.”

Item No.3- Appointment of Statutory Auditors of the Company.

The appointment of Auditors and fix their remuneration – consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s), amendment(s) or re-enactment(s) thereof, for the time being in force), M/s. Gupta Ravi & Associates., Chartered Accountants (Firm Registration No. SPJ087), be and is hereby appointed as the Statutory Auditors of the Company, to hold office for a term of 5 (five) years, from the conclusion of this Annual General Meeting until the conclusion of the 32nd Annual General Meeting of the Company to be held in the year 2027, at such remuneration plus applicable taxes, out of pocket expenses as may be incurred by them during the course of the Audit, as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

“FURTHER RESOLVED THAT the Board of Directors of the company be and are hereby authorized to do all such acts, matters, deeds and things as may be necessary to give effect to the above resolution.”

SPECIAL BUSINESS:**Item No. 4- Regularization of Additional Director, Mr. Lalit Kripashankar Dave (DIN: 08483990) as a director of the company:**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution:

“RESOLVED THAT pursuant to the provisions of 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Lalit Kripashankar Dave (DIN: 08483990), who was appointed as an Additional Director (Non-Executive and Non-Independent Director) of the Company with effect from 25th July, 2022, who holds office up to the date of this Annual General Meeting, and being eligible, offer herself for appointment and in respect of whom the Company has received a notice in writing from a Member, pursuant to the provisions of Section 160 of the Act, signifying his intention to propose the candidature of Mr. Lalit Kripashankar Dave for the office of Director, be and is hereby appointed as a Director (Non-Executive and Non-Independent Director) of the Company, with effect from the date of this Meeting.”

Item No. 5- Ratification of the appointment of Mrs. Farheen Mansoorbhai Murtuza (DIN: 08965752) as Chairman and Managing Director.

To consider and, if thought fit to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 196, 197, 198 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the rules made there under, as amended from time to time, read with Schedule V to the Act, and Articles of Association of the Company and subject to

the approval of Central Government or other Government authority/agency/board, if any, the consent of the Members of the Company be and is hereby accorded to ratify the appoint of Mrs. Farheen Mansoorbhai Murtuza (DIN: 08965752) as Chairman and Managing Director of the Company for a period of 5 Years with effect from 29th March 2022 upon the terms and conditions set out in the Explanatory Statement and Annexure to the Notice convening this meeting (including remuneration to be paid), with liberty to the Board of Directors of the Company (hereinafter referred to as "the Board" (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to alter and vary terms and conditions of the said appointment in such manner as may be agreed to between the Board and Mrs. Farheen Mansoorbhai Murtuza."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to take such steps as may be necessary for obtaining necessary approvals - statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such other acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this Resolution."

Item No. 6 To Consider and approve the issue of equity shares on preferential basis.

*To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution***

"RESOLVED THAT pursuant to Sections 23(1)(b), 62(1)(c), read with section 42 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), read with Rule 13 of Companies (Share Capital and Debentures) Rules, 2014 and Rule 14 of Companies (Prospectus and Allotment of Securities) Rules, 2014 and in accordance with the provisions of the Memorandum and Articles of Association of the Company and in accordance with the provisions on preferential issue as contained in Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended ("SEBI ICDR Regulations"), the provisions of the Foreign Exchange Management Act, 1999 ("**FEMA**") and rules and regulations framed there under as amended and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "SEBI Listing Regulations") the listing agreements entered into by the Company with the BSE Limited ("Stock Exchange") on which the Equity Shares of the Company having face value of Rs.1/- (One) each ("Equity Shares") are listed and subject to any other rules, regulations, guidelines, notifications, circulars and clarifications issued there under from time to time by the Ministry of Corporate Affairs ("MCA"), Securities and Exchange Board of India ("SEBI") and or any other competent authorities, (hereinafter referred to as "Applicable Regulatory Authorities") from time to time to the extent applicable and subject to such approval(s), consent(s), permission(s) and/or sanction(s), if any, of any statutory / regulatory authorities, Stock Exchange(s), SEBI, institutions, or bodies, as may be required and subject to such terms and condition(s), alteration(s), correction(s), change(s) and/ or modification(s) as may be prescribed by any of them while granting such consent(s), permission(s) or approval(s), and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the 'Board', which terms shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its power including the powers conferred by this Resolution, consent of the Members of the Company be and is hereby accorded to the Board and the Board be and is

hereby authorized in its absolute discretion to create, offer, issue and allot up to 63,33,334 (Sixty Three Lakhs Thirty-Three Thousands Three Hundred and Thirty-Four) equity shares having face value of Rs. 1/- (Rupees One) each fully paid-up ("Equity Shares") at a premium of Rs.3/- (Rupees Three Only) (Preferential Allotment Price) each to the investors listed in the table below (Hereinafter referred to as "Investors"), on a preferential basis ("Preferential Allotment") on such terms and conditions as may be deemed appropriate by the Board in accordance with the SEBI ICDR Regulations and other applicable laws":

Sl. No	Name of the Proposed allottee	Category	No of Equity Shares to be Issued
1.	Mr. Swapnil Madanrao Samarth	Non-Promoter	Upto 66667
2.	Mrs. Divya Naresh Chelani	Non-Promoter	Upto 100000
3.	Mrs. Swati Rajkumar Jaiswal	Non-Promoter	Upto 100000
4.	Mr. Paresh Subhash Gandhi	Non-Promoter	Upto 83333
5.	Mr. Ritesh Subhash Gandhi	Non-Promoter	Upto 83333
6.	Mrs. Anuradha Paresh Gandhi	Non-Promoter	Upto 166667
7.	Mrs. Swati Shirish Jaiswal	Non-Promoter	Upto 33333
8.	Mr. Atul Jaiswal	Non-Promoter	Upto 66667
9.	Mr. Dharmeshkumar M Patel	Non-Promoter	Upto 166667
10.	Mr. Prakash Srikisan Jaiswal	Non-Promoter	Upto 166667
11.	Mr. Mukund Kulkarni	Non-Promoter	Upto 100000
12.	Mr. Satish Krishnakumar Jaiswal	Non-Promoter	Upto 66667
13.	Mr. Shirish Shivkumar Jaiswal	Non-Promoter	Upto 166667
14.	Mrs. Vaishnavi Sumeet Jaiswal	Non-Promoter	Upto 33333
15.	Mrs. Reena Kaushal Gohil	Non-Promoter	Upto 766667
16.	Mr. Ajaz Shafi Mohammed	Non-Promoter	Upto 833333
17.	Mr. Bhavesh Mahavir Khetan	Non-Promoter	Upto 1333333
18.	Ms. Sana Ajaz Shafi	Non-Promoter	Upto 333333
19.	Ms. Ishneet Kaur	Non-Promoter	Upto 166667

"RESOLVED FURTHER THAT :

- i) Price being not less than the price determined in accordance with Chapter V of the SEBI ICDR Regulations or such higher price determined on such terms and conditions as may be decided and deemed appropriate by the Board at the time of issue or allotment in accordance with the provisions of SEBI ICDR Regulations, or other applicable laws in this respect.
- ii) In accordance with SEBI ICDR Regulations, the 'Relevant Date' for determination of the issue price of Equity Shares, shall be, 30th August, 2022 being the date 30 (Thirty) days prior to the meeting of members of the Company is to be held to consider the Preferential Issue of equity shares and the issue price determined in accordance with SEBI ICDR Regulations."
- iii) The Equity Shares to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall rank pari-passu (including as to entitlement to voting powers and dividend) in all respects with the existing equity shares of the Company and the shares so issued offered and allotted be in dematerialized form".

- iv) The Equity Shares allotted on preferential basis shall be locked-in for such period as prescribed in SEBI ICDR Regulations"
- v) The offer, issue and allotment of the aforesaid Equity Shares shall be made at such time or times as the Board may in its absolute discretion decided.
- vi) 100% of the Preferential Allotment Price shall be payable at the time of application to the Equity Shares
- vii) The consideration for allotment of the relevant Shares shall be paid to the Bank from the bank account of each Allottee, respectively.
- viii) The Equity Shares shall be issued and allotted by the Company in the dematerialized form within a period of 15 days from the date of passing of the special resolution by the Members, subject to receipt of share application money (in full) and approval or permission from stock exchanges and regulatory authorities If any and the provisions of the Memorandum and Articles of Association of the Company. In case of any delay in receipt of approvals from any regulatory authorities the period of 15 days will be reckoned from the date of receipt of approval.
- ix) The Equity Shares will be listed on the Stock Exchanges subject to the receipt of necessary regulatory permissions and approvals as the case may be."

"RESOLVED FURTHER THAT pursuant to the provisions of the Companies Act, 2013, the names of the Investors be recorded for the issue of invitation to subscribe to the Equity Shares and a private placement offer letter in Form No. PAS-4 together with an application form be issued to the Investors inviting them to subscribe to the Equity Shares, as per the draft tabled at the Meeting and duly initialed by the Chairman for the purpose of identification and consent of the members of the Company is hereby accorded to the issuance of the same to the Investor inviting them to subscribe to the Equity Shares."

"RESOLVED FURTHER THAT pursuant to the provisions of the Companies Act, complete record of private placement offers be recorded in Form PAS-5 for the issue of invitation to subscribe to the Shares."

"RESOLVED FURTHER THAT the monies received by the Company from the Investors for application of the Equity Shares pursuant to this preferential issue shall be kept by the Company in a separate bank account and shall not be utilized for the purpose other than for adjustment against allotment of securities or for the repayment of monies where the Company is unable to allot securities."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to decide and approve the other terms and conditions of the issue and also to vary, alter or modify any of the terms and conditions in the proposal as may be required by the agencies/authorities involved in such issues but subject to such conditions as the Reserve Bank of India (RBI)/Securities and Exchange Board of India (SEBI)/ Financial Institutions/Investment Institutions and/or such other appropriate authority may impose at the time of their approval and as agreed to by the Board."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of the Board or any Director(s) or Officer(s) of the Company and to generally do all such acts, deeds and things as may be required in connection with the aforesaid resolution, including issue of offer letter, making necessary filings stock exchanges and regulatory

authorities and execution of any documents on behalf of the Company and to represent the Company before any governmental authorities and to appoint any merchant bankers or other professional advisors, consultants and legal advisors to give effect to the aforesaid resolution.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to agree and accept all such terms, condition(s), modification (s) and alteration(s) as may be stipulated by any relevant authorities while according approval or consent to the issue as may be considered necessary, proper or expedient and give effect to modification (s) and to resolve and settle all questions, difficulties or doubts that may arise in this regard in the implementation of this resolution for issue and allotment of equity shares on preferential basis and to do all acts, deeds and things in connection therewith and incidental thereto without being required to seek any further consent or approval of the members of the Company to the intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

FOR MUZALI ARTS LIMITED
(Formerly known as Welcon International Limited)

Sd/-

Farheen Mansoorbhai Murtuza
Chairman and Managing Director
DIN: 08965752
Date: - 07.09.2022
Place: - Nagpur

NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy/ proxies to attend and vote instead of himself /herself. Such a proxy/ proxies need not be a member of the company. In order that the appointment of a proxy is effective, the instrument appointing a proxy must be received at the registered office of the company not later than forty-eight hours. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten (10) percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person only as a proxy and such person shall not act as proxy for other shareholder.
2. Corporate Members intending to send their authorized representatives to attend the Annual General Meeting pursuant to Section 113 of the Companies Act 2013, are requested to send the Company, a certified copy of the relevant Board Resolution together with respective specimen signatures of those representative(s) authorized under the said resolution to attend and vote on their behalf at the Meeting.
3. Members who wish to attend the meeting are requested to bring duly filled attendance sheet and their copy of the Annual Report at the Meeting.
4. In case of joint holders attending the Meeting, the joint holder who is higher in the order of names will be entitled to vote at the meeting.
5. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting of the Company. The Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the Members at the Annual General Meeting of the Company.
6. The Register of Members and the Share Transfer Books of the Company will remain closed from, Friday, 23rd September 2022 to Friday, 30th September 2022(both days inclusive) for the purpose of Annual General Meeting for the financial year ended 31st March 2022.
7. Members holding shares in physical form are requested to forward all applications for transfers and all other share related correspondence (including intimation for change of address) to the Share Transfer Agents of the Company, Satellite Corporate Services Private Limited Unit No.49, Building No. 13AB, 2nd Floor, Samhita Commercial Co-op Society, Off Andheri Kurla Road, MTNL Lane, Sakinaka, Mumbai, Maharashtra, 400072. Tel: +91 (0)22 28520462. Email Id: info@satellitecorporate.com.
8. The transfer of Unclaimed Dividend to Investor Education & Protection Fund of the Central Government as required in terms of Section 124 of the Companies Act, 2013, during the current Financial Year is not applicable.
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. The Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their Demat accounts and the Members holding shares in physical form can submit their PAN details to the Company.

10. Electronic copy of the Notice of the 27th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 27th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.

11. The Notice of the 27th Annual General Meeting and the Annual Report for financial year 2021- 2022 will also be available on the Company's website <https://muzaliarts.com/investor-relations> for their download. The physical copies of the aforesaid documents will also be available at the Registered Office of the Company for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost.

12. Members are requested to kindly notify changes including email address, if any in their address to the company's registered office address, situated at Plot No. 3 B-44, Near Manav Mandir, Kantol Road Yerla, Nagpur, Maharashtra, India- 441501.

The procedure to login to e-Voting website consists of two steps as detailed hereunder:

Step 1: Log-in to NSDL e-Voting system

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL:

<https://www.evoting.nsdl.com/>.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.

3. A new screen will open. You will have to enter your User ID, your Password, and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e., IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e., Cast your vote electronically.

4. Your User ID details will be as per details given below:

a. **For Members who hold shares in demat account with NSDL:** 8 Character DP ID followed by 8 Digit Client ID (For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****).

b. **For Members who hold shares in demat account with CDSL:** 16 Digit Beneficiary ID (For example if your Beneficiary ID is 12***** then your user ID is 12*****).

c. **For Members holding shares in Physical Form:** Even Number followed by Folio Number registered with the company (For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***).

5. Your password details are given below:

a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password' and the system will force you to change your password.

c. How to retrieve your 'initial password'

I) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a) pdf file b) Open the pdf file. c) The password to open the pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The pdf file contains your 'User ID' and your 'initial password'.
II) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a. Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- b. "Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- c. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, home page of e-Voting will open.

Step 2: Cast your vote electronically on NSDL e-Voting system:

1. After successful login at Step 1, you will be able to see the home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of the Company.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders:

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail bhupendra@naavick.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for members and evoting user manual for members available at the Downloads sections of <https://www.evoting.nsdl.com> or contact NSDL by email at evoting@nsdl.co.in or call on.: 1800 222 990.

Other Instructions:

1. The e-voting period commences on Tuesday, 27th September 2022 (9.00 a.m. IST) and ends on Thursday, 29th September, 2022 (5.00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Thursday, 22nd September 2022, i.e. cutoff date, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he/she shall not be allowed to change it subsequently or cast the vote again.

2. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of voting, either through remote e-voting or voting at the AGM through electronic voting system or poll paper.

3. Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.

4. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the Meeting, thereafter, unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.

5. The result declared along with the Scrutinizer's Report shall be placed on the Company's website <https://muzaliarts.com/investor-relations> and on the website of NSDL www.evoting.nsdl.com immediately. The Company shall simultaneously forward the results to BSE Limited, where the shares of the Company are listed. The results shall also be displayed on the notice board at the Registered Office of the Company.

FOR MUZALI ARTS LIMITED
(Formerly known as Welcon International Limited)

Sd/-

Farheen Mansoorbhai Murtuza
Chairman and Managing Director
DIN: 08965752
Date: - 07.09.2022
Place: - Nagpur.

EXPLANATORY STATEMENT

PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

As required under Section 102 of the Companies Act, 2013, the following Statement sets out all material facts relating to the Special Business specified in item no. 4, 5 and 6 of the Notice of the Meeting. Information as required under Clause 1.2.5 of the Secretarial Standard on General Meetings (SS-2) is given below.

Item No.4 - Regularization of Additional Director, Mr. Lalit Kripashankar Dave (DIN: 08483990) as a director of the company:

Mr. Lalit Kripashankar Dave was appointed as Additional Director (Non-Executive and Non-Independent Director) with effect from 25th July 2022, in accordance with the provisions of Section 161 read with section 149 of the Companies Act, 2013.

In terms of Section 161 of the Act, he will vacate office at this Annual General Meeting ("AGM") and be eligible to be appointed at the AGM, as recommended by the Nomination and Remuneration Committee and by the Board.

The Company has received notice under Section 160 of the Companies Act, 2013 from a member along with a deposit of Rs.1 lakh signifying his intention to propose the candidature of Mr. Lalit Kripashankar Dave for the office of Director of the Company. His brief resume, names of companies in which he holds Directorship, Committee Memberships/ Chairmanships, her shareholding etc., are separately annexed hereto.

He is not related to any of the Directors or Key Managerial Personnel (including relatives of the Directors and Key Managerial Personnel) of the Company in terms of Section 2(77) of the Companies Act, 2013.

None of the Directors or Key Managerial Personnel of the Company (including relatives of the Directors and Key Managerial Personnel) other than Mr. Lalit Kripashankar Dave himself, is concerned or interested, financially or otherwise, in this resolution.

The Board, therefore, recommends the ordinary resolution, as set out in item No.4, for approval by the shareholders of the Company.

Item No.5- Ratification of the appointment of Mrs. Farheen Mansoorbhai Murtuza (DIN: 08965752) as Chairman and Managing Director.

The Board of Directors (based on the recommendation of Nomination and Remuneration Committee) had appointed Mrs. Farheen Mansoorbhai Murtuza as the Managing Director w.e.f. 29th March 2022. Prior to her appointment as Chairman and Managing Director, Mrs. Farheen Mansoorbhai Murtuza was holding the position of the Director of the Company.

Pursuant to Mr. Mansoorbhai Murtuza stepping down as the Managing Director and resigned from the Board of the Company, Mrs. Farheen Mansoorbhai Murtuza was appointed as the "Managing Director" w.e.f 29th March 2022 for a period of 5 years as the Managing Director subject to the

approval of member in the Annual General Meeting, she is responsible for the day-to-day operations, performance and execution of all projects and overseeing key corporate functions of the company. Her brief resume, names of companies in which she holds Directorship, Committee Memberships/ Chairmanships, shareholding etc., are separately annexed hereto.

She is not related to any of the Directors or Key Managerial Personnel (including relatives of the Directors and Key Managerial Personnel) of the Company in terms of Section 2(77) of the Companies Act, 2013.

None of the Directors or Key Managerial Personnel of the Company (including relatives of the Directors and Key Managerial Personnel) other than Mrs. Farheen Mansoorbhai Murtuza herself, is concerned or interested, financially or otherwise, in this resolution.

The Board, therefore, recommends the ordinary resolution, as set out in item No.5, for approval by the shareholders of the Company.

Item No. 6: To Consider and approve the issue of equity shares on preferential basis.

The Board of Directors of the Company, in its meeting held on 07 September 2022, subject to the approval of the members of the Company and such other approvals as may be required, approved the proposal for raising funds by way of issuance and allotment of up to 6333334 (Sixty Three Lakhs Thirty-Three Thousands Three Hundred and Thirty-Four) equity shares on preferential basis to Investors mentioned in the resolution no. 6.

Since the Company is a listed Company, the proposed Preferential Issue is in terms of the provisions of the SEBI ICDR Regulations, the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 (as amended), and other applicable provisions, if any and Sections 42 and 62(1)(c) of the Companies Act, 2013, Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Rule 13 of the Companies (Share Capital and Debentures) Rules, 2014.

The information as required under SEBI (ICDR) Regulations and as per the provisions of the Companies Act, 2013 read with Rule 13(2) of the Companies (Share Capital and Debentures) Rules, 2014 and Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 are given below:

A. Objects of the Preferential issue

The fund to be raised from the Proposed issue of Equity Shares will be utilize for a combination of part funding of the expenditure for expansion, support long term growth plans of the Company, Working Capital requirements and general corporate purposes and to pursue the main object of the company as stated in its Memorandum of Association (MOA).

B. Maximum number of specified securities to be issued

The Board of Directors in its meeting held on 07 September 2022 had approved the issue of equity shares and accordingly proposes to issue and allot in aggregate up to 6333334 (Sixty Three Lakhs Thirty-Three Thousands Three Hundred and Thirty-Four) Equity Shares of the face value of Rs.1/- (Rupees One Only) each ("the Equity Shares") at a premium of Rs.3/- (being not less than the price calculated in terms of ICDR Regulations) to Investors on a preferential basis.

