TI SUBSIDIARIES FINANCIALS 2021-22

1. Prag Distillery (P) Ltd.
2. Vahni Distilleries Private Limited
3. PunjabExpo Breweries Private Limited
4. Kesarval Springs Distillers Pvt. Ltd.
5. Mykingdom Ventures Pvt. Ltd.
6. Studd Projects P. Ltd.
7. Srirampur Grains Private Limited
8. Shivprabha Sugars Ltd.

INDEPENDENT AUDITOR'S REPORT

To the Members of **PRAG DISTILLERY PRIVATE LIMITED**

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of **Prag Distillery Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in basis for qualified opinion paragraph below the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the 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 Loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

1. We draw attention to note no. 34 of the Financial Statements which states that the Company has incurred capital expenditure of Rs. 10,021.69 lacs as at March 31, 2022 on expansion project ('the Project') grouped under the head capital work in progress. Work on the said project has been suspended and has not been completed since many years. Further the Building, Plant and Equipment aggregating Rs 804.75 lacs has remained idle due to shut down of the Plant. The Company has not tested the said project, Building, Plant and Equipment ('Tangible assets') for impairment loss as per Ind AS 36 - Impairment of Assets. In absence of sufficient audit evidence, we were unable to determine the amount of impairment in the value of project and Tangible assets.

2. We draw attention to note no. 35 of the financial statements which states that there are unsecured overdue trade receivables of Rs 586.55 lakhs from Andhra Pradesh Beverage Corporation Ltd and unsecured advances given to suppliers of Rs 210.99 which are long overdue and doubtful of recovery. The management has not considered any provision for allowance on doubtful trade receivables (expected credit loss) and advances though it is long overdue. In absence of sufficient appropriate audit evidence and balance confirmations, we are unable to verify the recoverability amount of the trade receivables and advances.

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

Material Uncertainty Related to Going Concern

We draw attention to note no. 34 in the financial statements which states that the Company has been referred to National Company Law Tribunal for Corporate Insolvency Resolution Process (CIRP) under the provisions of Insolvency and Bankruptcy Code 2016 (the Code) and the Board of Directors of the Company have been suspended. Further the Company net worth has been fully eroded as at March 31, 2022 and as of that date the business has ceased completely. The uncertainty of the outcome of the NCLT proceedings and other events as mentioned above, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Our opinion is not modified in respect of this matter.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

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

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

When we are made available the Board report, if we conclude that there is a material misstatement therein of this other information, we are required to report that fact with those charged with governance.

Management's Responsibility for the Financial Statements

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

In preparing the financial statements, 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 responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, based on our audit 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) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, 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 including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

d) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) The matter described in Basis for Qualified opinion and Material uncertainty related to Going Concern section above, in our opinion, may have an adverse effect on the functioning of the Company.

f) On the basis of the written representations received from the directors as on 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.

g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.

h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

i) In our opinion and according to the information and explanations given to us, the Company has not paid any remuneration to its directors during the year under the provisions of section 197 read with schedule V of the Act.

j) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position as at March 31, 2022 - Refer note 27 of the financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company.

iv. (a) The management has represented that, to the best of its knowledge and belief, no funds 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 persons or entities, 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 has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities (“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; and

(c) Based on audit procedures performed, nothing has come to our attention that causes us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided in (a) and (b) above, contain any material misstatement.

v. The Company has not declared or paid any dividend during the year.

For BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Reg. No.101048W

Paresh Chokshi
Partner
Membership No. 033597

Place: Mumbai
Date: May 28, 2022
ICAI UDIN: 22033597AJVHVZ4215

Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended March 31, 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 has maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular programme of physical verification of its Property, Plant and Equipment by which all items of Property, Plant and Equipment are verified once in every three years. All fixed assets were physically verified by the management in the earlier years in accordance with the planned programme, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.

(c) With respect to immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment, capital work-in progress, according to the information and explanations given to us and based on the examination of the registered sale deed / title deed provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date.

(d) The Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year. Accordingly, paragraph 3(i)(d) of the Order is not applicable.

(e) According to the information and explanations given to us, no proceedings have been initiated during the year or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) (a) The management has conducted physical verification of inventory during the year. In our opinion, with regards to the nature and size of its inventories, the coverage and procedure of such physical verification carried out during the year were appropriate. Discrepancies noted during such physical verification were less than 10% of respective inventory classes. All discrepancies noted during the year were properly dealt with in the books of account.

(b) During the year, the Company did not have any sanctioned working capital limits in excess of five crore rupees, in aggregate, from any banks on the basis of security of its current assets. Accordingly, paragraph 3(ii)(b) of the Order is not applicable.

(iii) During the year, the Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, paragraph 3(iii) of the Order is not applicable.

(iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, made investments or given guarantees in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable. Accordingly, reporting under paragraph 3(iv) of the Order is not applicable.

(v) According to information and explanations given to us, the Company has not accepted any deposits from the public in accordance with the provisions of section 73 to 76 or any relevant provisions of the Act and rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable.

(vi) To the best of our knowledge and as explained the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the products of the Company.

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

According to the information and explanations given to us, no undisputed statutory dues referred above were in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us by the Company and on the basis of our examination of the books of account and the record, there are no dues of Goods and service tax, Income tax, Duty of Customs, Duty of Excise and Value added tax outstanding on account of any dispute except for Sales Tax and service tax as stated below:

Name of the statute	Nature of dues	Amount (Rs. In lakhs)*	Period to which the amount relates (Financial Year)	Forum where dispute is pending
The Finance Act, 1994	Service Tax	67.35	2015-2017	Joint Commissioner (Appeals)
Sales Tax Rules	CST (AP)	0.09	2014-2015	Dy. Commissioner (Appeals)
Sales Tax Rules	CST (AP)	0.03	2015-2016	Dy. Commissioner (Appeals)

As represented by Management.

(viii) According to the information and explanations given to us, no transactions have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which was not recorded in the books of account. Accordingly, paragraph 3(viii) of the Order is not applicable.

(ix) (a) According to the information and explanations given to us and on the basis of our audit procedures, the Company has taken unsecured demand loans from its Parent Company during the year and in the earlier years. Since there are no terms and conditions or any repayment schedule of the loan taken, we are unable to comment whether there is any default in repayment of principal. No interest has been paid on the Loan.

(b) According to the information and explanations given to us and on the basis of our audit procedures, the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) According to the information and explanations given to us and based on our examination of the records of the Company, no term loans were obtained or utilised during the year by the Company. Accordingly, paragraph 3(ix)(c) of the Order is not applicable.

(d) In our opinion and according to the information and explanations given to us and based on the audit procedures performed by us, no funds have been raised on short term basis by the Company.

(e) According to the information and explanations given to us and based on the audit procedures performed by us, the Company does not have any subsidiaries, joint ventures or associate companies. Accordingly, paragraph 3(ix)(e) of the Order is not applicable.

(f) According to the information and explanations given to us and based on the audit procedures performed by us, the Company does not have any subsidiaries, joint ventures or associate companies. Accordingly, paragraph 3(ix)(f) of the Order is not applicable.

(x) (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, paragraph 3(ix)(a) of the Order is not applicable.

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

(xi) (a) According to the information and explanations given to us, no fraud by the company or any fraud on the company has been noticed or reported during the year.

(b) According to the information and explanations given to us and based on the audit procedures performed by us, no report under sub-section (12) of section 143 of the Companies Act in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was filed with the Central Government during the year or upto the date of the Report.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a 'nidhi' company and it has not accepted any deposits. Accordingly, paragraph 3(xii)(a), paragraph 3(xii)(b) and paragraph 3(xii)(c) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on the audit procedures performed by us, transactions with the related parties during the year were in compliance with sections 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards. Provisions of Section 177 of the Act are not applicable to the Company.

(xiv) (a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the company issued till date, for the period under audit.

(xv) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, provisions of section 192 of the Act and paragraph 3(xv) of the Order are not applicable.

(xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and based on audit procedures performed by us, the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year. Accordingly, paragraph 3(xvi)(b) of the Order is not applicable.

(c) In our opinion and according to the information and explanations given to us, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, paragraph 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations given to us, the Group (as defined the Core Investment Companies (Reserve Bank) Direction 2016) does not have any Core Investment Company ('CIC') as part of the Group. Accordingly, paragraph 3(xvi)(d) of the Order is not applicable.