C. Amount which the company intends to raise by way of such securities

Rs. 1,90,00,000/- (Rupees One Crore Ninety Lakhs Only)

D. Intention of promoters / directors / key managerial personnel to subscribe to the offer:

None of the Promoters/directors/ Key managerial person intend to subscribe to the preferential Issue of Equity Shares.

E. Pricing of Securities to be issued:

The Board has fixed the Price of Rs. 3/- per equity Shares.

F. Basis on which the price would be arrived at:

The Equity Shares of the Company are listed on BSE Limited (referred to as the "Stock Exchange"). The Equity Shares are frequently traded in terms of the SEBI ICDR Regulations and BSE, being the Stock Exchange with the highest trading volume in respect of the Equity Shares of the Company has been recorded during the preceding twenty six weeks prior to the Relevant Date on the BSE.

In terms of the applicable provisions of the Chapter V of SEBI (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2022, the minimum price for the preferential issue of each equity share to be issued shall be a price, being higher of the following:

- a) The Average of 90 trading days of volume weighted average price of the related equity shares quoted on the Bombay stock exchange preceding the relevant date; or
- b) The Average of 10 trading days of volume weighted average price of the related equity shares quoted on the Bombay stock exchange preceding the relevant date; or
- c) The floor price arrived by an Independent Registered Valuer, ("Valuation Report dated 07th September, 2022 in terms of proviso to Regulation 164(1) of the Chapter V of SEBI (ICDR) Regulations, 2018 is Rs. 2.85 (Two Rupees Eighty Five Paise only).

The Board has fixed the floor price as Rs. 3/- per equity share and the said price fixed by the Board is highest of the above three prices calculated in terms of the ICDR Regulation and other applicable provision.

G. Relevant Date

In terms of the provisions of Chapter V of the ICDR Regulations, relevant date for determining the floor price for this Preferential Allotment of equity shares is 30th August 2022 being the 30 days prior to the date of Annual General Meeting.

H. Name and address of valuer who performed valuation:

Pursuant to the provision of SEBI (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2022, the Company has obtained a Valuation Report dated 07.09.2022 issued by a Registered Valuer namely CA Rashmi Shah, IBBI Registration No.: IBBI/RV/06/2018/10240 having office situated at 702, Shah Trade centre, Malad East, Mumbai 97.

I. Shareholding Pattern before and after the proposed preferential issue:

Sl. No	Category	Pre-Issue		Post-Issue	
A	Promoter Holding	No. of shares held	% of Shareholding	No. of shares held	% of Shareholding
1	Indian				
	Individuals/PAC	18388213	34.70	18388213	30.99
	Bodies Corporate				
	Any Other				
	Sub Total A 1	18388213	34.70	18388213	30.99
2	Foreign Promoter	1000000	1.89	1000000	1.68
	Individuals/NRI/Foreign				
	individuals/PAC				
	Bodies Corporate				
	Sub Total A 2	1000000	1.89	1000000	1.68
	Total Promoters Group A= A1+A2	19388213	36.58	19388213	32.68
B	Public/Non-Promoters' Shareholding				
1	Institutional Investors				
A	Mutual Funds/Banks/FI				
B	FII's	15000	0.03	15000	0.02
	Sub Total B 1	15000	0.03	15000	0.02
2	Non Institutions				
	Individual share capital upto Rs. 2 Lacs	18919171	35.70	23852504	40.20
	Individual share capital in excess of Rs. 2 Lacs	6178681	11.66	7578682	12.77
	Non-Resident Indian (NRI)	7099449	13.39	7099449	11.96
	Clearing Members	154206	0.29	154206	0.26
	Foreign Bodies Corporate				
	Indian Bodies Corporate	427839	0.81	427839	0.72
	Foreign Nationals				
	Others (HUF, NBFC and Trusts)	815441	1.54	815441	1.37
	Sub Total B 2	33594787	63.39	39928121	67.30
	Total Public Share holding B-B1+B2	33609787	63.42	39942121	67.32
	GRAND TOTAL A+B	52998000	100	59331334	100

*Pre-issue shareholding pattern as on 30th August 2022

** The post issue numbers and % of the equity share capital held by the Proposed Allottees has been calculated on the assumption that all 6333334 equity shares proposed to be issued to the Proposed Allottees.

J. Proposed time within which the allotment shall be completed

As required under the ICDR Regulations, the Company shall complete the allotment of equity shares as aforesaid on or before the expiry of 15 days from the date of passing of the special resolution by the shareholders granting consent for preferential issue or in the event allotment of equity shares would require any approval(s) from any regulatory authority or the Central Government, within 15 days from the date of such approval(s), as the case may be.

K. The name of the proposed allottees, the identities of the persons who are the ultimate beneficial owners of the shares and/or who ultimately control the proposed allottees, the percentage of post preferential issue capital that may be held by them

Sl.No	Details of Subscribers	PAN	Ultimate Beneficial Owner of the Proposed Allotee(s)	Pre-issue Holding	% to pre-issue Capital	No. of equity shares proposed to be issued	% to post
1	Mr. Swapnil Madanrao Samarth	BCZPS1820G	Not Applicable	0	0	66667	0.112363899
2	Mrs. Divya Naresh Chelani	AUPPC0260M	Not Applicable	0	0	100000	0.168545005
3	Mrs. Swati Rajkumar Jaiswal	AQFPJ9397J	Not Applicable	0	0	100000	0.168545005
4	Mr. Paresh Subhash Gandhi	ACMPG5252A	Not Applicable	0	0	83333	0.140453609
5	Mr. Ritesh Subhash Gandhi	ABQPG8387B	Not Applicable	0	0	83333	0.140453609
6	Mrs. Anuradha Paresh Gandhi	AFGPG9481E	Not Applicable	0	0	166667	0.280908904
7	Mrs. Swati Shirish Jaiswal	AGUPJ4666K	Not Applicable	0	0	33333	0.056181107
8	Mr. Atul Jaiswal	AMJPJ2388M	Not Applicable	0	0	66667	0.112363899
9	Mr. Dharmeshkumar M Patel	AOVPP4331C	Not Applicable	0	0	166667	0.280908904
10	Mr. Prakash Srikisan Jaiswal	ACCPJ9342G	Not Applicable	0	0	166667	0.280908904
11	Mr. Mukund Kulkarni	AOFPK2993F	Not Applicable	0	0	100000	0.168545005

12	Mr. Satish Krishnakumar Jaiswal	ADKPJ6827H	Not Applicable	0	0	66667	0.112363899
13	Mr. Shirish Shivkumar Jaiswal	AEAPJ7619A	Not Applicable	0	0	1666667	2.809083983
14	Mrs. Vaishnavi Sumeet Jaiswal	APNPJ7735F	Not Applicable	0	0	33333	0.056181107
15	Mrs. Reena Kaushal Gohil	APUPK1837L	Not Applicable	0	0	766667	1.292178935
16	Mr. Ajaz Shafi Mohammed	ANXPS2375J	Not Applicable	0	0	833333	1.404541149
17	Mr. Bhavesh Mahavir Khetan	AIJPK9929P	Not Applicable	0	0	1333333	2.247266175
18	Ms. Sana Ajaz Shafi	AJXPN3076G	Not Applicable	0	0	333333	0.561816122
19	Ms. Ishneet Kaur	DOLPK0075M	Not Applicable	0	0	166667	0.280908904

L. Undertakings

In terms of SEBI (ICDR) Regulations, 2018, the Company hereby undertakes that:

- It shall re-compute the price of the Equity Shares issued in terms of the provisions of SEBI (ICDR) Regulations, where it is required to do so.
- If the amount payable on account of the re-computation of price is not paid within the time stipulated in the SEBI (ICDR) Regulations, the underlying Equity Shares shall continue to be locked- in till the time such amount is paid by the proposed allottees.

M. The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer

Not Applicable as the Company has not proposed to issue the shares for consideration other than cash.

N. Class or Classes of Persons to whom the allotment is proposed to be made

The allotment is proposed to be made to the Non-Promoter Investors as mentioned below:-

Sl.No	Name of the Proposed Allottee	Current Status of Allottee	Proposed Status of Allottee
1	Mr. Swapnil Madanrao Samarth	Non-Promoter	Non-Promoter
2	Mrs. Divya Naresh Chelani	Non-Promoter	Non-Promoter
3	Mrs. Swati Rajkumar Jaiswal	Non-Promoter	Non-Promoter
4	Mr. Paresh Subhash Gandhi	Non-Promoter	Non-Promoter
5	Mr. Ritesh Subhash Gandhi	Non-Promoter	Non-Promoter
6	Mrs. Anuradha Paresh Gandhi	Non-Promoter	Non-Promoter
7	Mrs. Swati Shirish Jaiswal	Non-Promoter	Non-Promoter
8	Mr. Atul Jaiswal	Non-Promoter	Non-Promoter

9	Mr. Dharmeshkumar M Patel	Non-Promoter	Non-Promoter
10	Mr. Prakash Srikisan Jaiswal	Non-Promoter	Non-Promoter
11	Mr. Mukund Kulkarni	Non-Promoter	Non-Promoter
12	Mr. Satish Krishnakumar Jaiswal	Non-Promoter	Non-Promoter
13	Mr. Shirish Shivkumar Jaiswal	Non-Promoter	Non-Promoter
14	Mrs. Vaishnavi Sumeet Jaiswal	Non-Promoter	Non-Promoter
15	Mrs. Reena Kaushal Gohil	Non-Promoter	Non-Promoter
16	Mr. Ajaz Shafi Mohammed	Non-Promoter	Non-Promoter
17	Mr. Bhavesh Mahavir Khetan	Non-Promoter	Non-Promoter
18	Ms. Sana Ajaz Shafi	Non-Promoter	Non-Promoter
19	Ms. Ishneet Kaur	Non-Promoter	Non-Promoter

O. Change in control if any consequent to preferential issue

The existing Promoters of the Company will continue to be in control of the Company and there will not be any change in the management or control of the Company as a result of the proposed preferential issue.

However, the percentage of shareholding and voting rights exercised by the shareholders of the Company will change in accordance with the change in the shareholding pattern pursuant to the Preferential Allotment.

P. No. of persons to whom allotment on preferential basis has already been made during the year, in terms of number of securities as well as price:

During the year, preferential allotment upon conversion of Warrants into Equity has been made to following Promoters of the company:

S.No	Name of the Allottee	No. of Share	Total amount paid (including premium)
1	Murtuza Mansoorbhai	10,75,000	24,18,750
2	Farheen Murtuza Mansoorbhai	10,75,000	24,18,750

Q. Lock-in period

The Shares to be offered issued and allotted shall be subject to Lock-in as provided under the provisions of ICDR Regulations. The entire pre preferential shareholding of the above allottees, if any, shall be locked-in from the relevant date up to the period of 6 months from the date of trading approval as per Regulation 167 of the ICDR Regulations.

T. Certificate from Practicing Company Secretaries

A certificate from CS Bhupendra Dave, Practicing Company Secretaries certifying that the issue of equity shares on preferential basis is being made in accordance with requirements of Chapter V of the SEBI ICDR Regulations, 2018 shall be available for inspection at the Registered office of the Company on all working days (excluding Saturdays and Sundays) during 10:00 A.M. to 5:00 P.M. up to the date of Annual General Meeting and all also be available during the Annual General Meeting.

U. Details of the Directors, Key Managerial Persons or their relatives, in any way, concerned or interested in the said resolution.

None of the other Directors, Key Managerial Personnel and their relatives is concerned or interested in the resolution, except as holders of shares in general or that of the companies, firms, and/or institutions of which they are directors, partners or members and who may hold shares in the Company.

V. Other disclosures

In accordance with SEBI ICDR Regulations,

- i. Neither the Company nor any of its Promoters and Directors has been declared as a willful defaulter or a fraudulent borrower or a fugitive economic offender.
- ii. The Company has obtained Valuation Report from the registered valuer as required under the provisions of Companies Act, 2013 read with the rules made there under, Articles of Association of the Company.
- iii. The pre- preferential allotment of the person holding the shares are in dematerialized form.
- iv. The Regulation 166A of the Chapter V of SEBI ICDR Regulations are not applicable as the Company is not being allotted more than 5% of the post issue fully diluted share capital of Company to an allottee or to allottees acting in concert.
- v. The issue of Equity Shares shall be made in accordance with the provisions of the Memorandum and Articles of Association of the Company, the Companies Act, 2013 and relevant regulations of SEBI (ICDR) Regulations and shall be made in a dematerialized form only.

In accordance with the provisions of Sections 23, 42 and 62 of the Act read with applicable rules thereto and relevant provisions of the SEBI ICDR Regulations, approval of the Members for issue and allotment of the said Equity Shares to Investor specified in the resolution is being sought by way of a special resolution as set out in the said item of the Notice. Further in terms of Regulations 160 of ICDR Regulations, a special resolution needs to be passed by shareholders of a listed Company prior to issue of specified securities on preferential basis.

The resolution and the terms stated therein and in the explanatory statement herein above shall be subject to the guidelines/ regulations issued/ to be issued by the Government of India or the Securities and Exchange Board of India or the Ministry of Corporate Affairs or any other regulatory/ statutory authorities in that behalf and the Board shall have the absolute authority to modify the terms contained herein or in the said resolution, if required by the aforesaid regulatory/ statutory authorities or in case they do not conform with the SEBI ICDR Regulations including any amendment, modification, variation or re-enactment thereof. Issue of the said Equity Shares would be well within the Authorized Share Capital of the Company.

The Board of Directors of the Company believes that the proposed preferential issue is in the best interest of the Company and its members. The Board of Directors recommends the passing of the resolutions as set out in Item No. 6 as special resolution for your approval. None of the other Directors, Key Managerial Personnel and their relatives is concerned or interested in the resolution, except as

holders of shares in general or that of the companies, firms, and/or institutions of which they are directors, partners or members and who may hold shares in the Company.

ANNEXURE TO THE NOTICE

REGULARISE THE APPOINTMENT OF DIRECTOR

(Item No.4 of the notice of 27th Annual General Meeting of Muzali Arts limited)

Brief profile of Mr. Lalit Kripashankar Dave:

Name of the Director	Lalit Kripashankar Dave
DIN	08483990
Date of birth and age	15/03/1986 and 36 Years
A brief resume, Qualification(s), Experience and Nature of expertise in specific functional areas, Recognition, or awards	He is a Chartered Accountant and has an enough knowledge and expertise of working.
Terms and conditions of appointment or re-appointment	As per the applicable provisions of the Companies Act, 2013, and the Rules made thereunder (as amended from time to time). The company Proposed to regularise him as a non-Independent and non-executive director of the Company. Except, the sitting fee for attending the meetings of the Board and its Committees, no other remuneration will be paid.
Date of the appointment on the Board	25/07/2022
Relationship with other Directors and Key Managerial Personnel	None of the Directors and the Key Managerial Personnel of the Company is a relative of him as per the provisions of Section 2(77) of the Companies Act, 2013.
The number of Meetings of the Board attended during the Financial Year 2021-22	NIL
Other Directorships (excluding Muzali Arts Limited)	1. D Thakkar Constructions Private Limited 2. Infrabolt Ventures Private Limited
Membership/ Chairmanship of Committees of other Boards (excluding Muzali Arts Limited)	Nil

RATIFICATION OF THE APPOINTMENT OF MANAGING DIRECTOR
(Item no.5 of the notice of 27th Annual General Meeting of Muzali Arts limited)

Brief profile of Farheen Mansoorbhai Murtuza:

Name of the Director	Farheen Mansoorbhai Murtuza
DIN	08965752
Date of birth and age	06/09/1977 and 45 Years
A brief resume, Qualification(s), Experience and Nature of expertise in specific functional areas, Recognition, or awards	Master's degree in psychology
Terms and conditions of appointment or re-appointment	As per the applicable provisions of the Companies Act, 2013, and the Rules made thereunder (as amended from time to time). The company Proposed to rectify the appointment of Farheen Mansoorbhai Murtuza as a Managing Director of the Company and fixed a salary of Rs.2,00,000 per month including, dearness and all other allowances plus perquisites along with the sitting fee for attending the meetings of the Board and its Committees.
Date of the appointment on the Board for the first time.	23/11/2020
Date of appointment at current designation	29/03/2022
Relationship with other Directors and Key Managerial Personnel	None of the Directors and the Key Managerial Personnel of the Company is a relative of her as per the provisions of Section 2(77) of the Companies Act, 2013.
The number of Meetings of the Board attended during the Financial Year 2021-22	11
Other Directorships (excluding Muzali Arts Limited)	NIL
Membership/ Chairmanship of Committees of other Boards (excluding Muzali Arts Limited)	NIL

Muzali Arts Limited
(Formerly known as Welcon International Limited)
Registered office: Plot No. 3 B-44 Near Manav Mandir Kantol Road Yerla Nagpur Maharashtra –
441501

ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

DP ID*	
Client ID*	

Folio No.	
No. of Shares	

NAME AND ADDRESS OF THE SHAREHOLDER/PROXY _____
_____ I hereby record my presence at
the 27th Annual General Meeting of the Company at Plot No. 3 B- 44, Near Manav Mandir, Kantol Road,
Yerla, Nagpur, Maharashtra, India – 441501 on Friday, 30th September, 2022 at 09.30 A.M.

Name of the Member/ Proxy

Signature of the Member / Proxy

Note:

1. Please complete the Folio/DP ID-Client ID No. and name, sign the Attendance Slip and hand it over at the Attendance Verification counter at the entrance of the Meeting Hall.
2. Electronic copy of the Annual Report including notice of Annual General Meeting for the financial year ended on 31.03.2022 and Attendance Slip along with Proxy Form is being sent to all the members whose e-mail address is registered with the Company / Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.
3. Physical copy of Annual Report for the financial period ended on 31.03.2022 and Notice of Annual General Meeting along with Attendance Slip and Proxy Form is being sent in the permitted mode(s) to all members whose email is not registered or have requested for a hard copy.

Muzali Arts Limited

(Formerly known as Welcon International Limited)

Registered office: Plot No. 3 B-44 Near Manav Mandir Kantol Road Yerla Nagpur Maharashtra – 441501

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

PROXY FORM

Name of the Members			
Registered Address:			
Email ID:			
Folio No. Client ID:		DP ID:	

I/We, being the member (s) of _____ shares of the above named Company, hereby Appoint

1.Name: _____

Address: _____

EmailId: _____

Signature: _____ or failing him

1.Name: _____

Address: _____

EmailId: _____

Signature: _____ or failing him as

my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 27th Annual General Meeting of Muzali Arts Limited (Formerly known as Welcon International Limited) to be held on the 30th day of September, 2022 at 09.30 A.M. on Friday at Plot No. 3 B- 44 Near Manav Mandir Kantol Road Yerla Nagpur Maharashtra - 441501 and at any adjournment thereof in respect of such Resolutions as are indicated below:

Resolutions	For	Against
1. Adoption of Standalone and Consolidated Financial Statements.		
2. Re-appointment of director retire by rotation		
3. Appointment of Statutory Auditors of the Company.		
4.Regularization of Additional Director, Mr. Lalit Kripashankar Dave (DIN: 08483990) as a director of the company.		
5. Ratification of the appointment of Mrs. Farheen Mansoorbhai Murtuza (DIN: 08965752) as Managing Director.		
6. To Consider and approve the issue of equity shares on preferential basis.		