(xvii) According to the information and explanations given to us and based on audit procedures performed by us, the Company has not incurred cash losses in the current financial year. The Company has incurred cash losses in the immediately preceding financial year of Rs 616.39 lakhs.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, paragraph 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, 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 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) (a) According to the information and explanations given to us and based on audit procedures performed by us, the Company was not required to spend any amount in terms of Section 135 of the Act during the year. Accordingly, second proviso to sub-section (5) of section 135 of the said Act and paragraph 3(xx)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and based on audit procedures performed by us, the Company did not have any ongoing project in terms of Section 135 of the Act during the year. Accordingly, provision of sub-section (6) of section 135 of the said Act and paragraph 3(xx)(b) of the Order is not applicable.

(xxi) This Report is issued on the standalone financial statements of the Company. Accordingly, paragraph 3(xxi) of the Order is not applicable.

For BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Reg. No.101048W

Paresh Chokshi
Partner
Membership No. 033597

Place: Mumbai
Date: May 28, 2022
ICAI UDIN: 22033597AJVHVZ4215

Annexure - B to the Auditors' Report
(referred to in paragraph 2(h) under 'Report on Other Legal and regulatory requirements' section of our report to the members of the Company of even date)

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

Opinion

We have audited the internal financial controls over financial reporting of **Prag Distillery Private Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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 March 31, 2022 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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 Ind AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s Internal Financial Controls system over Financial Reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's Internal Financial Control over Financial Reporting is a process designed to provide reasonable assurance regarding the reliability of Financial Reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted Accounting Principles. A company's Internal Financial Control over Financial Reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 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.

For BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Reg. No.101048W

Paresh Chokshi
Partner
Membership No. 033597

Place: Mumbai
Date: May 28, 2022
ICAI UDIN: 22033597AJVHVZ4215

PRAG DISTILLERY (P) LTD.

Balance Sheet as at March 31, 2022

(₹ in Lacs)

		Note No.	As at March 31, 2022	As at March 31, 2021
I	**ASSETS**			
	Non-Current Assets			
	Property, Plant and Equipment	2a	899.03	984.55
	Capital Work-In-Progress	2a(i)	10,021.69	10,010.03
	Other Intangible Assets	2b	0.52	0.52
	Financial Assets			
	Investments	3	0.30	0.30
	Other Financial Assets	4	274.55	267.99
	Deferred Tax Assets (Net)	25	-	-
	Other Non-Current Assets	5	92.30	92.30
	Non-Current Tax Assets (Net)	25.2	0.67	0.02
			11,289.06	**11,355.71**
	Current Assets			
	Inventories	6	67.87	67.87
	Financial Assets			
	Trade Receivables	7	624.67	624.67
	Cash and Cash Equivalents	8a	350.36	1,950.50
	Other Bank Balances	8b	14.54	22.03
	Other Financial Assets	4	-	-
	Other Current Assets	5	511.10	511.01
			1,568.54	**3,176.08**
	TOTAL ASSETS		**12,857.60**	**14,531.79**
II	**EQUITY AND LIABILITIES**			
	Equity			
	Equity Share Capital	9	368.10	368.10
	Other Equity	10	(369.74)	(975.34)
			(1.64)	**(607.24)**
	Liabilities			
	Non-Current Liabilities			
	Financial Liabilities			
	Borrowings	11	-	-
	Other Financial Liabilities	12	-	-
	Provisions	13	76.81	68.83
	Deferred Tax Liabilities (Net)	25	-	-
	Other Non-Current Liabilities	14	-	-
			76.81	**68.83**
	Current Liabilities			
	Financial Liabilities			
	Borrowings	11	9,164.38	11,006.45
	Trade Payables			
	Total outstanding dues of micro & small enterprises	15	264.93	319.66
	Total outstanding dues of creditors other than micro & small enterprises	15	675.36	1,183.17
	Other Financial Liabilities	12	2,675.52	2,558.74
	Provisions	13	2.17	2.17
	Other Current Liabilities	14	0.07	0.01
			12,782.43	**15,070.20**
	TOTAL EQUITY AND LIABILITIES		**12,857.60**	**14,531.79**
	Summary of significant accounting policies	1		
	The accompanying notes are an integral part of the financial statements	2-40		

As per our Report of even date annexed.