Signed this _____ day of _____ 2022

Signature of Shareholder _____

Signature of Proxy Holder(s) _____

Affix Revenue
Stamp**NOTES:**

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

2. Please complete all details including details of member(s) before submission.

Form No. MGT-12
Polling Paper

Sr. No. _____

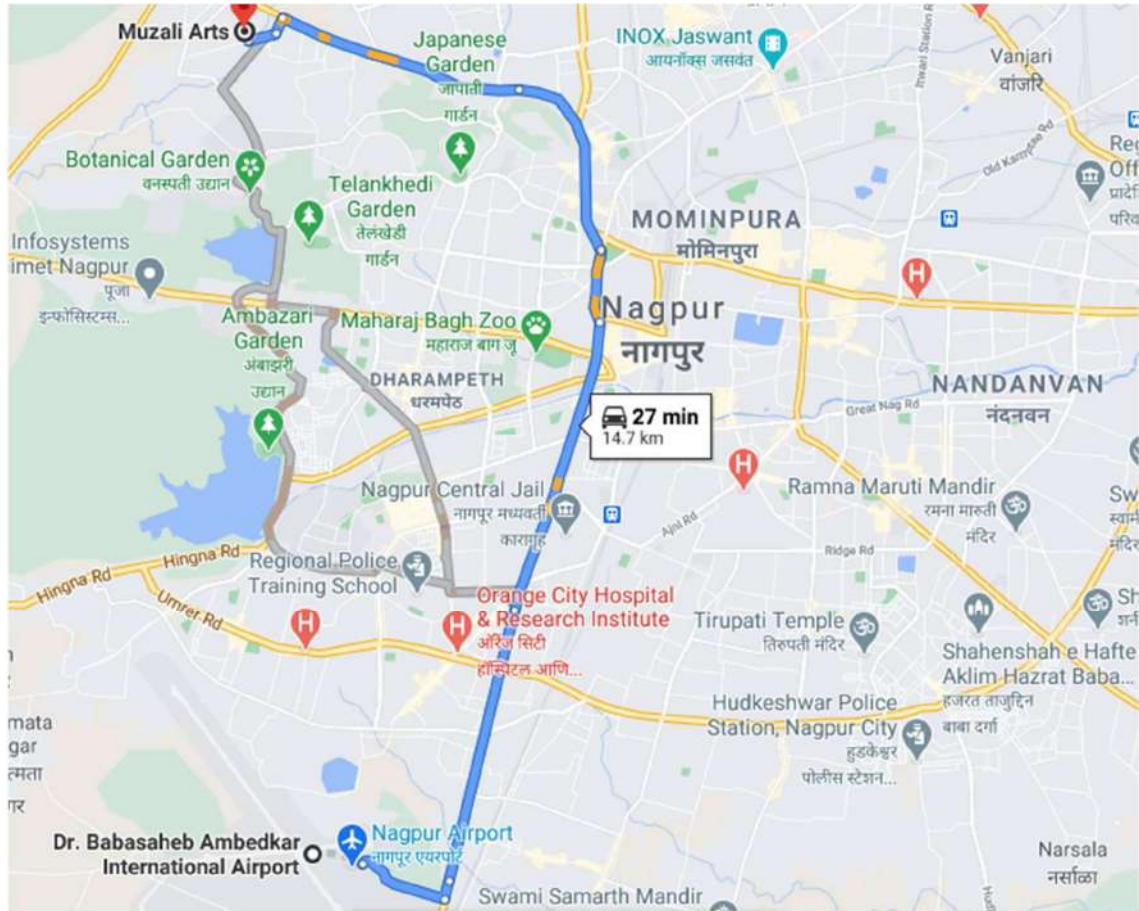
[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]				
Name of the Company	Muzali Arts Limited (Formerly known as 'Welcon International limited.') CIN: L20100MH1995PLC322040			
Registered office	Plot No. 3 B-44, Near Manav Mandir, Kantol Road, Yerla, Nagpur, Maharashtra, India-441501			
BALLOT PAPER				
Sr. No.	Particulars	Details		
1	Name of the First named Shareholder (In block letters)			
2	Postal address			
3	Registered folio No./ * Client ID No. (*Applicable to investors holding shares in dematerialized form)			
4	Class of Share	Equity		
I/We hereby exercise my/our vote in respect of Resolutions set out in the Notice of the Annual General Meeting (AGM) of the Company to be held on Friday the 30th day of September 2022 by sending my/our assent or dissent of the said Resolutions by placing the tick (v) in the appropriate boxes given below -:				
No.	Item No.	No. of Shares held by me	I Assent to the Resolution (v)	I Dissent from the Resolution (v)
1	Adoption of Standalone and Consolidated Financial Statements.			
2	Re-appointment of retiring director			
3	Appointment of Statutory Auditors of the Company.			
4	Regularization of Additional Director, Mr. Lalit Kripashankar Dave (DIN: 08483990) as a director of the company.			
5	Ratification of the appointment of Mrs. Farheen Mansoorbhai Murtuza (DIN: 08965752) as Managing Director.			
6	To Consider and approve the issue of equity shares on preferential basis.			
Place:				

Date:

Signature of Shareholder(s)/ Proxy Holder

ROUTE MAP

Route Map of the AGM Venue Venue: Plot No. 3, B-44, Near Manav Mandir, Kantol Road
Yerla, Nagpur, Maharashtra - 441501.



DIRECTORS' REPORT

To,
The Members

Your directors have pleasure in presenting the 27th Annual Report on the business and operations of the Company together with the Audited Financial Statement of Accounts for the year ended 31st March 2022.

FINANCIAL RESULTS

The financial highlights of the current year in comparison to the previous year are as under.

A) STANDALONE:

(Amount in '000)

PARTICULARS	2021-22	2020-21
Total Revenue	31293	6097
Less: Operating Expenses	26982	14761
Gross Profit/(Loss) before Depreciation and Interest	4311	(8664)
Less: Finance Costs	1250	681
Depreciation and Amortization Expense	117	42
Profit/(Loss) before Tax Before exceptional and extra-ordinary items	2945	(9387)
Exceptional and Extra-ordinary Item	--	--
Profit/(Loss) before Tax after exceptional and extra-ordinary items	2945	(9387)
Less: Tax Expense (Net)	457	--
Profit/(Loss) After Tax	2487	(9387)
APPROPRIATIONS	--	--
Proposed Dividend	--	--
Tax on the proposed dividend	--	--
Transfer to General Reserve	--	--
Balance carried to Balance Sheet	2487	(9387)

B) CONSOLIDATED:

(Amount in '000)

PARTICULARS	2021-22	2020-21
Total Revenue	130390	28650
Less: Operating Expenses	144549	46344
Gross Profit/(Loss) before Depreciation and Interest	(14159)	(17694)
Less: Finance Costs	3416	1061
Depreciation and Amortisation Expense	117	42
Profit/(Loss) before Tax Before exceptional and extra-ordinary items	(17693)	(18798)
Exceptional and Extra-ordinary Item	--	--
Profit/(Loss) before Tax after exceptional and extra-ordinary items	(17693)	(18798)
Less: Tax Expense (Net)	457	--
Profit/(Loss) After Tax	(18151)	(18798)

REVIEW OF OPERATION

The total revenue of your Company for the year under review is Rs. 31293000 as compared to Rs. 6097000 for the previous year ended 31st March 2021. Profit after tax is Rs. 2487000 as against Rs. the loss of 9387000 in the Previous Year.

The projects undertaken by the Company are under different stages of execution, and the performance of the Company during the current year i.e., 2021-22 is expected to be in accordance with Company's plans.

DIVIDEND

Your directors do not recommend any dividend for the Financial Year ended March 31, 2022.

THE AMOUNTS PROPOSED TO CARRY TO ANY RESERVES

The Company does not propose to transfer any amount to the general reserve for the financial year ended March 31, 2022.

DEPOSITS

During the year under review, your Company has neither accepted nor renewed any deposits from the public within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

The details of money accepted and received from the directors or the relatives of directors of the company have been disclosed in the financial statements.

EXTRACT OF ANNUAL RETURN

Pursuant to Section 92 of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return will be annex to the report as **ANNEXURE I** and also available on the website of the Company on the following link: <https://muzaliarts.com/investor-relations/>.

THE DISCLOSURE OF REMUNERATION DETAILS AND PARTICULARS OF EMPLOYEES

The disclosure pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and a statement showing the names, remuneration received, and other particulars of top ten employees as prescribed in Rules 5(2) and 5(3) of the aforesaid Rules, are provided in **ANNEXURE – II**.

During the year under review, no employee of your company drawn the remuneration in excess of the prescribed limits as laid down in rule 5(2) i.e., Employees who (i) was employed throughout the financial year and received remuneration in the aggregate, not less than rupees one crore and two lakh, (ii) employed for a part of the financial year and received remuneration, in the aggregate, not less than rupees eight lakh and fifty thousand per month. Also, during the year under review, no employee of your company was employed throughout the financial year under review or part thereof and received remuneration which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP) APPOINTMENT OR RESIGNATION

APPOINTMENT:

During the year under review the Board of Directors of the company on the recommendation of the Nomination and Remuneration Committee (“NRC”) appointed Mr. Neelkanth Dnyaneshwar Aher (DIN: 06498109) as an Additional (Non-Executive and Non-Independent) Director on the Board with effect from 1st February 2022 to hold office up to the date of upcoming Annual General Meeting of the Company to be held on 30th day of September 2022.

The Board of Directors on the recommendation of the Nomination and Remuneration Committee (“NRC”) also appointed Mr. Lalit Kripashankar Dave (DIN: 08483990) as an Additional Director (Non-Executive and Non-Independent Director) on the Board with effect from 25th July 2022 to hold office up to the date of upcoming Annual General Meeting of the company to be held on 30th day of September 2022.

RE-APPOINTMENTS:

Mrs. Farheen Mansoorbhai Murtuza (DIN: 08965752) Director of the Company who is liable to retire by rotation and hence in the current financial year Farheen Mansoorbhai Murtuza (DIN: 08965752) is being considered for the Directors liable to retire by rotation.

Therefore, Farheen Mansoorbhai Murtuza (DIN: 08965752) retire at the ensuing Annual General Meeting and being eligible, seek their re-appointment as no other Directors liable to retire by rotation were available. The Board of Directors on the recommendation of the Nomination and Remuneration Committee (“NRC”) has recommended her reappointment.

The brief profile(s) of the director(s) seeking appointment/reappointment at the ensuing Annual General Meeting are presented in the notice.

None of the Independent directors will retire at the ensuing Annual General Meeting.

RESIGNATION:

During the year under review, Mr. Mansoorbhai Murtuza (DIN: 08965751) has resigned from the Board as Chairman and Managing Director with effect from 29th March 2022. The Board places on record its appreciation for the valuable contribution made by him during his tenure as Chairman and Managing Director of the Company.

Mr. Neelkanth Dnyaneshwar Aher (DIN: 06498109) has resigned from the Board as additional director with effect from 20th June 2022. The Board places on record its appreciation for the valuable contribution made by him during his tenure as Additional Director of the Company.

Mrs. Mala Brijlal Lalchandani (DIN: 07161506) has resigned from the Board as Independent Director with effect from 26th July 2022. The Board places on record its appreciation for the valuable contribution made by her during her tenure as Independent Director of the Company.

CHANGES IN KEY MANAGERIAL PERSONNEL:

During the year under review Mr. Rakesh Moreshwar Kanzode the Company Secretary has resigned as Company Secretary and Compliance Officer of the Company with effect from 24th June 2021 and

Subsequently Mrs. Madhubala Dave has been appointed as the Company Secretary and Compliance officer with effect from 22nd December 2021 to fulfil the requirement of Section 203 of the Companies Act, 2013.

Mrs. Madhubala Dave the Company Secretary has resigned as Company Secretary and Compliance Officer of the Company with effect from 14th February 2022 and Subsequently appointed Mr. Rohit Raghunath Jadhav as Company Secretary and Compliance officer of the Company with effect from 14th February 2022.

Further Mr. Mansoorbhai Murtuza stepping down as the Chairman and Managing Director and also resigned from the Board of Directors of the company with effect from 29th March 2022 and subsequently designation of Mrs. Farheen Mansoorbhai Murtuza has been changed from Director to Managing Director.

The following have been designated as the Key Managerial Personnel of the Company pursuant to sections 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Key Managerial Personnel as on 31st March 2022:

Sr. No	Name of Key Managerial Personnel	Designation
1	Mrs. Farheen Mansoorbhai Murtuza	Managing Director
2	Mr. Lalit Kripashankar Dave	Chief Financial Officer
3	Mr. Rohit Raghunath Jadhav	Company Secretary

NUMBER OF MEETINGS OF THE BOARD

Eleven (11) meetings of the Board of Directors were held during the year 2021-22 dates of the meeting are as follows:

Sr. No	Date of Meetings
1	24 th June 2021
2	31 st July 2021
3	14 th August 2021
4	03 rd September 2021
5	06 th September 2021
6	17 th November 2021
7	22 nd December 2021
8	01 st February 2022
9	14 th February 2022
10	26 th March 2022
11	29 th March 2022

Composition of the Board as on 31st March 2022 was as under:

Sr. No	Directors	Designation
1	Farheen Mansoorbhai Murtuza	Managing Director
2	Mala Brijlal Lalchandani	Independent Director
3	Vishal Jaisingh Ladharam	Independent Director
4	Neelkanth Dnyaneshwar Aher	Additional Director

DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SUB-SECTION (6) OF SECTION 149

As on March 31, 2022, Ms. Mala Brijlal Lalchandani and Mr. Vishal Jaisingh Ladharam are Independent Directors on the Board.

The Board hereby confirms that, all the Independent Directors of your Company have given a declaration that they meet the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013, and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, the Independent Directors confirmed that the respective Independent Director is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

In pursuance of Regulation 25(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of directors took on record of the declarations and confirmations submitted by the independent directors under Regulation 25(8) after undertaking due assessment of the veracity of the same.

As per the applicable provisions of the Companies Act, 2013, the Independent Directors of the Company have registered with the Independent Directors Databank maintained by the Indian Institute of Corporate Affairs. And, in the opinion of the Board, the Independent Directors of the Company, are persons of integrity and possess the relevant expertise and experience (including the proficiency, as per the applicable law) to qualify as Independent Directors of the Company and are Independent of the Management.

Further, declaration on Compliance with Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended by Ministry of Corporate Affairs ("MCA") Notification dated October 22, 2019, regarding the requirement relating to enrollment in the Data Bank created by MCA for Independent Directors, had been received from all Independent Directors.

COMMITTEES OF THE BOARD

Pursuant to the requirement under the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors has constituted Committees of the Board i.e., Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee.

AUDIT COMMITTEE:

The Audit Committee of the Company is constituted in line with the provisions of Regulation 18(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013. Apart from that all the matters provided in Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013, the Audit committee review reports of the Internal Auditor, meet Statutory Auditors as and when required and discusses their findings, suggestions, observations, and other related matters and reviews major accounting policies followed by the Company.

The Audit Committee is duly constituted, during the Financial Year ended 31st March 2022, 4 (Four) Meetings of the Audit Committee were held i.e. on 31/07/2021, 14/08/2021, 17/11/2021 and 14/02/2022.

The Composition of the Audit Committee as on 31/03/2022 is as under:

Sr. No	Name of person	Designation
1	Mala Brijlal Lalchandani	Chairman and Independent Director
2	Vishal Jaisingh Ladharam	Member and Independent Director
3	Mansoorbhai Murtuza	Member

NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee of the Company is constituted in line with the provisions of Regulation 19(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 178 of the Companies Act, 2013.

Apart from that all the matters provided in Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 178 of the Companies Act, 2013, the Nomination and Remuneration Committee identifies (a) criteria for determining qualifications, positive attributes, independence of a director, etc. and (b) guiding principles for payment of remuneration to Directors, Key Managerial Personnel and other employees, are provided in the Corporate Governance Report.

The Nomination and Remuneration Committee is duly constituted, during the Financial Year ended 31st March 2022, 3 (Three) Meetings of the Nomination and Remuneration Committee were held i.e. on 22/12/2021, 14/02/2022 and 29/03/2022.

The Composition of the Nomination and Remuneration Committee as on 31/03/2022 is as under:

Sr. No	Name of person	Designation
1	Vishal Jaisingh Ladharam	Chairman and Independent Director
2	Mala Brijlal Lalchandani	Member and Independent Director
3	Mansoorbhai Murtuza	Member

STAKEHOLDERS RELATIONSHIP COMMITTEE:

The scope of the Shareholders relationship Committee is to review and address the grievance of the shareholders in respect of share transfers, transmission, non-receipt of annual report, non-receipt of dividend etc, and other related activities. In addition, the Committee also investigates matters which can facilitate better investor's services and relations. The Stakeholders' Relationship Committee is duly constituted, during the Financial Year ended on 31st March 2022. Meetings of the Stakeholders' Relationship Committee were held on 17/11 2021.

The Composition of the Shareholders relationship Committee as on 31/03/2022 is as under:

Sr. No	Name of person	Designation
1	Vishal Jaisingh Ladharam	Chairman and Independent Director
2	Mala Brijlal Lalchandani	Member and Independent Director
3	Mansoorbhai Murtuza	Member

THE DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS.

The company has placed a system of internal financial controls with reference to the financial statements. In our view, these internal financial controls are adequate and are operating effectively.

AUDITORS

M/s. Koshal & Associates., Chartered Accountants, (Membership No.043746), Mumbai, the retiring Auditors of the Company complete their term as Statutory Auditors as provided under the Companies Act, 2013 and relevant Rules thereunder at the conclusion of the ensuing Annual General Meeting ("AGM") of the Company.

The Board has placed on record its sincere appreciation for the services rendered by M/s. Koshal & Associates., Chartered Accountants as Statutory Auditors of the Company.

The Board of Directors on the recommendation of the Audit Committee has approved and recommended to the Members, the appointment of M/s. Gupta Ravi & Associates., Chartered Accountants (Firm Registration No. SPJ087), as Statutory Auditors for a period of 5 years, commencing from the conclusion of the 27th AGM till the conclusion of the 32nd AGM, subject to ratification of their appointment by the Members at every AGM, as may be applicable M/s. Gupta Ravi & Associates., Chartered Accountants (Firm Registration No. SPJ087), have given a written consent to act as Statutory Auditors of your Company and have also confirmed that the said appointment would be in conformity with the provisions of sections 139 and 141 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014.

The Members are requested to appoint M/s. Gupta Ravi & Associates., Chartered Accountants (Firm Registration No. SPJ087), as Statutory Auditors of the Company, at the ensuing AGM for a term of 5 years from the conclusion of the ensuing AGM till the conclusion of the 32nd AGM and fix their remuneration.

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

AUDITORS' REPORT

The Auditors' Report after the adoption by the board will reviewed and management will present there note to the qualifications, if any;

COST RECORDS AND COST AUDIT

The provisions relating to maintenance of Cost Records as specified by the Central Government under Section 148 of the Companies Act, 2013 is not applicable to the Company for the financial year 2021-22. Also, as per rule 4 of the Companies (Cost Records and Audit) Rules, 2014, cost audit is not applicable to your company. Accordingly, the cost auditor is not appointed for the financial year 2021-22.

INTERNAL AUDITORS

The Board of Directors of the Company has appointed Agrawal Dave & Co, Chartered Accountant (Firm registration Number 024554N) as the Internal Auditors to conduct the Internal Audit of the Company for the Financial Year 2022-23.

SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company has appointed Smt. Yugandhara Kothalkar, Practicing Company Secretary, to undertake the Secretarial Audit of the Company for the financial year 2022-23. A Secretarial Audit Report given by the Secretarial Auditors in Form No. MR-3 is annexed with this Report as **ANNEXURE - III**.

EXPLANATION OR COMMENTS TO QUALIFICATION, RESERVATION, ADVERSE REMARK OR DISCLAIMER MADE, IF ANY, IN THE STATUTORY AUDITORS' REPORT AND THE SECRETARIAL AUDIT REPORT.

The Statutory Auditors' Report, and the Secretarial Audit Report to the members, for the year ended March 31, 2022, does not contain any qualification, reservation, adverse remark or disclaimer which require explanations or comments by the Board. However, the reply of the Board to the 'emphasis of matter' reported in the Statutory Auditors' Reports is given in the 'Auditors Report' clause above.

During the year, there were no instances of frauds reported by the auditors under section 143(12) of the Companies Act, 2013 to the Audit Committee.

THE STATEMENT CONTAINING SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARIES:

In pursuance of provisions of section 129(3) of the Companies Act, 2013, and the Rule 5 of the Companies (Accounts) Rules, 2014, The Company has One US Based Subsidiary Company a statement containing salient features of financial statements of subsidiaries in the prescribed format - **Form AOC-1** is Annexed with this report as **ANNEXURE-IV**.

CONSOLIDATED FINANCIAL STATEMENTS

The audited consolidated financial statement presented by the Company are prepared in accordance with the Indian Accounting Standards (Ind AS), the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013, and other relevant provisions of the Companies Act, 2013, Listing Regulations.

In pursuance of provisions of section 129(3) of the Companies Act, 2013, the consolidated financial statement is enclosed for laying before the annual general meeting of the company along with the laying with the financial statement of the Company.