For and on behalf of the Suspended Board of Directors

For Batliboi & Purohit
Chartered Accountants
Firm Registration No. 101048W

Paresh Chokshi
Partner
Membership No. 033597

Amit Dahanukar
Member of Suspended Board of Directors
(DIN:00305636)

Dipti Mehta
Insolvency Professional
IBBI / IPA-002 / IP-N00134 / 2017-18 / 10350

Mrs. Shivani Amit Dahanukar
Member of Suspended Board of Directors
(DIN:00305503)

Place : Mumbai
Date : May 28, 2022

PRAG DISTILLERY (P) LTD.

Statement of Profit and Loss for the year ended March 31, 2022

(₹ in Lacs)

	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
INCOME			
Revenue from Operations			
Sale of products (Gross)	16	-	-
Other Operating Income	16.1	-	-
Other Income	17	101.40	3.54
Total Income		**101.40**	**3.54**
EXPENSES			
Cost of Materials Consumed	18	-	-
(Increase) / Decrease in Inventories	19	-	-
Employee Benefit Expense	20	178.17	-
Finance Cost	21	410.31	555.53
Depreciation	2	85.52	98.57
Other Expenses	22	144.50	64.40
Total Expenses		**818.50**	**718.50**
Profit/ (loss) before exceptional items and tax		**(717.10)**	**(714.96)**
Add/ (less) : Exceptional Items	37	1,321.51	-
Profit / (Loss) before tax		**604.41**	**(714.96)**
Less : Tax expense			
Taxes for earlier years		-	-
Total Tax Expense		**-**	**-**
Profit / (Loss) after tax		**604.41**	**(714.96)**
Other Comprehensive Income			
Items that will not be reclassified to Profit and Loss			
Remeasurement of defined benefit plans		1.19	-
Items that will be reclassified to Profit and Loss		-	-
Total Other Comprehensive Income (Loss)		**1.19**	**-**
Total Comprehensive Income for the year		**605.60**	**(714.96)**
Earnings Per Share (₹) Basic & Diluted	32	16.42	(19.42)
Significant accounting policies	1		
The accompanying notes are an integral part of the financial statements	2-40		

As per our Report of even date annexed.

For and on behalf of the Suspended Board of Directors

For Batliboi & Purohit
Chartered Accountants
Firm Registration No. 101048W

Paresh Chokshi
Partner
Membership No. 033597

Amit Dahanukar
Member of Suspended Board of Directors
(DIN:00305636)

Dipti Mehta
Insolvency Professional
IBBI / IPA-002 / IP-N00134 / 2017-18 / 10350

Place : Mumbai
Date : May 28, 2022

Mrs. Shivani Amit Dahanukar
Member of Suspended Board of Directors
(DIN:00305503)

PRAG DISTILLERY (P) LTD.

Statement of Cash Flow for the year ended March 31, 2022

(₹ in Lacs)

		Year Ended March 31, 2022		Year Ended March 31, 2021	
A)	**Cash flow from Operating activities**				
	Net profit before tax		**604.41**		**(714.96)**
	Adjustment for:				
	Depreciation	85.52		98.57	
	Sundry balance written back	-		-	
	Dividend Income	-		-	
	Finance Cost	410.31		555.53	
	Interest income	(8.32)	487.51	(3.54)	650.56
	Operating Profit before working capital changes		**1,091.92**		**(64.40)**
	Adjustment for:				
	(Decrease)/ Increase in trade payables, current liabilities, provisions and other financial liabilities	(436.51)		868.48	
	(Increase) / Decrease in loans and advances and other assets	(6.67)		2.00	
	(Increase) / Decrease in inventories	-		-	
	(Increase) / Decrease in trade receivables	-	(443.18)	-	870.48
	Direct taxes refund / (paid)		(0.65)		7.55
	Net Cash from Operating activities		**648.09**		**813.63**
B)	**Cash Flow from Investing activities**				
	Purchase of property, plant and equipment	(11.66)		-	
	(Increase) / Decrease in other bank balances	7.49		(0.39)	
	Dividend received	-		-	
	Interest Received	8.32		3.55	
	Net Cash from Investing Activities		**4.15**		**3.16**
C)	**Cash Flow from Financing activities**				
	Proceeds from borrowings including current maturities	1,944.14		-	
	Repayment of borrowings including current maturities	(3,786.21)		(818.15)	
	Interest paid	(410.31)		-	
	Net Cash from Financing Activities		**(2,252.38)**		**(818.15)**
	Net increase in Cash & Cash equivalents(A+B+C)		**(1,600.14)**		**(1.36)**
	Opening cash & cash equivalents		1,950.50		1,951.86
	Closing cash & cash equivalents		**350.36**		**1,950.50**
			0.00		-