Upon a request is received, the annual accounts of the subsidiary companies will be made available to shareholders of the company. The annual accounts of the subsidiary companies shall also be kept for inspection during business hours by any shareholder in the registered office of the company and the same will be kept on the company's website.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The provisions of Section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility are not applicable as the Net worth of the Company is less than rupees Five Hundred Crore, Turnover less than rupees One Thousand Crore and Net Profit less than rupees Five Crore.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In terms of the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), a separate report on Management Discussion and Analysis is enclosed as an **ANNEXURE - V** to the Director's Report.

CORPORATE GOVERNANCE

As per Regulation 15(2) of SEBI (Listing Obligation and Disclosures requirement) Regulation, 2015, report on Corporate Governance shall not apply on listed entity having paid up equity share capital not exceeding rupees ten crore and net worth not exceeding rupees twenty-five crore, as on the last day of the previous financial year hence, the report on Corporate Governance is not applicable on the company.

SHARE CAPITAL

In the beginning of the year your company has a paid-up capital of 486.98 lakhs during the year under review, your Company has converted 21.5 lakhs share warrants held by promotor group into Equity Shares in the ratio of 1:1 and has not issued any other security and not made any provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.

WHISTLEBLOWER POLICY

In pursuance of provisions of the Companies Act, 2013, and the Listing Regulations Company has formulated Whistle Blower Policy (Vigil Mechanism) with a view to providing a mechanism for (i) directors and employees of the Company to freely communicate/report genuine concerns or/and grievances about illegal or unethical practices, unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy, and (ii) the stakeholders of the company to freely communicate their concerns about illegal or unethical practices, and to approach the Whistle Officer/Chairman of the Audit Committee of the Company to, inter-alia, report the same to the management. This Policy is an extension of the Company's Code of Conduct.

The Audit Committee oversees the vigil mechanism through the committee. This Policy inter-alia provides direct access to the Chairman of the Audit Committee.

The Whistle Officer/Chairman of the Audit Committee shall submit a report to the Audit Committee on a regular basis about all the complaints referred to her since the last report together with the results of investigations, if any.

DEMATERIALIZATION OF SHARES

Out of the total shares, 6.59% shares are held in physical form. Shareholders holding shares in physical form are once again advised to dematerialize their shares to avoid the risk associated with the physical holding of share certificates and for facilitating easy liquidity for shares.

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

The Company is committed to provide a protective environment at the workplace for all its women employees. Also, in terms of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder, The Company has complied with the constitution of Internal Complaints Committees to which employees can write their complaints and adopted a Policy on Prevention of Sexual Harassment of Women at Workplace.

During the year ended 31 March 2022 there were no incidents of sexual harassment reported in the Company i.e., Complaints pending at the beginning of the year: NIL, Complaints received during the year: NIL, disposed of during the year: NIL, pending at the end of the year: NIL.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the requirements of Section 134(3)(c) of the Companies Act, 2013, your directors, hereby confirm that:

- (a) In the preparation of the annual accounts for the financial year ended March 31, 2022, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as on March 31, 2022 and of the profit and loss of the company for the financial year ended March 31, 2022;
- (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 laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

THE CHANGE IN THE NATURE OF BUSINESS

There is no change in the nature of the business of the Company.

THE DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

There are no significant and/or material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in the future.

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

Details of loan, guarantee and investment covered under the provisions of Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 are given in the Notes to the financial statements.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188 OF THE COMPANIES ACT, 2013

During the year under review, all transactions entered by the Company with Related Parties were in the Ordinary Course of Business and at Arm's Length pricing basis, details relating to related party transactions made by the Company in pursuant to Section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are disclosed as required by the applicable accounting standards have been made in the Notes to the financial statements and the details of Related Party Transactions have been entered in the Form AOC-2, which is annexed, to this report as **ANNEXURE-VI**.

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

In terms of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, the particulars of conservation of energy, technology absorption, foreign exchange earnings, and outgo, are provided below:

CONSERVATION OF ENERGY:

With respect to conservation of energy pursuant to rule 8 (3) A of the Companies (Accounts) Rules 2014 –

Sr. No	Particulars	Steps/Amount
1.	Steps taken or impact on conservation of energy	Nil
2.	Steps taken by the company for utilizing alternate sources of energy	Nil
3.	Capital investment on energy conservation equipment	Nil

TECHNOLOGY ABSORPTION:

With respect to technology absorption pursuant to Rule 8(3) B of the Companies (Accounts) Rules 2014 are not given as the Company has not spent any amount towards technology absorption.

FOREIGN EXCHANGE EARNING AND OUTGO:

Information pursuant to Rule 8 (3) C of the Companies (Accounts) Rules.

The Company has incurred following Foreign Exchange Expenditure or has earned following Foreign Exchange Earnings during the year under review.

Particulars	Amount (in rupees)
Foreign Exchange Expenditure	26900669.40/-
Foreign Exchange Earnings	10183407.01/-

RISK MANAGEMENT

The Company has formulated a policy and process for risk management and has adequate risk management procedures, which are based upon business environment, operational controls, and compliance procedures. The risk assessment is not limited to threat analysis, but also identifies potential opportunities. However, management believes that the mitigation plans for identified risks are in place and may not threaten the existence of the Company.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has complied with the applicable provisions of Secretarial Standards issued by the Institute of Company Secretaries of India.

ANNUAL EVALUATION OF THE BOARD, ITS COMMITTEES, AND INDIVIDUAL DIRECTORS

The evaluation of Board, Committee(s), and individual Directors was carried out based on a structured questionnaire encompassing parameters such as performing statutory duties, level of engagement and contribution, independence of judgment, etc. Further, the details on performance evaluation criteria are provided in the Corporate Governance Report.

MEETINGS OF INDEPENDENT DIRECTORS

The Company's Independent Directors meet at least once in every financial year without the presence of non-independent directors and members of the management.

The independent director in their meeting (a) review the performance of non-independent directors and the Board as a whole, (b) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors, and (c) assess the quality, quantity, and timeliness of the flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

A meeting of the Independent Directors was held on 29th March 2022 and all independent directors attended the meeting.

ACKNOWLEDGEMENTS

Your directors place on records their sincere appreciation to the Shareholders, Investors, Financial Institutions, Banks, Suppliers, Government, and Semi-Government agencies for their continued assistance and co-operation extended to the Company and wishes to place on record their appreciation of employees for their hard work, dedication, and commitment.

FOR MUZALI ARTS LIMITED
(Formerly known as Welcon International Limited)

Sd/-
Farheen Mansoorbhai Murtuza
Chairman and Managing Director
DIN: 08965752
Date: - 07.09.2022
Place: - Nagpur

ANNEXURE I
FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2022

**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014.**

I. REGISTRATION & OTHER DETAILS:

1	CIN	L20100MH1995PLC322040
2	Registration Date	10/11/1995
3	Name of the Company	MUZALI ARTS LIMITED
4	Category/Sub-category of the Company	Public Company/ Company limited by Shares/ Non-Govt company
5	Address of the Registered office & contact details	Plot No. 3 B-44 Near Manav Mandir Kantol Road Yerla Nagpur Nagpur MH 441501 IN
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Name: SATELLITE CORPORATE SERVICES P LTD Address: 106 & 107 Dattani Plaza, Kurla Andheri Road, Kurla (w), Nr. Safed Poll East West Ind Estate MUMBAI Maharashtra 400072

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Wholesale Trading	51909	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No	Name and Address of the Company	CIN	Holding/Subsidiary/Associate	% of Shares held	Section Applicable
1	Jalan Jalan Collection Inc.		Subsidiary	80%	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	1,08,88,213	32,00,000	1,40,88,213	28.93	1,40,88,213	21,50,000	1,62,38,213	31.93	3% increase during the year.
b) Central Govt	--	--	--	--	--	--	--	--	--
c) State Govt(s)	--	--	--	--	--	--	--	--	--
d) Bodies Corp.	--	--	--	--	--	--	--	--	--
e) Banks / FI	--	--	--	--	--	--	--	--	--
f) Any other	--	--	--	--	--	--	--	--	--
Sub-total (A) (1) :-	1,08,88,213	32,00,000	1,40,88,213	28.93	1,40,88,213	21,50,000	1,62,38,213	31.93	3% increase during the year.
(2) Foreign									
a) NRIs - Individuals	10,00,000	0	10,00,000	2.05	10,00,000	0	10,00,000	1.97	0.09% decrease during

[illegible]

d) State Govt(s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FIs	--	--	--	--	--	--	--	--	--
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Foreign Portfolio investor	10,15,000	0	10,15,000	2.08	15,000	0	15,000	0.03	2.05 Decrease during the year
Sub-total (B)(1):-	1,015,000	--	10,15,000	2.08	15000	--	15,000	0.03	2.05% decrease during the year.
2. Non-Institutions									
a) Bodies Corp.	--	--	--	--	--	--	--	--	--
i) Indian	3,44,827	0	3,44,827	0.71	3,43,925	0	3,43,925	0.68	0.03% decrease during the year

ii) Overseas	--	--	--	--	--	--	--	--	--
b) Individuals	--	--	--	--	--	--	--	--	--
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	90,06,339	9,01,000	99,07,339	20.34	1,40,59,232	9,01,000	1,49,60,232	29.42	9.08% Increa se during the year
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1,33,54,111	2,94,000	1,36,48,111	28.03	1,04,06,793	2,94,000	1,07,00,793	21.04	6.98 decrea se during the year
c) Others (Non Promoters)	10,33,966	6,000	10,39,966	2.14	9,74,029	6,000	9,80,029	1.93	0.21% decrea se during the year.
Non Resident Indians	76,54,544	0	76,54,544	15.72	66,09,808	0	66,09,808	12.99	2.80% decrea se during the year
Overseas Corporate Bodies	--	--	--	--	--	--	--	--	--

Foreign Nationals	--	--	--	--	--	--	--	--	--
Clearing Members	8,400	0	8,400	0.02	1,13,343	0	1,13,343	0.22	0.21% Increase

									during the year
Trusts	--	--	--	--	--	--	--	--	--
Foreign Bodies - DR	--	--	--	--	--	--	--	--	--
Sub-total (B)(2):-	3,13,93,787	12,01,000	3,25,94,787	66.93	3,23,93,787	12,01,000	3,35,94,787	66.07	0.86% decrease during the year
Total Public Shareholding (B)=(B)(1)+(B)(2)	3,24,08,787	12,01,000	3,36,09,787	69.02	3,24,08,787	12,01,000	3,36,09,787	66.10	2.92% decrease during the year
C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
Grand Total (A+B+C)	4,42,97,000	44,01,000	4,86,98,000	100.00	4,74,97,000	33,51,000	5,08,48,000	100.00	0.00

(ii).Shareholding of Promoters-

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to	

				to total shares			total shares	
1	Mansoorbhai Murtuza	70,43,997	14.46	-	81,18,997	15.97%	-	1.51% Increase during the year
2	Farheen Mansoorbhai Murtuza	70,44,216	14.47	-	81,19,216	15.97%	-	1.50% Increase during the year
3	Shivani Sharda Sharma	10,00,000	2.05%	-	10,00,000	1.97%	-	0.9% decrease during the year
Total		1,50,88,213	30.98%	-	1,72,38,213	33.91%	-	2.92% Increase during the year

(iii). Change in promoters' Shareholding (please specify, if there is no change)

There is an Increase in shareholding of promoters during the F.Y. 2021-22

Sl No.			No.of Shares held at the beginning of the year		Cumulative Shareholding during the year	
		Name of Promoter's	No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	Farheen Murtuza Mansoorbhai	7044216	14.47	7044216	14.47
	Date wise Increase / Decrease in Promoters Share holding during the year		1075000 shares allotted on 26/03/2022 upon Conversion of Warrants into shares	2.21	8119216	15.97
	At the End of the year		0	0.00	8119216	15.97

2	At the beginning of the year	Mansoorbhai Murtuza	7043997	14.46	7043997	14.46
	Date wise Increase / Decrease in Promoters Share holding during the year		1075000 shares allotted on 26/03/2022 upon Conversion of Warrants into shares	2.21	8118997	15.97
	At the End of the year		0	0.00	8118997	15.97
3	At the beginning of the year	Shivani Sharda Sharma	1000000	2.05	1000000	2.05
	Date wise Increase / Decrease in Promoters Share holding during the year		NIL	NIL		
	At the End of the year		0	0.00	1000000	1.97

iv) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Sanjay Ramesh Badiani	12,50,000	2.57%	10,00,000	1.97%
2	Sultan Hyder Syed	11,16,800	2.29%	11,05,301	2.17%
3	Aspire Emerging Fund	10,00,000	2.05%	0	0%
4	Anurag Gajanand Khemuka	10,00,000	2.05%	6,48,566	1.28%
5	Deepak Jivrajbhai Patel	10,00,000	2.05%	10,00,000	1.97%

6	Roopali Hari Om Gandhi	9,63,348	1.98%	963348	1.89%
7	Dilip Jeram Bhai Patel	9,40,000	1.93%	9,40,000	1.85%
8	Dharmaprakash J Kumar	8,30,000	1.70%	8,30,000	1.63%
9	Kunal Patel	6,66,686	1.37%	6,66,686	1.31%
10	Shantanu Shivkumar Jaiswal	6,65,000	2.05%	6,65,000	1.31%
11	Barkha Mahesh Nihalani	2,26,000	0.46%	5,06,910	1%

v) Shareholding of Directors and Key Managerial Personnel:

Directors and Key Managerial Personnel hold the shares in the Company as mentioned below:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mansoorbhai Murtuza				
	At the beginning of the year	70,43,997	14.46%	81,19,216	15.97%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	--	--	1075000 shares allotted on 26/03/2022 upon Conversion	1.51% Increase in director's shareholding

				of Warrants into shares	
	At the end of the year	70,43,997	14.46%	81,19,216	15.97%

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
2	Farheen Mansoorbhai Murtuza				
	At the beginning of the year	70,44,216	14.47%	81,19,216	15.97%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	--	--	1075000 shares allotted on 26/03/2022 upon Conversion of Warrants into shares	1.5% Increase in director's shareholding
	At the end of the year	70,44,216	14.47%	81,19,216	15.97%

V) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	--	--	--	--
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	--	--	--	--
Change in Indebtedness during the financial year				
* Addition	--	--	--	--
* Reduction	--	--	--	--

Net Change	--	--	--	--
Indebtedness at the end of the financial year				
i) Principal Amount	--	--	--	--
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	--	--	--	--

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sl. No.	Particulars of Remuneration	Name of Manager	MD/WTG/	Total Amount
		Mansoorbhai Murtuza	Farheen Mansurbhai Murtuza	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	24,00,000	24,00,000	48,00,000
2.	Stock Option	--	--	--
3.	Sweat Equity	--	--	--
4.	Commission - as % of profit - others, specify...	--	--	--
	Others, please specify	--	--	--
6.	Total (A)	24,00,000	24,00,000	48,00,000
	Ceiling as per the Act			

--	--	--	--	--

B. Remuneration to other directors:

Sl. No	Particulars of Remuneration	Name of Director				Total Amount
	<u>Independent Directors</u> · Fee for attending board committee meetings · Commission · Others, please specify					
	Total (1)					
	<u>Other Non-Executive Directors</u> · Fee for attending board committee meetings · Commission · Others, please specify					
	Total (2)					
	Total (B)=(1+2)					
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					

C. Remuneration to Key Managerial Personnel Other Than MD /Manager /WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	---	1,40,000	12,00,000	13,40,000
2.	Stock Option				
3.	Sweat Equity				
4.	Commission - as % of profit - others, specify...				
5.	Others, please specify				
6.	Total	--	1,40,000	12,00,000	13,40,000

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	No Penalties, Punishments or Compounding of Offences				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	No Penalties, Punishments or Compounding of Offences				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	No Penalties, Punishments or Compounding of Offences				
Punishment					
Compounding					

FOR MUZALI ARTS LIMITED
(Formerly known as Welcon International Limited)

Sd/-
Farheen Mansoorbhai Murtuza
Chairman and Managing Director
DIN: 08965752
Date: - 07.09.2022
Place: - Nagpur

ANNEXURE II

Disclosure of remuneration details required under section 197(12) of the Companies Act, 2013

- ❖ Ratio of remuneration of each executive director to the median remuneration of the Employee of the company for the financial year 2021-22, the percentage increase in the remuneration of Chief Executive Director, Chief Financial Officer, Executive Director and Company Secretary during the financial year 2021-22.

Sr. No	Name of Director /KMP	Designation	Ratio of remuneration of each director to median remuneration of Employees	Percentage increase in remuneration
1	Mansoorbhai Murtuza	Managing Director and Chairman	1:29.86	NIL
2	Farheen Mansoorbhai Murtuza	Director	1:29.86	NIL
3	Lalit Kripashankar Dave	Chief Financial Officer	1:14.91	NIL

- ❖ The percentage increase in the median remuneration of employees in the financial year is **NIL**
- ❖ The company has **no** permanent employees on the rolls of company as on 31/03 2022.

- ❖ **Relationship between average increase in remuneration and company's performance:**

Every year, the salary increase for the Company is decided on the basis of a benchmarking exercise that is undertaken with similar profile organisations. The final salary increases given are a function of Company's market competitiveness in this comparator group as well as overall business affordability. During the year, similar approach was followed to establish the remuneration increases to the Employees Variable compensation is an integral part of our total reward package and is directly linked to an individual performance rating and business performance. Salary increase during the year was NIL and in line with Company's performance as well as pre Company's market competitiveness.

- ❖ **Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:**

In line with Company's reward philosophy, merit increase and annual bonus pay-outs of its Employees including Key Managerial Personnel are directly linked to individual performance as well as that of the business. Given the superior business performance and the performance rating of the Key Managerial Personnel, appropriate reward by way of merit increase or variable pay have been awarded to the Key managerial Personnel for the current year. This was duly reviewed and approved by the Nomination and Remuneration Committee of the Company.

- ❖ Average percentage increase made in the salaries of Employees other than the managerial personnel as well as increase in the managerial personnel remuneration was NIL. The average increases in every year is an outcome of Company's market competitiveness as against its peer group companies.
- ❖ **The key parameters for any variable component of remuneration:**
Package for all Employees including Executive Directors, Annual Bonus is directly linked to an individual performance rating and business performance. At the start of the year, every Employee (including Executive Directors), have key targets assigned for the year in addition to their job fundamentals. These are drawn from the organisational strategic plan and are then reviewed for consistency and stretch, Business targets are a combination of goals such as Underlying Volume Growth, Underlying Sales Growth, Core Operating Margin etc.
- ❖ The ratio of the remuneration of the Director to that of the Employees who are not Directors but receive remuneration in excess of the highest paid Director during the year is not applicable.
- ❖ It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.

FOR MUZALI ARTS LIMITED
(Formerly known as Welcon International Limited)

Sd/-
Farheen Mansoorbhai Murtuza
Chairman and Managing Director
DIN: 08965752
Date: - 07.09.2022
Place: - Nagpur

ANNEXURE III
Form No. MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2022
(Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,
THE MEMBERS,
MUZALI ARTS LIMITED,
(Formerly known as WELCON INTERNATIONAL LIMITED)
CIN - L20100MH1995PLC322040
PLOT NO. 3, B-44, NEAR MANAV MANDIR,
KANTOL ROAD, YERLA, NAGPUR, MH - 441501, INDIA.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **MUZALI ARTS LIMITED (Formerly known as WELCON INTERNATIONAL LIMITED)**. (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

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

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder; to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') as may be appropriately applicable for the period under review:-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(No incidence during the audit period, hence not applicable);**

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(No incidence during the audit period, hence not applicable);**

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and **(No incidence during the audit period, hence not applicable);**

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(No incidence during the audit period, hence not applicable);**

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015;

(j) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013; **(No incidence during the audit period, hence not applicable);**

(vi) I have reviewed the systems and mechanisms established by the Company for ensuring compliances under the other applicable Acts, Rules, Regulations and Guidelines prescribed under various laws which are specifically applicable to the Company and categorized under the following heads/ groups:-

(a) The Factories Act, 1948 and Rules made thereunder;

(b) Labour laws and other incidental laws related to labour and employees appointed by the Company;

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

(i) Secretarial Standards issued and notified by The Institute of Company Secretaries of India. SS-1 and SS-2 have been complied with by the Company during the Financial Year under review.

(ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange.

(iii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)

Regulations, 2015.

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

Observations:-

1. The Company has delayed in filing the Financial Statements for the second Quarter ended in September 2021, due to unavailability of Approved Financial Statement.
2. The Company has failed to pay statutory dues of Provident fund and Employee State Insurance Corporation due to COVID-19. Company is under the process of making full payment of statutory dues.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

I further report that

Based on the information provided and the representation made by the Company, in my opinion there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

The compliance by the Company of applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.

I further report that during the audit period, there were no specific events/ actions in pursuance of the above referred laws, rules, regulations, guidelines, etc, having major bearing on the Company's affairs.

Date: 06/09/2022
Place: Nagpur
UDIN: F011537D000928706

Sd/-
YUGANDHARA KOTHALKAR
PRACTICING COMPANY SECRETARY
Membership No. – F11537
CP No. – 10337

ANNEXURE - A

**To,
THE MEMBERS,
MUZALI ARTS LIMITED,
CIN - L20100MH1995PLC322040
PLOT NO. 3, B-44, NEAR MANAV MANDIR,
KANTOL ROAD, YERLA, NAGPUR, MH - 441501, INDIA.**

My Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.

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

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

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

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.

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

**Date: 06/09/2022
Place: Nagpur
UDIN: F011537D000928706**

**Sd/-
YUGANDHARA KOTHALKAR
PRACTICING COMPANY SECRETARY,
Membership No. – F11537
CP No. – 10337**

**ANNEXURE IV
FORM NO. AOC -1**

**Form AOC-1
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies
(Accounts) Rules, 2014)**

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

Part A Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

1. Sl. No. 1
2. Name of the subsidiary – **JALAN JALAN COLLECTION INC.**
3. The date since when subsidiary was acquired – **07-12-2020**
4. Reporting period for the subsidiary concerned, if different from the holding company's reporting period. **JAN TO DEC**
5. Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries. **REPORTING CURRENCY IS USD\$ AND EXCHANGE RATE IS Rs. 75.91 per dollar**

1. Share capital: Rs.3,13,500/-
2. Reserves and surplus: Rs. (33359.46)
3. Total assets: Rs. 1660281.85/-
4. Total Liabilities: Rs. 1660281.85/-
5. Investments: NIL
6. Turnover: Rs. 1151744.41/-
7. Profit before taxation: Rs. (274361.69)
8. Provision for taxation: NIL
9. Profit after taxation: Rs. (274361.69)
10. Proposed Dividend: NIL
11. Extent of shareholding (in percentage) – 80%

**FOR MUZALI ARTS LIMITED
(Formerly known as Welcon International Limited)**

Sd/-

**Farheen Mansoorbhai Murtuza
Chairman and Managing Director**

DIN: 08965752

Date: - 07.09.2022

Place: - Nagpur

ANNEXURE V

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Your directors have pleasure in presenting the Management Discussion and Analysis report for the year ended on 31st March 2022.

INDUSTRY STRUCTURE, DEVELOPMENT:

Muzali Arts Limited Formerly known as Welcon International Limited is mainly engaged in manufacturing of furniture and trading of Antique items. The Company is exploring various options to improve margins of the Company, by having tight control on expenses & exploring various business activities. Despite various adverse factors we firmly believe that Indian economy will grow this presents vast opportunities for us to grow our businesses in the medium to long term, though short term pain remains a possibility. We further believe the policy of liberalization and forward looking regulatory changes will help markets grow in size. While positive Government policies and regulatory changes do enlarge the scope of opportunities for all sector in which Company operate and companies, lack of or delay in reforms or certain regulatory changes can significantly impact the performance or make an existing business model unviable. The growth in the all sector is very good and Management expects better results in forth coming year.

SEGMENT-WISE PERFORMANCE:

The Company trades in a single business segment.

OPPORTUNITIES, THREATS, RISKS AND CONCERNS:

Opportunities in all the three sectors are enormous. However, each of the sectors of the company has inherent threats, risks, and concerns, peculiar and applicable to each sector, like, changes and uncertainty of regulations, rising inflation, international factors, demand supply fluctuations, input cost fluctuations etc. Your company is well placed to face all these threats, risks and concerns.

OUTLOOK:

The Indian economy is driven by the government with its 'Make in India' slogan and bold initiatives for overall socio-economic development towards continued growth prospectus. Your company is well poised to reap the benefits in all the sectors. The outlook of the management in all the sectors is positive despite variety of adversity of factors.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

Your Company has adequate and appropriate internal control systems. The Senior Management periodically reviews factors and issues that influence the Company's Business and takes appropriate decisions to ensure that the Company's interest and that of the stakeholders is protected. The Company has an inbuilt system of internal checks and controls. The Audit Committee of the Board reviews the adequacy and effectiveness of the internal controls and checks and suggests desired improvements from time to time.

HUMAN RESOURCES VIS-À-VIS INDUSTRIAL RELATIONS:

The Company values and appreciates the dedication and drive with which its employees have contributed towards improved performance during the year under review. The relations with workers and staff are cordial during the year under review. All issues pertaining to staff matters are resolved in harmonious and cordial manner.

CAUTIONARY STATEMENT:

This report contains forward looking statements that address expectations and projections about the future, based on certain assumptions of future events. Company's actual results, performance or achievements may, thus, differ materially from those projected in any such forward looking statements.

**FOR MUZALI ARTS LIMITED
(Formerly known as Welcon International Limited)**

**Sd/-
Farheen Mansoorbhai Murtuza
Chairman and Managing Director
DIN: 08965752
Date: - 07.09.2022
Place: - Nagpur**

ANNEXURE VI
FORM NO. AOC -2

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions at Arm's length basis.

Sr. No	Particulars	Details	Details	Details	Details	Details	Details	Details
1	Name (s) of the related party & nature of relationship	Muzali Arts (A Partnership Firm in which Directors are partners)	Muzali Arts (A Partnership Firm in which Directors are partners)	Mansoorbhai Murtuza & Farheen Mansoorbhai Murtuza	Jalan Jalan Inc	Jalan Jalan Inc	Lalit Kripashankar Dave	Beyond Boundaries
2	Nature of contracts/ arrangements/ transaction	Advance Payment for purchase to Muzali Arts	Purchase	Rent	Investment	Export sale	Advance for professional Services	Purchase
3	Duration of the contracts/ arrangements/ transaction	Ongoing		Ongoing				
4	Salient terms of the contracts or arrangements or transaction including the value, if any	Purchase of Inventory	Purchase	Rent Paid	Investment	Export sale	Advance	Purchase of Goods
5	Date of approval by the Board							
6	Amount paid as advances, if any	Rs. 3,29,75,132/-	Rs. 13075851/-	Rs. 18,00,000/-	Rs. 1,11,19,875	Rs. 2,15,08,046	Rs. 1,41,428/-	Rs. 3,11,000/-

2. Details of contracts or arrangements or transactions not at Arm's length basis.

There were no material contracts or arrangement or transactions of the Company not at arm's length basis during the year ended 31st March, 2022.

FOR MUZALI ARTS LIMITED
(Formerly known as Welcon International Limited)

Sd/-
Farheen Mansoorbhai Murtuza
Chairman and Managing Director
DIN: 08965752
Date: - 07.09.2022
Place: - Nagpur

Annexure VII
CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Muzali Arts Limited

We have examined the relevant registers, records, forms, returns, and disclosures received from the Directors of Muzali Arts Limited having CIN: L20100MH1995PLC322040 having its Registered Office at Plot No. 3 B-44, Near Manav Mandir, Kantol Road, Yerla, Nagpur, Maharashtra, produced before us by the Company for the purpose of issuing their certificate in accordance with Regulation 34 (3) read with Schedule V- Para C- Clause 10(i) of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority

Sr. No	Name of Director	DIN	Date of appointment in Company
1	Mansoorbhai Murtuza	08965751	23/11/2020
2	Farheen Mansoorbhai Murtuza	08965752	23/11/2020
3	Mala Brijlal Lalchandani		31/03/2015
4	Vishal Jaisingh Ladharam	08100356	23/11/2020
5	Neelkanth Aher	06498109	01/02/2022

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : Mumbai
Date: 07th September 2022

Sd/-
Bhupendra Dave
Practicing Company Secretary
Membership No. 31921
Certificate of Practice No. 24293
UDIN: A031921D000933021

INDEPENDENT AUDITORS' REPORT

To The Members of Muzali Arts Ltd
(Formerly known as 'Welcon International Ltd')

Report on the audit of the standalone financial statements

Opinion

We have audited the accompanying standalone financial statements of Muzali Arts Ltd (Formerly known as 'Welcon International Ltd') ("the Company"), which comprise the balance sheet as at March 31, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of changes in Equity and statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information. (hereinafter referred to as 'standalone financial statement').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the **Companies Act, 2013** ('Act') in the manner so required and give a true and fair view in conformity with the Indian accounting standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit, total comprehensive income, changes in equity and cash flows for the year ended on that date.

Basis for opinion

We conducted our audit of the standalone financial statement in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the standalone financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

Information other than the standalone financial statements and auditors' report thereon

The 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 Standalone financial statements and our auditors' report thereon.

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

Management's responsibility for the standalone financial statements

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

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

The board of directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the standalone financial statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

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

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are

also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls

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

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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on other legal and regulatory requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 in the Statement of Other Comprehensive Income, the cash flow statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the aforesaid standalone 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 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;

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Standalone Financial Statements and the operating effectiveness of such controls, refer to our separate Report in “Annexure 2” to this report; and
- (g) In our opinion and according to the information and explanation given to us, the managerial remuneration that has been paid / provided by the Company to its directors are in the limits as provided in the provisions of section 197 read with Schedule V to the Act for the year ended March 31, 2022;
- (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;
- a. The Company does not have any pending litigations which would impact its financial position;
- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company
- d. i. The Management has represented that, 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 or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer note no. 31 to the standalone financial statement);
- ii. The Management has represented, that, 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 (Refer note no. 30 to the standalone financial statement);
- iii. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- iv. No dividend declared and paid during the year by the Company, hence no such compliance with Section 123 of the Act applicable to the company.

For Koshal & Associates
Firm Reg.No.121233W

Sd/-
Koshal Maheshwari
Proprietor
M.No.043746
Place: Mumbai
Date: 30th May, 2022
UDIN: 22043746AJYCGM2779

Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of Muzali Arts Ltd (Formerly known as 'Welcon International Ltd') ('the Company') on the standalone financial statements for the year ended 31 March 2022, we report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company do not hold any intangible assets during the year. Hence clause 3(i)(a)(B) of the order is not applicable.
- (b) As explained to us, Property, Plant and Equipment have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company does not hold any immovable property. Accordingly clause 3(i) (c) of the order is not applicable.
- (d) The Company has not revalued any of its Property, Plant and Equipment during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The physical verification of inventory has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.
- (b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- (iii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has provided unsecured loans to various entities, the aggregate amount provided during the year and balance outstanding at the balance sheet date with respect to such loans are as per the table given below:

(Rs. in '000)

	Guarantees	Security	Loans	Advances in the nature of loans
Aggregate amount granted/ provided during the year				
- Subsidiaries	-	-	-	-
- Joint ventures	-	-	-	-
- Associates	-	-	-	-
- Others	-	-	10602.10	-
Balance outstanding as a balance sheet date in respect of the above				

case				
Subsidiaries	-	-	-	-
Joint ventures	-	-	-	-
Associates	-	-	-	-
Others	-	-	1000.00	-

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the investments made by the company and the unsecured loans granted by the company are not prejudicial to the interest of the company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the repayment schedule of principal and interest are not stipulated for the loans given by the company and hence the repayments or receipts if any are regular in nature cannot be determined.
- (d) Since the terms of repayment are not stipulated, total amount overdue/recoverable for more than 90 days cannot be determined.
- (e) Since the terms of repayment are not stipulated, the total amount of loan fallen due during the year cannot be identified. According the reporting under clause 3 (iii) (e) of the Order cannot be determined.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the amount of unsecured loans granted by the company either repayable on demand or without specifying any terms or period of repayment are as per table below:

(Rs. in '000)

	All parties	Promoters	Related parties
Aggregate amount of loans			
- Repayable on demand	Nil	Nil	Nil
- Agreement does not specify any terms or period of repayment (B)	10602.10	Nil	Nil
Total (A) +(B)	10602.10	Nil	Nil
% of loans to the total loans	100%	Nil	Nil

- (iv) In our opinion and according to the information and explanations given to us, the Company has not made any loans which require compliance of section 185 of the Act. However company has made investments in compliance with s. 186 of the Act.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly clause 3 (v) of the Order is not applicable.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company. Accordingly clause 3 (vi) of the Order is not applicable.
- (vii) (a) According to the information and explanation given to us, employees state insurance, sales-tax, wealth tax, duty of customs, duty of excise, are not applicable to the company.

The Company is regular in depositing undisputed statutory dues including income tax, value added tax, Goods and Service Tax, Profession tax, provident fund, and other statutory dues with the appropriate authorities during the year, except for profession tax, provident fund.

According to the information and explanation given to us, no undisputed amounts payable were in arrears, as at 31st March, 2022 for the period of more than six months from the date they became payable except for profession tax Rs. 18747, employees share of provident fund Rs. 134152, Employers share of provident fund Rs. 131718.

(b) According to the information and explanation given to us, there are no statutory dues of income tax, goods and service tax, provident fund, sales-tax or duty of customs or duty of excise or value added tax, cess which have not been deposited with the appropriate authorities on account of any dispute.

- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- (x) (a) The Company did not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, paragraph 3 (x) (a) of the Order is not applicable.
(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- (xi) (a) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit. Hence reporting under clause 3(xi)(a) of the Order is not applicable.
(b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government. Hence reporting under clause 3(xi)(b) of the Order is not applicable.
(c) According to the information and explanations given to us and as represented to us by the management, no whistle-blower complaints received during the year by the company. Hence reporting under clause 3(xi)(c) of the Order is not applicable.
- (xii) The Company is not a nidhi company and accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us, the companies has undertaken transactions with the related parties and are in compliance with s. 177 and s. 188, of the Act, during the year. Also the related party disclosures as required by the relevant accounting standards have been disclosed in the standalone financial statement.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
(b) The reports of the Internal Auditor for the period under audit have been considered by us.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

- (xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit, but has incurred cash loss of Rs. 9073 thousands in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly this clause is not applicable.
- (xix) On the basis of the financial ratios (Refer note no. 30 to the financial statement), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not 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.
- (xx) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the provisions of s. 135 of Companies Act, 2013 are not applicable to the company. Accordingly reporting under clause 3(xx)(a) & (b) of the Order is not applicable.
- (xxi) The reporting under clause 3 (xxi) of the Order is not applicable in respect of audit of Standalone financial statement. Accordingly, no comment in respect of the said clause included in this report.

For Koshal & Associates
Firm Reg.No.121233W

Sd/-
Koshal Maheshwari
Proprietor
M.No.043746
Place: Mumbai
Date: 30th May, 2022
UDIN: 22043746AJYCGM2779

Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of Muzali Arts Ltd (Formerly known as 'Welcon International Ltd') ("the Company") as of 31 March 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone 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 standalone 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 unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For Koshal & Associates
Firm Reg.No.121233W

Sd/-
Koshal Maheshwari
Proprietor
M.No.043746
Place: Mumbai
Date: 30th May, 2022
UDIN: 22043746AJYCGM2779

MUZALI ARTS LIMITED
Formerly known as WELCON INTERNATIONAL LTD
BALANCE SHEET AS AT 31st March, 2022

(` in 000)

Particulars	Notes	As At 31st March 2022	As At 31st March 2021
Assets			
(1) Non-Current Assets			
(a) Property, plant and equipment	2	272	316
(b) Capital Work in Progress		753	96
(c) Financial assets			
(i) Investments	3	47,619	17,383
(d) Deferred Tax Asset (Net)	4	-	-
Total Non-Current Assets		48,644	17,795
(2) Current Assets			
(a) Inventories	5	10,060	4,173
(b) Financial assets			
(i) Trade receivables	6	17,269	-
(ii) Cash and cash equivalents	7	2,310	21,452
(iii) Loans	8	47,784	60,699
(c) Others Current Assets	9	37,145	43,243
Total Current Assets		1,14,568	1,29,566
Total Assets		1,63,211	1,47,362
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	10	50,848	48,698
(b) Other Equity	11	75,468	79,188
Total Equity		1,26,316	1,27,886
Liabilities			
(1) Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	12	21,126	9,307
Total Non-Current Liabilities		21,126	9,307
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings		-	-
(ii) Trade Payables	13	3,045	3,003
(b) Other Current Liabilities	14	12,039	6,325
(c) Current Tax Liabilities (Net)	15	685	841
Total Current Liabilities		15,769	10,169
Total Equity and Liabilities		1,63,211	1,47,362
		0	(0)
Summary of significant accounting policies	1		
Notes to accounts	2-30		

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

For Koshal & Associates
Chartered Accountants
Firm number: 121233W

For and on behalf of the Board
MUZALI ARTS LIMITED
Formerly known as WELCON INTERNATIONAL LTD

sd/-
Proprietor: Koshal Maheshwari
Membership No. 043746
Place: Mumbai
Date : 30.05.2022

sd/-
FARHEEN MANSOORBHAI MURTUZA
Managing Director
DIN:08965752

sd/-
(LALIT DAVE)
Chief Financial Officer

MUZALI ARTS LIMITED
Formerly known as WELCON INTERNATIONAL LTD
Statement of Profit and Loss for the year ended 31st March, 2022

(` in 000)

Particulars		Note No.	For the year ended 31st March, 2022	For the year ended 31st March, 2021
I)	Revenue From Operations	16	27,543	-
II)	Other Income	17	3,751	6,097
III)	Total Revenue (I+II)		31,293	6,097
IV)	Expenses :			
	Purchase of Stock-in-Trade	18	17,399	1,790
	Changes in Inventory of Finished goods, Work-in-Progress and Stock-in-Trade	19	(5,887)	(1,790)
	Employee Benefit expenses	20	7,357	2,782
	Finance Cost	21	1,250	681
	Depreciation and amortization Expenses		117	42
	Other Expenses	22	8,112	11,979
	Total Expenses (IV)		28,349	15,484
V)	Profit/(Loss) Before exceptional and tax (III-IV)		2,945	(9,387)
VI)	Exceptional Items		-	-
VII)	Profit/(Loss) Before Tax (V-VI)		2,945	(9,387)
VIII)	<u>Tax Expenses</u>			
	i) Current Tax		457	-
	ii) Deferred Tax		-	-
IX)	Profit (Loss) from Continuing Operations (VII-VIII)		2,487	(9,387)
X)	Other Comprehensive income;			
	A (i) Items that will not be reclassified to profit or loss			
	- Equity Instruments through other comprehensive income		11,962	887.64
	B (i) Items that will be reclassified to profit or loss		0	-
XI)	Total Comprehensive Income for the period (Comprising profit/ (loss) and other Comprehensive Income for the period (IX-X))		14,449	(8,499)
XII)	<u>Earnings per Equity Shares</u>	23		
	1) Basic		0.05	(0.18)
	2) Diluted		0.05	(0.18)
	Summary of significant accounting policies	1		
	Notes to accounts	2-30		

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

For Koshal & Associates
Chartered Accountants
Firm number: 121233W

sd/-
Proprietor: Koshal Maheshwari
Membership No. 043746
Place: Mumbai
Date : 30.05.2022

For and on behalf of the Board
MUZALI ARTS LIMITED
Formerly known as WELCON INTERNATIONAL LTD

sd/-
FARHEEN MANSOORBHAI MURTUZA
Managing Director
DIN:08965752

sd/-
(LALIT DAVE)
Chief Financial Officer

MUZALI ARTS LIMITED
Formerly known as WELCON INTERNATIONAL LTD
Cash Flow Statement for the year ended March 31, 2022

(` in 000)

PARTICULARS	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit /(Loss) before tax	2945	(9,387)
Adjustment for:-		
Interest Income	(3,478)	(6,223)
Finance Cost	1250	681
Depreciation	117	104
Written off	20	75
Foreign Currency exchange loss on investment	0	135
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	854	(14,614)
Movements in Working Capital :-		
(Increase)/decrease Trade and other receivables	(17,289)	863
Increase/(decrease) Trade Payables	42	(38,858)
Increase/(decrease) Other Current Liabilities	5,558	5,916
(Increase)/decrease in Inventories	(5,887)	(1,790)
(Increase)/decrease Others Current Assets	6,098	(42,781)
CASH GENERATED FROM OPERATIONS	(10,624)	(91,264)
Direct Taxes Paid	(457)	15
Last Year Direct Taxes Paid		(1,320)
I NET CASH FLOW FROM OPERATING ACTIVITIES	(11,082)	(92,569)
B CASH FLOW FROM INVESTING ACTIVITIES		
Loan Received / (Given) (NET)	12,915	41,790
Purchase of Fixed Assets	(729)	(455)
New Investments	(30,236)	(15,893)
Sale of Investments	-	1,913
Interest Received	3,478	6,223
Dividend Received	-	-
II NET CASH USED IN INVESTING ACTIVITIES	(14,572)	33,577
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	-	28,400
Cash received from securities premium	-	56,800
Loans Taken/ (Repaid) (Net)	11,820	(10,970)
Proceeds from issue of Equity warrants	-	6,675
Changes in OCI	(8,897)	
Proceeds from Share Allotment Money	4,840	-
Interest Paid	(1,250)	(681)
III NET CASH USED IN FINANCING ACTIVITIES	6,512	80,224
NET INCREASE/(DECREASE) IN CASH OR CASH EQUIVALENTS (I + II + III)	(19,142)	21,232
Add:- CASH & CASH EQUIVALENTS AS AT BEGINNING	21452	219
CLOSING BALANCE OF CASH & CASH EQUIVALENTS (Refer Note 7)	2,310	21,452
	(0)	(0)

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 Koshal & Associates
Chartered Accountants
Firm number: 121233W

For and on behalf of the Board
MUZALI ARTS LIMITED
Formerly known as WELCON INTERNATIONAL LTD

sd/-
Proprietor: Koshal Maheshwari
Membership No. 043746
Place: Mumbai
Date : 30.05.2022

sd/-
FARHEEN MANSOORBHAI MURTU:
Managing Director
DIN:08965752

sd/-
LALIT DAVE
Chief Financial Officer

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Note 1: Significant accounting policies Background

Muzali Arts Limited (Formerly known as Welcon International Limited) (the company) is a public limited company and is listed on Bombay stock exchange. The registered office is located at B-44, Plot No. 3, Manav Mandir Road, Katol Road, Yerla, Nagpur 441501.

The company is engaged in activities of Trading and Manufacturing of furniture, Interior Designing and Land Landscape development business.

a. Basis of preparation

(i) Compliance with Ind AS

The company has prepared financial statements for the year ended March 31, 2020 in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act), Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act together with comparative period data as at and for the year ended March 31, 2022.

(ii) Historical Cost Convention

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

(iii) Current versus Non-Current Classification

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and services and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current non – current classification of assets and liabilities.

b. Functional and currency presentation of currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian Rupee, which is the Company's functional and presentation currency. All amounts are rounded off to the nearest rupees in lakhs.

c. Segment Reporting

Ind AS 108 Operating Segments requires Management to determine reportable segments for the purpose of disclosure in financial statements based on internal reporting reviewed by the Chief Operating Decision Maker (CODM) to assess performance and allocate resources. The standard also requires Management to make judgments with respect to aggregation of certain operating segments into one or more reportable segments.

The Company has determined that the Chief Operating Decision Maker (CODM) is the Board of Directors (BOD), based on its internal reporting structure and functions of BOD. The Operating

Segment used to present segment information identified based on the internal reports used and reviewed by the BOD to assess performance and allocate resources. The Management has determined that Company's current business activity has only one reportable segment Property Owning and Leasing.

d. Revenue Recognition

(i) Sale of Goods

Revenue from sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated cost can be estimated reliably, there is no continuing effective control or managerial involvement with the

goods, and the amount of revenue can be measured reliably.

(ii) Sale of Services

Revenue is recognized only when evidence of an arrangement is obtained and the other criteria to support revenue recognition are met, including the price is fixed or determinable, services have been rendered and collectability of the resulting receivables is reasonably assured. Revenue is reported net of discounts and indirect taxes.

(iii) interest Income

Interest Income from a Financial Assets is recognised using effective interest rate method.

(iv) Dividend Income

Dividend Income is recognised when the Company's right to receive the amount established which is generally when shareholder approves the dividend and it probable that economic benefit associated with the dividend will flow to the company and the amount of dividend can be measured reliably.

e. Inventories

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase, cost of conversion and other overheads net of recoverable taxes incurred in bringing them to their respective present location and condition.

f. Tax Expense

The tax expense for the period comprises current tax and deferred income tax. Tax is recognized in the statement of income except to the extent it relates to items directly recognized in equity or in other comprehensive income.

(i) Current Tax:

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

(ii) Deferred Tax:

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, and deferred tax assets are recognised for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxation authority.

Deferred tax assets pertaining to unabsorbed depreciation or carry forward of losses under tax laws is recognized only to the extent that there is virtual certainty supported by convincing evidence that future taxable income will be available against which such deferred tax assets can be realized. In all other cases, recognition of deferred tax asset is based on reasonable certainty instead of virtual certainty.

Deferred tax assets are reviewed for the appropriateness of their respective carrying amounts at each Balance Sheet date.

At each reporting date, the Company re-assesses unrecognised deferred tax assets. It recognises previously unrecognised deferred tax assets to the extent that it has become probable that future taxable profit allow deferred tax assets to be recovered.

g. Impairment of assets

The carrying amounts of assets are reviewed at each balance sheet date for any indication of impairment based on internal / external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of a) fair value of assets less cost of disposal and b) its value in use. Value in use is the present value of future cash flows expected to derive from an asset or Cash-Generating Unit (CGU).

Based on the assessment done at each balance sheet date, recognised impairment loss is further provided or reversed depending on changes in circumstances. After recognition of impairment loss or reversal of impairment loss as applicable, the depreciation charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life. If the conditions leading to recognition of impairment losses no longer exist or have decreased, impairment losses recognised are reversed to the extent it does not exceed the carrying amount that would have been determined after considering depreciation / amortisation had no impairment loss been recognised in earlier years.

Non-financial Assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

h. Cash and cash equivalents

For the purposes of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, in banks and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of change in value.

i. Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment, if any.

j. Financial Instruments

i) Financial Assets

A. Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss transaction costs that are attributable to the acquisition of the financial asset. Purchase and sale of financial assets are recognised using trade date accounting.

B. Subsequent measurement

a) Financial assets carried at amortised cost (AC)

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset 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.

b) Financial assets at fair value through other comprehensive income (FVOCI)

A financial asset is measured at FVOCI if it 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.

c) Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL.

C. Other Equity Investments

All other equity investments are measured at fair value, with value changes recognised for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

D. Impairment of financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in profit or loss.

(ii) Financial liabilities

A. Initial recognition and measurement

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

B. Subsequent measurement

(i) Trade and other payables:

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(ii) Loans and borrowings:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the Effective Interest Rate (EIR) amortisation process. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

k. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

l. Property, plant and equipment

(i) Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset. General and specific borrowing costs directly attributable to the construction of a qualifying asset, if any, are capitalized as part of the cost.

(ii) Transition to Ind AS

On transition to Ind AS, the Company has decided to continue with the carrying value of all its property, plant and equipment recognised as at April 1, 2016 as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

(iii) Depreciation

The Company depreciates property, plant and equipment on a Straight-Line basis as per the useful lives prescribed under Schedule II of the Companies Act, 2013. The assets residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate and where appropriate.

m. Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

n. Gratuity

No provision for gratuity has been made as no employee has put in qualifying period of service entitlement of this benefit

o. Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

p. Earnings per share

The basic earnings per share is computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share and also the weighted average number of equity shares which would have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period unless they have been issued at a later date.

q. Provisions, Contingent Liabilities and Contingent Assets

The Company recognizes a provision, when there is a present obligation as a result of past events, the settlement of which is probable to result in an outflow of resources and a reliable estimate can be made of the amount of obligation.

Contingent Liabilities are disclosed by way of a note to the financial statements after careful evaluation by the Company of the facts and legal aspects of the matters involved.

Contingent Assets are neither recognized nor disclosed.

r. Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to nearest rupee as per the requirement of Schedule III, unless otherwise stated.

CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Company's financial statements requires management to make judgment, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as and when management becomes aware of changes and circumstances surrounding the estimates. Changes in the estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to financial statements.

Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed below:

- Recognition of deferred tax asset: availability of future taxable profit
- Recoverability of trade receivable
- Recognition and measurements of provision and contingencies: key assumption of the livelihood and magnitude of an outflow of resources.
- Impairments of Non-Financial Assets
- Impairments of Financial Assets

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

(₹ in 000)

Particulars	Notes	Equity Share Capital	Reserves & Surplus		Items of Other Comprehensive income	Equity Warrant	Share Security Premium	Total
			General Reserve	Retained Earnings	Equity instrument through OCI			
Balance at April 1, 2021		4,86,98,000	10,136	5,972	(395)	66,75,000	5,68,00,000	11,21,88,713
Profit for the year		-	-	2,487	-	-	-	2,487
Prior period error		-	-	-	-	-	-	-
Addition During the year		-	-	-	-	4,840	-	-
Deletion During the year						9,903		
Total Comprehensive income for the year		-	-	2,487	-	(5,063)		2,487
Balance as at March 31, 2022		48,698	10,136	5,972	(395)	1,613	64,553	1,30,576
Profit for the year		-	-	2,487	-	-	-	2,487
Other Comprehensive income for the year		-	-	-	(9,292)	-	-	(9,292)
Prior period error		-	-	-	-	-	-	-
Total Comprehensive income for the year		-	-	2,487	(9,292)	-	-	(6,805)
<u>Transactions with owners in their capacity as owners:</u>								
Issue of equity shares on preferential basis		-	-	-	-			-
Balance as at March 31, 2022		48,698	10,136	8,459	(9,292)	1,613	64,553	1,24,166

The above statement of changes in equity should be read in conjunction with accompanying notes.

This is the Statement of changes in equity referred to our report of even date.

For Koshal & Associates

Chartered Accountants

Firm number: 121233W

For and on behalf of the Board
MUZALI ARTS LIMITED
Formerly known as WELCON INTERNATIONAL LTD

sd/-

Proprietor: Koshal Maheshwari

Membership No. 043746

Place: Mumbai

Date : 30.05.2022

sd/-
(FARHEEN MANSOORBHAI MURTUZA)
Managing Director
DIN : 08965752

sd/-
LALIT DAVE
Chief Financial Officer

MUZALI ARTS LIMITED

Formerly known as WELCON INTERNATIONAL LTD

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(' in 000)

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 31.03.2021
1	Building Shed	30	89	72	-	161	-	15	-	15	147	89
2	CCTV Cameras	5	21	-	-	21	-	9	-	9	11	21
3	Mobile Handsets	5	207	-	-	207	-	93	-	93	114	207
	TOTAL		316	72	-	389	-	117	-	117	272	316
Previour Year Figures			61	359	61	359	370	42	-	42	316	104

MUZALI ARTS LIMITED
Formerly known as **WELCON INTERNATIONAL LTD**

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

CAPITAL WORK IN PROGRESS

For Capital-work-in progress, following ageing schedule shall be given: CWIP aging schedule

(' in 000)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	753	96			849
Projects temporarily suspended					

MUZALI ARTS LIMITED

Formerly known as WELCON INTERNATIONAL LTD

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR 31st March , 2022

(` in 000)

PARTICULARS		As at 31.03.2022	As at 31.03.2021
NOTE # 3			
Non - Current Investment			
Investments carried at Fair Value Through Other Comprehensive Income (FVOCI)			
INVESTMENTS IN EQUITY INSTRUMENTS - QUOTED(fully paid up) :			
East West Holding Limited	1,00,000	866	-
Amaze Entertech Limited	1,17,297	13,958	-
Trio Mercantile & Trading Ltd	33,04,330	6,840	2,548
		21,664	2,548
UNQUOTED : INVESTMENT IN SUBSIDIARY			
Jalan Jalan Collection Inc.		25,955	14,970
TOTAL INVESTMENTS		47,619	17,518
Agreegate of Quoted Investment & market value thereof		21,664	2,548
Agreegate of Un-Quoted Investment		25,955	14,970

NOTE # 4			
Deferred Tax Asset			
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.			

NOTE # 5			
Inventories			
Stock in Trade		10,060	4,173
		10,060	4,173

NOTE # 6			
Trade Receivables (Unsecured, Considered good)			
- Current Trade Receivable		17,269	-
Less: Allowance for Bad & Doubtful Debts		-	-
		17,269	-
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.			

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	7127	10142	0	0	0	17269
(ii) Undisputed Trade Receivables – considered doubtful						
(iii) Disputed Trade Receivables considered good						
(iv) Disputed Trade Receivables considered doubtful						
(iv) Disputed dues - Others						

NOTE # 7			
Cash and Cash Equivalents			
Balances with Bank			
-in Current accounts		1,895	21,321
-deposits with maturity of less than 3 months		-	76
Cash on Hand		414	54
		2,310	21,452

NOTE # 8		
Current Loans		
(Unsecured, Considered good)		
<u>Demand Loan : Others</u>		
- Intercompany Deposit	814	6,717
- Others	46,970	53,982
	<u>47,784</u>	<u>60,699</u>

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.

NOTE # 9		
Other Current Assets		
<u>Advances other than capital advances</u>		
Security Deposits	25	100
Duties & Taxes - GST (Net)	2,155	941
Advance to Supplier	6,248	42,202
Advance to Related Party	28,717	-
	<u>37,145</u>	<u>43,243</u>

PARTICULAR	(Amount in Rs.)	
	As at 31st March, 2022	As at 31st March, 2021
Note - 10 Share Capital		
<u>Authorized Capital</u>		
5,00,00,000 equity shares of Rs. 1/- each (5,00,00,000 and 5,00,00,000 Equity Shares of Re. 1/- each and Re. 1/-each at March 31, 2021 AND March 31, 2022)	50,000	50,000
<u>Issued, Subscribed & Fully Paid - up</u>		
2,02,98,000 Equity Shares of Rs 1/- each (2,02,98,000 and 2,02,98,000 Equity Shares of Re. 1/- each and Re. 1/-each at March 31, 2021 AND March 31, 2022)	20,298	20,298
<u>Issued, Subscribed & Fully Paid - up</u>		
2,52,00,000 Equity Shares of Rs 1/- each (2,52,00,000 and 2,52,00,000 Equity Shares of Re. 1/- each and Re. 1/-each at March 31, 2021 AND March 31, 2022)	25,200	25,200
<u>Issued, Subscribed & Fully Paid - up</u>		
32,00,000 Equity Shares of Rs 1/- each (32,00,000 and 32,00,000 Equity Shares of Re. 1/- each and Re. 1/-each at March 31, 2021 AND March 31, 2022)	3,200	3,200
<u>Issued, Subscribed & Fully Paid - up</u>		
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, 2021 AND March 31, 2022)	2,150	
	<u>50,848</u>	<u>48,698</u>
(i)Reconciliation of number of share outstanding at beginning and at the end of the reporting period:		
	No of Shares	Amount
At the beginning of the year	48,698	48,698

Issued during the Year	2,150		2,150
Less Forfeited During the Year	-		
Oustanding at the end of the year	50,848		50,848
(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

Name of the Shareholders	As at 31st March, 2022		As at 31st March, 2021		
	%	No of Shares	%		No of Shares
Farheen Murtuza Mansoorbhai	13.29	7,044	11.18		5,444
Mansoorbhai Murtuza	13.29	7,044	11.18		5,444

Details of Promotors Shareholdings

Promoter name	Share held by promoters at the end of the year 31st March 2022		Share held by promoters at the end of the year 31st March 2021		% change of during the year
	No. of Shares	% held	No. of Shares	% held	
Farheen Murtuza Mansoorbhai	7,044	13.29	5,444	11.18	2.11
Mansoorbhai Murtuza	7,044	13.29	5,444	11.18	2.11
Total	14,088	26.58	10,888	22.36	4.22

Promoter name	Share held by promoters at the end of the year 31st March 2021		Share held by promoters at the end of the year 31st March 2020		% change of during the year
	No. of Shares	% held	No. of Shares	% held	
Farheen Murtuza Mansoorbhai	5,444	11.18	-	-	11.18
Mansoorbhai Murtuza	5,444	11.18	-	-	11.18
Total	10,888	22.36	-	-	22.36

Note

NOTE # 11		
Other Equity		
(a) General Reserve		
As per last Balance Sheet	10,136	10,136
Addition during the year	-	-
	10,136	10,136
(b) Retained Earnings		
As per last Balance Sheet	5,972	15,359
Add: Profit for the year	2,487	(9,387)
Less : Allocations & Appropriations	-	-
Less : Previous Year Tax	-	-
Transfer to Reserves	-	-
	8,459	5,972
(c) Equity Instruments through Other Comprehensive Income		
Opening Balance	(395)	119
During the year addition	11,962	888
Deletion During the year	20,859	1,402
Closing Balance	(9,292)	(395)
(c) Security Premium		
Opening Balance	56,800	-
During the year addition	7,753	56,800

Closing Balance	64,553	56,800
(d) Equity Warrant		
Opening Balance	6,675	-
During the year deletion	9,903	
During the year addition	4,840	6,675
Closing Balance	1,613	6,675
	75,468	79,188

NOTE # 12		
Non Current - Long Term Borrowings		
Unsecured		
Demand Loans	21,126	9,307
	21,126	9,307

NOTE # 13		
Trade Payables		
Current Trade payables	3,045	3,003
	3,045	3,003
i. Total outstanding dues of micro enterprises and small enterprises	-	-
ii. Total outstanding dues of creditors other than micro enterprises and small enterprises*	3,045	3,003

*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.

For the Year 2022

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i)MSME					
(ii)Others	2,346	115	584	-	3,045
(iii) Disputed dues – MSME					
(iv) Disputed dues - Others					

For the Year 2021

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i)MSME					
(ii)Others	3,003	-	-	-	3,003
(iii) Disputed dues – MSME					
(iv) Disputed dues - Others					

NOTE # 14 Other Current Liabilities Other Payables Statutory Dues Creditors for Expenses payable		
	9,333	5,325
	2,706	1,000
	12,039	6,325

NOTE # 15 <u>Current Tax Liabilities</u> Income Tax (Net)		
	685	841
	685	841

MUZALI ARTS LIMITED

Formerly known as WELCON INTERNATIONAL LTD

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2022

(' in 000)

PARTICULARS	As at 31st March, 2022	As at 31st March, 2021
Note -16		
Revenue From Operation		
Sale of Goods	27,543	-
Total In	27,543	-
Note -17		
Other Income		
Interest on Loan	3,478	6,074
Interest Income	-	149
Discount Received	63	9
Currency Exchange Loss in Investment	-	(135)
Duty Drawback received	210	-
Total In	3,751	6,097
Note -18		
Purchase of Stock in Trade	17,399	1,790
Total In	17,399	1,790
Note -19 Change in inventories		
Opening Stock	4,173	2,383
Closing stock	10,060	4,173
Total In	(5,887)	(1,790)
Note - 20		
Employee Benefit Expenses		
Salaries to Employees	7,151	2,696
Provident Fund Exp	206	
Staff Welfare expenses	-	85
Total In	7,357	2,782
Note - 21		
Finance Cost		
Interest on Loan	1,250	681
Total In	1,250	681
Note -22		
Other Expenses		
Payment to Auditors-		
as Statutory Auditor	100	78
as Income Tax Auditor	-	-
Others :		
Advertisement Expenses	170	70
Battery Charges	9	-
AGM Expenses	-	14
Bad Debts	130	8,804
Bank Charges	49	80
Book & Periodicals	-	5
BSE Listing Fees	300	530
CDSL fees	64	38
Caning Job Work	90	-
CHA Agencies Charges	117	-
Commission Paid	10	27
Crane Services	5	-
Drill Machine Charges	2	-
Cousion Work Exp	180	-
Conveyance Exp	108	30
Curiour Expenses	28	40
Demat Charges	1	1

Director Sitting Fees	132	121
Director Sitting Fees GST RCM	-	(7)
Electricity Expenses	172	133
Email Renewal Exp	3	-
Export Insurance	24	-
EPCH liecense fees	16	-
Food Exp	5	-
Freight Charges	23	-
Furniture Making Charges	556	-
Hardware Material (Refinishing)	453	-
Income Tax Paid for A.Y.2020-21	-	141
Interest on TDS	1	12
Internet Expenses	83	8
Labour Expenses	766	15
Late Payment Charges	13	6
Loss on sale of shares	62	-
Packing Charges	4	-
Loading Charges	3	1
MCA Fees	8	112
NSDL Fees	54	138
Office Expenses	191	26
Penalty Charges	14	-
Petrol Charges	29	-
PF Administration Charges	2	-
Photography Expenses	11	33
Printing And Stationery	2	66
Professional Fees	648	72
Professional Tax	3	3
ROC Charges	6	-
Rent Paid	39	188
Refinishing Exp	128	-
Repairs & Maintenance	381	103
Round off	0	0
RTA Fees	89	96
Shipping Charges	440	-
Service and Installation Charges	-	2
Share Transfer Agent Fees	-	8
Stamp Duty	0	3
Telephone Expense	42	7
Transaction Charges	1	-
Transportation Charges	222	65
Travelling Conveyance	905	215
Warehouse Rent	1,200	300
Website Expenses	-	259
Written Off	20	137
Total In `	8,112	11,979

Note No: 23 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 Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following data reflects the inputs to calculation of basic and diluted EPS

Particulars	As at 31.03.2022	As at 31.03.2021
Net Profit after tax attributable to equity holders	2,487	(9,387)
	2,487	(9,387)
Weighted average no of equity shares outstanding during the year- for Both Basic and Diluted EPS	50,848	50,848
Face value of Equity Share (INR)	1.00	1.00
Basic	0.05	(0.18)
Diluted	0.05	(0.18)

Note No. 24: Segment Information

The Company's current business activities has only one

NOTE No. 25**Related party transactions****a) Related party and nature of the related party relationship with whom transactions have taken place during the year**

Muzali Arts is a partnership firm in which MD Mr. Murtuza Mansoorbhai and Director Mrs. Farheen Murtuza are partners

B) Key Management Personnel

Mr. Mansoorbhai Murtuza - Promotor

Mr. Farheen Murtuza - Managing Director

Mr. Lalit Dave - C F O

Mr. Rohit Jadhav - Company Secretary - Compliance Officer

Mr. Rakesh Kanzode - Company Secretary - Compliance Officer

Mrs. Vidhi Shambhwani - Director

NOTE No. : 26

(` in 000)

Nature of Transactions During the year	(Amount in Rs.) Related Parties	
	Referred in B Above	
Expenditure	2021-22	2020-21
Director Remunerations	4,800	1,200
Salary to KMP's	1,280	319
Rent paid to Director	1,200	-
Purchases from Beyond Boundries (Where Director is)	311	-
Advance Payment for Purchase to Muzali Arts	28,575	37,140
Advance Payment for Lalit Dave	141	-
TOTAL	36,308	1,519

Following disclosures shall be made where Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are: (a) repayable on demand or (b) without specifying any terms or period of repayment

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoters	NIL	NIL
Directors		
KMPs		
Related Parties		

NOTE No. 27**Capital Management**

The Company manages its capital to ensure that the Company will be able to continue as going concerns while maximising the return to stakeholders through the optimum utilisation of the equity balance.

The Capital Structure of the Company consist of only equity of the Company. The Company is not subject to any externally imposed capital requirements

Note 28 : Some of the balances of current loans, borrowings, current trade receivables, current trade payables are subject to confirmation and reconciliation of any.

NOTE No. 29**Financial Risk Management Policies and Objectives**

The Company's activities expose it to a variety of financial risks. The Company's primary focus is to foresee the unpredictability and seek to minimize potential adverse effect on its financial performance. The Board of Directors of the company ("the Board") is responsible for monitoring the Company's risk management policies which are established to identify and analyse the risks faced by the Company. The Board periodically review the changes in the market condition and reflects the changes in the policies accordingly. The key risks and mitigating actions are also placed before the Board of the Company. The Board oversees how Management monitors compliance with the Company's Risk Management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

A. Credit risk

It is the risk that a customer or counterparty to a financial instrument fails to perform or pay the amounts due causing financial loss to the Company. Credit risk arises from Company's activities in investments and outstanding receivables from customers. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer in which it operates. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of the customers, to whom the Company grants credit in accordance with the terms and conditions and in ordinary course of its business.

The gross carrying amount of Trade receivables is Rs. 172.69 lakhs

B. Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, management projects/review cash flows in major currencies and considers the level of liquid assets necessary to meet the same.

Maturities of Financial Liabilities

The table below analyze the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

-All non-derivative financial liabilities

-Net settled derivatives financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not material.

As on 31st March 2022

Contractual maturities of financial liabilities	less than 6 Months	6 months - 1 year	More the 1 Year
Non Current			
- Borrowings	-	-	-
Current			
- Trade Payables	3,045	-	-
Total			

C. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk includes borrowings, investments, trade payables, trade receivables, loans and derivative financial instruments.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As the Company does not have significant exposure to floating-interest bearing liabilities therefore its interest expenses and related cash outflows are not significantly affected by changes in market interest rates. the Company has not used any interest rate derivatives.

D. Financial Instruments

The Significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2(j) to the

Financial assets and liabilities

The carrying value of financial instruments by categories as of 31st March, 2022 is as follows :

(` in Lakhs)

Particulars	Amortized Cost	FVOCI	Total Carrying Value
I) Financial Assets			
Non Current			
i) Investments in Equity Instrument Quoted	0	21664	21664
i) Investments in Subsidiary	0	25955	25955
ii) Other Financial Asset	-		-
Current			
i) Investments	-		-
ii) Trade Receivables	17269		17269
iii) Cash and Cash Equivalents	414		414
iv) Bank Balances other than (iii) above	1895		1895
v) Other Financial Assets	84929		84929
Total	104508		152127
II) Financial Liabilities			
Non Current			
i) Borrowings	21126		21126
Current			
i) Trade Payables	3045		3045
ii) Other Financial Liabilities	12039		12039
Total	36210		36210

The carrying value of financial instruments by categories as of 31st March, 2021 is as follows :

Particulars	Amortized Cost	FVOCI	Total Carrying Value
I) Financial Assets			
Non Current			
i) Investments	-	17383	17383
ii) Other Financial Asset	-		-
Current			
i) Investments	-		-
ii) Trade Receivables	-	-	-
iii) Cash and Cash Equivalents	54		54
iv) Bank Balances other than (iii) above	21397		21397
v) Other Financial Assets	103942		103942
Total	125393		142776
II) Financial Liabilities			
Non Current			
i) Borrowings	9307		9307
Current			
i) Trade Payables	3003		3003
ii) Other Financial Liabilities	6325		6325
Total	18635		18635

Fair value measurement hierarchy :

Fair value measurement hierarchy of the Company's financial assets and liabilities :

The categories/hierarchy used are as follows:

- Level 1: Quoted prices for identical instruments in an active market;
 - Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs; and
 - Level 3: Inputs which are not based on observable market data
- There are no such financial assets and liabilities in the Company which can be categorized as above.

Sensitivity Analysis:

Since the Company do not have any receivables/payables denominated in foreign currency at the end of the reporting period, there is no sensitivity to the market risk.

NOTE No. 28

Ultimate responsibility for liquidity risk management rest with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the company's short term, medium-term and long-term funding liquidity management requirements. The Company manages liquidity risk by continuously monitoring forecast and actual cash flow and by matching the maturity profiles of financial assets and liabilities. The Company also monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

NOTE No. 29

Ratios

RATIO	As at March 31, 2022	As at March 31, 2021	% Variance	Reasons for variance if more than 25%
a. Current ratio	7	13	-42.98	Increase in Trade Payable
b. Debt-equity ratio	0.17	0.07	129.82	Increase in LT Borrowing
c. Debt service coverage ratio	3.08	(12.72)	-124.24	Loss in previous year
d. Return on equity ratio	0.02	(0.11)	-118.12	Loss in previous year
e. Inventory turnover ratio	2.44	0.55	347.82	Increase in Inventory
f. Trade receivables turnover ratio	1.59	-	100.00	No receivable in last year
g. Trade payables turnover ratio	5.75	0.08	7,111.27	Increase in purchase
h. Net capital turnover ratio	0.28	-	100.00	No turnover in last year
i. Net profit ratio	0.09	-	100.00	No turnover in last year
j. Return on capital employed	0.03	(0.06)	-144.84	No turnover in last year
k. Return on investment	0.52	0.35	49.68	No turnover in last year

Definitions

a. Earning for available for debt service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortisations + Interest

b. Debt service = Interest Payment

c. Net credit sales = Net credit sales consist of gross credit sales

d. Average trade receivables = (Opening trade receivables balance + Closing trade receivables balance) / 2

e. Net credit purchases = Net credit purchases consist of gross credit expenses

f. Average trade payables = (Opening trade payables balance + Closing trade payables balance) / 2

g. Working capital = Current assets - Current liabilities.

h. Capital Employed = Tangible Net Worth + Total Debt

i. Return on Capital Employed = PBIT/CE

j. Net Capital Ratio = Revenue from operation / working capital

k. Net profit Ratio = Net Profit/Revenue From operation

l. ROI = Gain or loss on investment/Average investment

NOTE No. 30

OTHER STATUTORY INFORMATION

a. Company have not given any loans or advances to its promoters, directors or KMPs in the nature of loans.

b. The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.

c. The Company has not been declared wilful defaulter by any bank or financial institution or other lender during the year.

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

e. The Company does not have any charges which are yet to be registered or satisfied with ROC, Mumbai

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

ADDITIONAL DISCLOSURE

- a. Company has not revalued its plant and equipment during the current or previous financial year.
- b. Company has not borrowed from any bank or financial institution on the basis of security of Current assets.
- c. Company has not borrowed from any bank or financial institution.
- d. Company has not entered into any scheme or arrangement which has any accounting impact on current and previous financial year

UTILISATION OF BORROWED FUNDS AND SHARE PREMIUM

- i. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - a. 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
 - b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries
- ii. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether
 - a. 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
 - b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- iii. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year
- iv. The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 such as, search or survey or any other relevant provisions of the Income Tax Act, 1961
- v. The company has not filed any Quarterly financial statements with banks or financial institutions.

NOTE No. 31

Previous years figures have been regrouped/reclassified wherever necessary to correspond with the current year's classifications / disclosures.

For Koshal & Associates
Chartered Accountants
Firm number: 121233W

For and on behalf of the Board
MUZALI ARTS LIMITED
Formerly known as WELCON INTERNATIONAL LTD

sd/-

Proprietor: Koshal Maheshwari
Membership No. 043746
Place: Mumbai
Date : 30.05.2022

sd/-

FARHEEN MANSOORBHAI MURTUZA
Managing Director
DIN:08965752

sd/-

LALIT DAVE
Chief Financial Officer

INDEPENDENT AUDITORS' REPORT

To The Members of MUZALI ARTS LIMITED
(Formerly known as "Welcon International 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 (Formerly known as "Welcon International 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, 2022, 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 accompanying Consolidated Financial Statements include unaudited financial statements in respect of foreign subsidiary 'Jalan Jalan Inc' whose financial statements reflect total assets 1098.97 lacs as at March 31, 2022 and total revenue of Rs.990.96 lacs for the year ended on that date. The company has acquired controlling stake in above foreign subsidiary on 7th December, 2020 and accounted the assets, liabilities, income and expenses of subsidiary and consolidated, line by line, by the Holding Company to 31st March, 2022 on the basis of unaudited financial statements and unaudited financial information. The unaudited financial statements and other unaudited financial information have been approved and furnished to us by the management. As we have not received sufficient and appropriate evidence for audit and for consolidation in view of the 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.

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 misstatement 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 accompanying Consolidated Financial Statements include unaudited financial statements in respect of foreign subsidiary 'Jalan Jalan Inc' whose financial statements reflect total assets 1098.97 lacs as at March 31,2022 and total revenue of Rs.990.96 lacs for the year ended on that date . The company has acquired controlling stake in above foreign subsidiary on 7th December,2020 and accounted the assets, liabilities, income and expenses of subsidiary and consolidated, line by line, by the Holding Company to 31st March , 2022 on the basis of unaudited financial statements and unaudited financial information. The unaudited financial statements and other unaudited financial information have been approved and furnished to us by the management. As we have not received sufficient and appropriate evidence for audit and consolidation in view of the unaudited financial statements. We have issued disclaimer of opinion on the consolidated financial statements prepared by the management of Holding Company.

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 obtained 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, 2022 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

(g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirement of section 197(16) of the Act as amended

In our opinion and according to the information, the remuneration paid by the Group to its directors during the year is in the limits provided as per the provision of Section 197 of the Act. However, we are unable to determine whether requisite approvals mandated by the provisions complied by the group

(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, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(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;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatements. (Refer note no 33 of the consolidated financial statements)

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 Koshal & Associates
Chartered Accountants
Firm's registration number: 121233W

Sd/-
Koshal Maheshwari
Proprietor
Membership number: 043746
Place: Mumbai
Date: 30th May, 2022
UDIN: 22043746AJYCGM2779

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 (Formerly known as "Welcon international Limited") (" hereinafter referred to as "the Holding Company") as of 31 March 2022 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, 2022 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 Koshal & Associates

Chartered Accountants

Firm's registration number: 121233W

Sd/-

Koshal Maheshwari

Proprietor

Membership number: 043746

Place: Mumbai

Date: 30th May, 2022

UDIN: 22043746AJYCGM2779

MUZALI ARTS LIMITED
Formerly known as WELCON INTERNATIONAL LTD
CONSOLIDATED BALANCE SHEET AS AT 31st March, 2022

(Rs. In 000)

Particulars	Notes	As at 31st March, 2022	As at 31st March, 2021
Assets			
(1) Non-Current Assets			
(a) Property, plant and equipment	2	272	316
(b) Capital Work in Progress		753	96
(c) Financial assets			
(i) Investments	3	47,619	2,412
(ii) Loans			
(iii) Others			
(d) Non-current tax assets		-	
(e) Other non-current assets	4	2,615	2,591
(f) Financial Asset		-	-
(g) Deferred Tax Asset (Net)		-	-
Total Non-Current Assets		51,259	5,416
(2) Current Assets			
(a) Inventories	5	1,14,623	72,580
(b) Financial assets			-
(i) Trade receivables	6	578	-
(ii) Cash and cash equivalents	7	20,744	24,847
(iii) Loans	8	47,784	60,699
(c) Others Current Assets	9	38,121	44,708
Total Current Assets		2,21,850	2,02,834
Total Assets		2,73,108	2,08,250
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	10	74,756	48,698
(b) Other Equity	11	68,651	85,720
Total Equity		1,43,407	1,34,418
Non Controlling interest		4,273	5,376
Liabilities			
(1) Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	12	41,576	19,696
Total Non-Current Liabilities		41,576	19,696
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	13	49,552	27,036
(ii) Trade Payables	14	10,295	10,732
(iii) Other financial liabilities	15	8,922	1,594
(b) Other Current Liabilities	16	14,399	8,557
(c) Current Tax Liabilities (Net)	17	685	841
Total Current Liabilities		83,853	48,760
Total Equity and Liabilities		2,73,108	2,08,250
Summary of significant accounting policies	1	(0)	(0)
Notes to accounts	2-28		

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

For Koshal & Associates
Chartered Accountants
Firm number: 121233W

For and on behalf of the Board
MUZALI ARTS LIMITED
Formerly known as WELCON INTERNATIONAL LTD

sd/-
Proprietor: Koshal Maheshwari
Membership No. 043746
Place: Mumbai
Date : 30.05.2022

sd/-
FARHEEN MANSOORBHAI MURTUZA
Managing Director
DIN:08965752

sd/-
LALIT DAVE
(Chief Financial Officer)

MUZALI ARTS LIMITED
Formerly known as WELCON INTERNATIONAL LIMITED
Statement of Profit and Loss for the year ended 31st March, 2022

(Rs. In 000)

Particulars		Note No.	As at 31st March, 2022	As at 31st March, 2021
I)	Revenue From Operations	18	1,14,180	22,338
II)	Other Income	19	16,210	6,311
III)	Total Revenue (I+II)		1,30,390	28,650
IV)	Expenses :			
	Purchase of Stock-in-Trade	20	49,579	9,046
	Changes in Inventory of Finished goods, Work-in-Progress and Stock-in-Trade	21	(5,887)	(1,790)
	Employee Benefit expenses	22	35,167	12,256
	Finance Cost	23	3,416	1,061
	Depreciation and amortization Expenses		117	42
	Other Expenses	24	65,690	26,832
	Total Expenses (IV)		1,48,083	47,447
V)	Profit/(Loss) Before exceptional and tax (III-IV)		(17,693)	(18,798)
VI)	Exceptional Items		-	-
VII)	Profit/(Loss) Before Tax (V-VI)		(17,693)	(18,798)
VIII)	<u>Tax Expenses</u>		-	-
	i) Current Tax		457	-
	ii) Deferred Tax		-	-
IX)	Profit (Loss) from Continuing Operations (VII-VIII)		(18,151)	(18,798)
X)	Other Comprehensive income;			
	A (i) Items that will not be reclassified to profit or loss			
	- Equity Instruments through other comprehensive income		11,962	888
	B (i) Items that will be reclassified to profit or loss			
XI)	Total Comprehensive Income for the period (Comprising profit/ (loss) and other Comprehensive Income for the period (IX-X)		(6,189)	(17,910)
XII)	<u>Earnings per Equity Shares</u>	25		
	1) Basic		(0.35)	(0.60)
	2) Diluted		(0.35)	(0.52)
	Summary of significant accounting policies	1		
	Notes to accounts	2-28		

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

For Koshal & Associates
Chartered Accountants
Firm number: 121233W

For and on behalf of the Board
MUZALI ARTS LIMITED
Formerly known as WELCON INTERNATIONAL LTD

sd/-
Proprietor: Koshal Maheshwari
Membership No. 043746
Place: Mumbai
Date : 30.05.2022

sd/-
FARHEEN MANSOORBHAI MURTUZA
Managing Director
DIN:08965752

sd/-
(LALIT DAVE)
Chief Financial Officer

MUZALI ARTS LIMITED
Formerly known as WELCON INTERNATIONAL LTD
Cash Flow Statement for the year ended March 31, 2022

(Rs. In 000)

PARTICULARS	As at 31st March, 2022	As at 31st March, 2021
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit /(Loss) before tax	(17,576)	(22,124)
Adjustment for:-	-	-
Interest Income	(3,514)	(6,129)
Finance Cost	3,445	965
Depreciation	0	104
Written off	20	75
Foreign Currency exchange	(285)	135
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(17,910)	(26,974)
Movements in Working Capital :-		
(Increase)/decrease Trade and other receivables	(15,989)	2,164
Increase/(decrease) Trade Payables	5,120	(33,779)
Increase/(decrease) Other Current Liabilities	246	1,067
(Increase)/decrease in Inventories	(10,531)	(6,434)
(Increase)/decrease Others Current Assets	7,115	(41,764)
CASH GENERATED FROM OPERATIONS	(14,039)	(78,747)
Direct Taxes Paid	-	15
Last Year Direct Taxes Paid	-	(1,320)
I NET CASH FLOW FROM OPERATING ACTIVITIES	(14,039)	(80,052)
B CASH FLOW FROM INVESTING ACTIVITIES		
Loan Received / (Given) (NET)	13,040	51,181
Purchase of Fixed Assets	(729)	(455)
New Investments	(17,387)	(15,893)
Sale of Investments	-	1,913
Interest Received	3,514	6,438
Dividend Received	-	-
II NET CASH USED IN INVESTING ACTIVITIES	(1,561)	43,185
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	14,299	28,400
Cash received from securities premium	-	56,800
Loans Taken/ (Repaid) (Net)	50,111	(10,546)
Proceeds from issue of Equity warrants	-	6,293
Changes in OCI	(21,664)	-
Proceeds from Share Allotment Money	4,840	-
Interest Paid	(3,445)	(681)
III NET CASH USED IN FINANCING ACTIVITIES	44,140	80,267
NET INCREASE/(DECREASE) IN CASH OR CASH EQUIVALENTS (I + II + III)	(4,124)	16,425
Add:- CASH & CASH EQUIVALENTS AS AT BEGNNING	24,987	8,422
CLOSING BALANCE OF CASH & CASH EQUIVALENTS (Refer Note 7)	20,863	24,847
	-	-

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 Koshal & Associates
Chartered Accountants
Firm number: 121233W

For and on behalf of the Board
MUZALI ARTS LIMITED
Formerly known as WELCON INTERNATIONAL LTD

sd/-

Proprietor: Koshal Maheshwari
Membership No. 043746
Place: Mumbai
Date : 30.05.2022

sd/-

FARHEEN MANSOORBHAI MURTUZA
Managing Director
DIN:08965752

sd/-

(LALIT DAVE)
Chief Financial Officer

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Note 1: Significant accounting policies Background

Muzali Arts Limited (Formerly known as Welcon International Limited) (the company) is a public limited company and is listed on Bombay stock exchange. The registered office is located at B-44, Plot No. 3, Manav Mandir Road, Katol Road, Yerla, Nagpur 441501.

The company is engaged in activities of Trading and Manufacturing of furniture, Interior Designing and Land Landscape development business.

a. Basis of preparation

(i) Compliance with Ind AS

The company has prepared financial statements for the year ended March 31, 2020 in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act), Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act together with comparative period data as at and for the year ended March 31, 2022.

(ii) Historical Cost Convention

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

(iii) Current versus Non-Current Classification

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and services and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current non – current classification of assets and liabilities.

b. Functional and currency presentation of currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian Rupee, which is the Company's functional and presentation currency. All amounts are rounded off to the nearest rupees in lakhs.

c. Segment Reporting

Ind AS 108 Operating Segments requires Management to determine reportable segments for the purpose of disclosure in financial statements based on internal reporting reviewed by the Chief Operating Decision Maker (CODM) to assess performance and allocate resources. The standard also requires Management to make judgments with respect to aggregation of certain operating segments into one or more reportable segments.

The Company has determined that the Chief Operating Decision Maker (CODM) is the Board of Directors (BOD), based on its internal reporting structure and functions of BOD. The Operating

Segment used to present segment information identified based on the internal reports used and reviewed by the BOD to assess performance and allocate resources. The Management has determined that Company's current business activity has only one reportable segment Property Owning and Leasing.

d. Revenue Recognition

(i) Sale of Goods

Revenue from sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated cost can be estimated reliably, there is no continuing effective control or managerial involvement with the

goods, and the amount of revenue can be measured reliably.

(ii) Sale of Services

Revenue is recognized only when evidence of an arrangement is obtained and the other criteria to support revenue recognition are met, including the price is fixed or determinable, services have been rendered and collectability of the resulting receivables is reasonably assured. Revenue is reported net of discounts and indirect taxes.

(iii) interest Income

Interest Income from a Financial Assets is recognised using effective interest rate method.

(iv) Dividend Income

Dividend Income is recognised when the Company's right to receive the amount established which is generally when shareholder approves the dividend and it probable that economic benefit associated with the dividend will flow to the company and the amount of dividend can be measured reliably.

e. Inventories

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase, cost of conversion and other overheads net of recoverable taxes incurred in bringing them to their respective present location and condition.

f. Tax Expense

The tax expense for the period comprises current tax and deferred income tax. Tax is recognized in the statement of income except to the extent it relates to items directly recognized in equity or in other comprehensive income.

(i) Current Tax:

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

(ii) Deferred Tax:

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, and deferred tax assets are recognised for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxation authority.

Deferred tax assets pertaining to unabsorbed depreciation or carry forward of losses under tax laws is recognized only to the extent that there is virtual certainty supported by convincing evidence that future taxable income will be available against which such deferred tax assets can be realized. In all other cases, recognition of deferred tax asset is based on reasonable certainty instead of virtual certainty.

Deferred tax assets are reviewed for the appropriateness of their respective carrying amounts at each Balance Sheet date.

At each reporting date, the Company re-assesses unrecognised deferred tax assets. It recognises previously unrecognised deferred tax assets to the extent that it has become probable that future taxable profit allow deferred tax assets to be recovered.

g. Impairment of assets

The carrying amounts of assets are reviewed at each balance sheet date for any indication of impairment based on internal / external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of a) fair value of assets less cost of disposal and b) its value in use. Value in use is the present value of future cash flows expected to derive from an asset or Cash-Generating Unit (CGU).

Based on the assessment done at each balance sheet date, recognised impairment loss is further provided or reversed depending on changes in circumstances. After recognition of impairment loss or reversal of impairment loss as applicable, the depreciation charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life. If the conditions leading to recognition of impairment losses no longer exist or have decreased, impairment losses recognised are reversed to the extent it does not exceed the carrying amount that would have been determined after considering depreciation / amortisation had no impairment loss been recognised in earlier years.

Non-financial Assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

h. Cash and cash equivalents

For the purposes of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, in banks and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of change in value.

i. Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment, if any.

j. Financial Instruments

i) Financial Assets

A. Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss transaction costs that are attributable to the acquisition of the financial asset. Purchase and sale of financial assets are recognised using trade date accounting.

B. Subsequent measurement

a) Financial assets carried at amortised cost (AC)

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset 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.

b) Financial assets at fair value through other comprehensive income (FVOCI)

A financial asset is measured at FVOCI if it 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.

c) Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL.

C. Other Equity Investments

All other equity investments are measured at fair value, with value changes recognised for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

D. Impairment of financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in profit or loss.

(ii) Financial liabilities

A. Initial recognition and measurement

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

B. Subsequent measurement

(i) Trade and other payables:

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(ii) Loans and borrowings:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the Effective Interest Rate (EIR) amortisation process. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

k. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

l. Property, plant and equipment

(i) Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset. General and specific borrowing costs directly attributable to the construction of a qualifying asset, if any, are capitalized as part of the cost.

(ii) Transition to Ind AS

On transition to Ind AS, the Company has decided to continue with the carrying value of all its property, plant and equipment recognised as at April 1, 2016 as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

(iii) Depreciation

The Company depreciates property, plant and equipment on a Straight-Line basis as per the useful lives prescribed under Schedule II of the Companies Act, 2013. The assets residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate and where appropriate.

m. Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

n. Gratuity

No provision for gratuity has been made as no employee has put in qualifying period of service entitlement of this benefit

o. Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

p. Earnings per share

The basic earnings per share is computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share and also the weighted average number of equity shares which would have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period unless they have been issued at a later date.

q. Provisions, Contingent Liabilities and Contingent Assets

The Company recognizes a provision, when there is a present obligation as a result of past events, the settlement of which is probable to result in an outflow of resources and a reliable estimate can be made of the amount of obligation.

Contingent Liabilities are disclosed by way of a note to the financial statements after careful evaluation by the Company of the facts and legal aspects of the matters involved.

Contingent Assets are neither recognized nor disclosed.

r. Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to nearest rupee as per the requirement of Schedule III, unless otherwise stated.

CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Company's financial statements requires management to make judgment, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as and when management becomes aware of changes and circumstances surrounding the estimates.

Changes in the estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to financial statements.

Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed below:

- Recognition of deferred tax asset: availability of future taxable profit
- Recoverability of trade receivable
- Recognition and measurements of provision and contingencies: key assumption of the livelihood and magnitude of an outflow of resources.
- Impairments of Non-Financial Assets
- Impairments of Financial Assets

MUZALI ARTS LIMITED

Formerly known as WELCON INTERNATIONAL LTD

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(Rs. In 000)

SR. No.	PARTICULARS	Usefull Life	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
			Deemed COST 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 31.03.2021
1	Building Shed	30.00	89	72	-	161	-	15	-	15	147	89
2	CCTV Cameras	5.00	21	-	-	21	-	9	-	9	11	21
3	Mobile Handsets	5.00	207	-	-	207	-	93	-	93	114	207
	TOTAL		316	72	-	389	-	117	-	117	272	316
Previous Year Figure			431	-	-	431	360	15	5	370	-	72

MUZALI ARTS LIMITED

Formerly known as WELCON INTERNATIONAL LTD

RMING PART OF FINANCIAL STATEMENTS FOR THE YEAR 31st Ma

(Rs. In 000)

PARTICULARS		As at 31st March, 2022	As at 31st March, 2021
NOTE # 3			
Non - Current Investment			
Investments carried at Fair Value Through Other Comprehensive Income (FVOCI)			
INVESTMENTS IN EQUITY INSTRUMENTS - QUOTED(fully paid up) :			
East West Holding Limited	1,00,000	866.00	-
Amaze Entertech Limited	1,17,297	13958.34	-
Trio Mercantile & Trading Ltd	33,04,330	6839.96	2,548
		0.00	-
		21,664	2,548
UNQUOTED : at cost			
In equity shares of subsidiary company		25,955	-
Jalan Jalan Collection Inc.			
TOTAL INVESTMENTS		47,619	2,548
Agreegate of Quoted Investment & market value thereof		21664	2,548
Agreegate of Un-Quoted Investment		25955	-
Less : Investment in Foreign Subsidiary			-
Agreegate of Un-Quoted Investment		25955	-

NOTE # 4			
Non Current Assets			
Security Deposits		2615.20	2,591
		2,615	2,591
In assessing the realizability of deferred income tax assets, management considers whether some portion or all of deferred income tax assets will not be reliazed. 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.			

NOTE # 5			
Inventories			
Stock in Trade		1,14,623	72,580
			-
		1,14,623	72,580

NOTE # 6			
Trade Receivables (Unsecured, Considered good)			
- Current Trade Receivable		17295	-
Less: Allowance for Bad & Doubtful Debts			-
		17,295	-
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.			

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	

(i) Undisputed Trade receivables – considered good	7153	10142	0	0	17295
(ii) Undisputed Trade Receivables – considered doubtful					
(iii) Disputed Trade Receivables considered good					
(iv) Disputed Trade Receivables considered doubtful					
(iv) Disputed dues - Others					

NOTE # 7

Cash and Cash Equivalents

Balances with Bank

-in Current accounts	20,329	22,094
-deposits with maturity of less than 3 months	-	76

Cash on Hand	414	2,676
	20,744	24,847

NOTE # 8

Current Loans

(Unsecured, Considered good)

Demand Loan : Others

- Intercompany Deposit	814	6,717
- Others	46,970	53,982
	47,784	60,699

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.

NOTE # 9

Other Current Assets

Advances other than capital advances

Security Deposits	25	100
Duties & Taxes - GST (Net)	2,155	941
Advance to Supplier	7,224	42,202
Advance to Related Party	28,717	1,465
	9,404	44,708

Note - 10 Share Capital

PARTICULAR	As at 31st March, 2022	As at 31st March, 2021
Authorized Capital		
5,00,00,000 equity shares of Rs. 1/- each (5,00,00,000 and 5,00,00,000 Equity Shares of Re. 1/- each and Re. 1/-each at March 31, 2020 and March 31, 2019 respectively)	50,000	50,000
<u>Issued, Subscribed & Fully Paid - up</u>		
2,02,98,000 Equity Shares of Rs 1/- each (2,02,98,000 and 2,02,98,000 Equity Shares of Re. 1/- each and Re. 1/-each at March 31, 2020 and March 31, 2019 respectively)	20,298	20,298
<u>Issued, Subscribed & Fully Paid - up</u>		
2,52,00,000 Equity Shares of Rs 1/- each (2,52,00,000 and 2,52,00,000 Equity Shares of Re. 1/- each and Re. 1/-each at March 31, 2021)	25,200	25,200

<u>Issued, Subscribed & Fully Paid - up</u> 32,00,000 Equity Shares of Rs 1/- each (32,00,000 and 32,00,000 Equity Shares of Re. 1/- each and Re. 1/-each at March 31, 2021)	3,200	3,200
<u>Issued, Subscribed & Fully Paid - up</u> 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)	2,150	-
	50,848	48,698

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

	No of Shares	Amount
At the beginning of the year	48,698	48,698
Issued during the Year	2,150	-
Less Forfeited During the Year	-	-
Outstanding at the end of the year	50,848	48,698

(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

NIL

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

Name of the Shareholders	As at 31st March, 2022		As at 31st March, 2021	
	%	No of Shares	%	No of Shares
Farheen Murtuza Mansoorbhai	13.29	70,442	11.18	5,444
Mansoorbhai Murtuza	13.29	70,440	11.18	5,444

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

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Amount in USD	Amount in INR	Amount in USD	Amount in INR
Opening Capital	1	76	1	73
Fresh issue of Shares to Muzali Arts	250	19,065	100	7,324
Fresh issue of Shares to Bruce Platt`	62.50	4,766	25	1,831
	314	23,908	126	9,228
Total		23,908		9,228

Promoter name	Share held by promoters at the end of the year 31st March 2021		Share held by promoters at the end of the year 31st March 2020		% change of during the year
	No. of Shares	% held	No of Shares	% held	
Farheen Murtuza Mansoorbhai	5,444	11.18	0	0	11.18

Mansoorbhai Murtuza	5,444	11.18	0	-	11.18
Total	10,888	22.36	0	0	22.36

In Foreign Subsidiary at the end of the year 31st March 2021

	As at 31st March, 2021		As at 31st March, 2020	
Particulars	Amount in USD	Amount in INR	Amount in USD	Amount in INR
Opening Capital	1	73	-	-
Fresh issue of Shares to Muzali Arts	100	7,324	-	-
Fresh issue of Shares to Bruce Platt`	25	1,831	-	-
	126	9,228	-	-
Total		9,228	-	-

NOTE # 11		
Other Equity		
(a) RESERVES & SURPLUS		
(I) Security Premium		
Opening Balance	56,800	
During the year addition	7,753	56,800
Closing Balance	64,553	56,800
(II) General Reserve		
As per last Balance Sheet	10,136	10,136
Addition during the year		-
	10,136	10,136
(III) Retained Earnings		
As per last Balance Sheet	24,351	45,746
Add: Profit for the year	(18,436)	(18,856)
Less : Allocations & Appropriations		-
Less : Previous Year Tax		-
Transfer to Reserves		
	5,915	26,890
(b) Equity Instruments through Other Comprehensive Income		
Opening Balance	(395)	119
During the year addition	11,962	888
Deletion During the year	20,859	1,402
Closing Balance	(9,292)	(395)
(c) Equity Warrant		
Opening Balance	6,675	-
During the year deletion	9,903	-
During the year addition	4,840	6,675
Closing Balance	1,613	6,675
	72,924	1,00,106

NOTE # 12		
Non Current - Long Term Borrowings		
Unsecured		
Demand Loans	41575.58	19,696
	41,576	19,696

NOTE # 13		
Current - Long Term Borrowings		
Unsecured		
Demand Loans	49552	27036
	49,552	27,036

NOTE # 14		
Trade Payables		
Current Trade payables	27012	10732
	27,012	10,732
i. Total outstanding dues of micro enterprises and small enterprises		-
ii. Total outstanding dues of creditors other than micro enterprises and small enterprises*	27,012	10,732
<p>*Disclosure in relation to Micro and Small enterprises 'Suppliers' as defined in the Micro, Small and Medium Enterprises Development Act, 2006 ('Act').</p> <p>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.</p> <p>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.</p>		

For the Year 2022

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i)MSME					
(ii)Others	27,012	-			27,711
(iii) Disputed dues – MSME					
(iv) Disputed dues - Others					

For the Year 2021

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i)MSME					
(ii)Others	10,732	-			10,732
(iii) Disputed dues – MSME					
(iv) Disputed dues - Others					

NOTE # 15

OTHER FINANCIAL LIABILITIES

Unsecured

Bank of America	3362	1194
Amex 3-15004	3414	345
Regions Bank 1979	2140	56
Regions Now Prepaid Card	6	0
	0	0
	8922	1,594

NOTE # 16		
Other Current Liabilities		
Other Payables		
Statutory Dues	9406	325
Deposit Towards Projects	0	5000
Creditors for Expenses payable	4993	3232
	0	0
	14399.43	8,557

NOTE # 17		
<u>Current Tax Liabilities</u>		
Income Tax (Net)	685	841
	685	841

<p style="text-align: center;">MUZALI ARTS LIMITED Formerly known as WELCON INTERNATIONAL LTD</p>		
<p style="text-align: center;">NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2022 (Rs. In 000)</p>		
PARTICULARS	As at 31st March, 2022	As at 31st March, 2021
Note -18		
Revenue From Operation		
Sale of Goods	1,14,180	22,338
Total In	11,41,79,782	22,338
Note -19		
Other Income		
Interest on Loan	3,478	6,074
Interest Income	36	149
Discount Received	63	9
Currency Exchange Loss in Investment	-	-135
Miscellaneous Income	91	208
EIDL SBA-Exempt Grant income		
PPP SBA-Exempt Grant income		
ERC Tax refund		
Other Income		
Duty Drawback received	210	0
Sales Discount	-	0
Collection Allowance	20	7
Total In	3,897	6,311
Note -20		
Purchase of Stock in Trade	49,579	9,046
Total In	49,579	9,046
Note -21 Change in inventories2		
Opening Stock	4,173	2,383
Closing stock	10,060	4,173
Total In	(5,887)	(1,790)
Note - 22		
Employee Benefit Expenses		
Salaries to Employees	7,151	2,696
Provident Fund Exp	206	0
Pension Plan Exp	-	0
Staff Welfare Expenses	-	85
Salaries Officer	10,520	3,941
Salaries Regular	15,033	4,854
Taxes and Payrolls	2,174	679
Total In	35,085	12,256
Note - 23		
Finance Cost		
Interest on Loan	3,416	1,061
Total In	3,416	1,061
Note -24		
Other Expenses		
Payment to Auditors-		
as Statutory Auditor	100	49
as Income Tax Auditor	-	0
Others :	-	0
Advertising and Marketing	757	117
AGM Expenses	-	14
Bad Debts	-	0
Bank Charges	-	0
Book & Periodicals	-	0

Battery Charges	9	0
Foreign Currency Exchange loss	-	0
Automobile Expenses	1,447	610
Bad Debts	749	8,808
Bank Charges	343	112
Book & Periodicals	-	5
BSE Listing Fees	300	530
CDSL fees	64	38
Caning Job Work	90	0
CHA Agencies Charges	117	0
Commission	559	37
Crane Services	5	0
Computer Service	914	228
Drill Machine Charges	2	0
Cousion Work Exp	180	0
Curior Expenses	-	40
Conveyance Exp	108	30
Credit card Processing	2,282	796
Curior Expenses	28	0
De Minimis Asset Exp	149	0
Demat Charges	1	1
Design Consultation	150	0
Director Sitting Fees	132	121
Dues & Subscriptions	47	0
Electricity Expenses	172	133
Email Renewal Exp	3	0
Export Insurance	24	0
EPCH liecense fees	16	0
Food Exp	5	0
Equipment Rental	121	0
Fabric	171	26
Freight and Dilivery Expenses	4,663	0
Furniture Making Charges	556	0
Hardware Material (Refinishing)	453	0
Gifts	150	0
Health Insurance	2,869	839
Interest on Shivkrupa Machinery Loan	-	0
Insurance	1,552	460
Interest on TDS	1	12
Internet Expenses	83	8
Labour Expenses	766	15
Late Payment Charges	13	6
Loss on sale of shares	62	0
Licence and Permits	543	54
MCA Fees	8	112
Meals	855	102
Miscellaneous	7	170
Moving and Storage	1,519	0
NSDL Fees	54	138
Office Expenses	530	259
Loading Charges	3	1,093
Packing Material	91	93
Penalty Charges	14	0
Petrol Charges	29	0
PF Administration Charges	2	0
Parking Tolls	51	20
Pest Control	5	0
Photography Expenses	11	33
Postage and Delivery	9	8
Printing And Stationery	2	66
Professional fees	4,994	1,950
Professional Tax	3	3
Refinishing & Furniture Repairs	1,359	365
ROC Expense	6	0
Rent	22,620	7,095

Repairs and Maintenance	634	255
Round off	0	0
Retrun/ Refunds	16	0
RTA Fees	89	96
Security and Alarm	82	39
Shipping Charges	440	0
Service and Installation Charges	-	2
Share Transfer Agent Fees	-	8
Speculation Loss	-	0
Stamp Duty	0	3
Subcontracted work	5,619	184
Telecommunication	764	237
Transaction Charges	1	65
Transportation Charges	222	0
Travel	1,687	379
Uniform	150	0
Utilities	376	46
Warehouse Rent	1,200	300
Water,Sewer and Waste Management	955	223
Website Expenses	-	259
Wharehouse supplies	508	0
Written Off	20	137
Pest Control		3
Total In	65,690	26,832

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 Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following data reflects the inputs to calculation of basic and diluted EPS

Particulars	As at 31.03.2022	As at 31.03.2021
Net Profit after tax attributable to equity holders	1,30,242	(18,798)
	1,30,242	(18,798)
Weighted average no of equity shares outstanding	50,848	31,483
Weighted average no of equity shares outstanding	50,848	36,439
Face value of Equity Share (INR)	1.00	1.00
Basic	2.56	(0.60)
Diluted	2.56	(0.52)