Notes :

(₹ in Lacs)

		As at March 31, 2022	As at March 31, 2021
(a)	**Cash and cash equivalents comprises of**		
	i) Balances with Banks		
	In Current Accounts	320.43	1,922.60
	ii) Short-Term Bank Deposit (Maturity within 3 months)	29.20	27.85
	ii) Cash on Hand	0.73	0.05
		350.36	**1,950.50**

(₹ in Lacs)

		As at April 01, 2021	Cash Flow (net)	Non-cash changes (net)	As at March 31, 2022
(b)	**Change in liability arising from financing activities**				
	Borrowings	11,006.45	(2,252.38)	410.31	9,164.38

PRAG DISTILLERY (P) LTD.

Statement of Cash Flow for the year ended March 31, 2022

(c) During the year 2021-22, the repayment of Foreign currency loan have been paid by the holding company, Tilaknagar Industries Ltd.

(d) The above statement of cash flow have been prepared under the "Indirect Method" as set out in Ind AS 7, " Statement of cash flow ".

(e) Figures of previous year have been regrouped, reclassified and recast, wherever considered necessary.

As per our Report of even date annexed.

For Batliboi & Purohit
Chartered Accountants
Firm Registration No. 101048W

Paresh Chokshi
Partner
Membership No. 033597

Place : Mumbai
Date : May 28, 2022

For and on behalf of the Suspended Board of Directors

Amit Dahanukar
Member of Suspended Board of Directors
(DIN:00305636)

Dipti Mehta
Insolvency Professional
IBBI / IPA-002 / IP-N00134 / 2017-18 / 10350

Mrs. Shivani Amit Dahanukar
Member of Suspended Board of Directors
(DIN:00305503)

PRAG DISTILLERY (P) LTD.

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

A) Equity Share Capital *(₹ in Lacs)*

1) Current reporting period

Balance as at April 01, 2021	Changes in equity share capital due to prior period errors	Restated balance as at April 01,2021	Changes in equity share capital during the year	Balance as at March 31,2022
368.10	**-**	**368.10**	**-**	**368.10**

2) Previous reporting period

Balance as at April 01, 2020	Changes in equity share capital due to prior period errors	Restated balance as at April 01,2020	Changes in equity share capital during the year	Balance as at March 31,2021
368.10	**-**	**368.10**	**-**	**368.10**

B) Other Equity

1) Current Reporting Period

	Reserves and Surplus			Total
	Securities Premium Account	**Capital Reserve**	**Retained Earnings**	
Balance at the beginning of the current reporting period	835.00	-	**(1,810.34)**	**(975.34)**
Changes in Accounting Policies or prior period errors	-	-	-	-
Restated balances at the beginning of the current reporting period	835.00	-	(1,810.34)	(975.34)
Profit / (Loss) after tax	-	-	604.41	604.41
Remeasurement of defined benefit plans	-	-	1.19	1.19
Balance at the end of the current reporting period	**835.00**	**-**	**(1,204.74)**	**(369.74)**

2) Previous Reporting Period

	Reserves and Surplus			Total
	Securities Premium Account	**Capital Reserve**	**Retained Earnings**	
Balance at the beginning of the previous reporting period	835.00	-	(1,095.38)	(260.38)
Changes in Accounting Policies or prior period errors	-	-		-
Restated balances at the beginning of the previous reporting period	835.00	-	(1,095.38)	(260.38)
Profit / (Loss) after tax	-	-	(714.96)	(714.96)
Remeasurement of defined benefit plans	-	-	-	-
Balance at the end of the previous reporting period	**835.00**	**-**	**(1,810.34)**	**(975.34)**

As per our Report of even date annexed.

For and on behalf of the Suspended Board of Directors

For Batliboi & Purohit
Chartered Accountants
Firm Registration No. 101048W

Paresh Chokshi
Partner
Membership No. 033597

Amit Dahanukar
Member of Suspended Board of Directors
(DIN:00305636)

Dipti Mehta
Insolvency Professional
IBBI / IPA-002 / IP-N00134 / 2017-18 / 10350

Mrs. Shivani Amit Dahanukar
Member of Suspended Board of Directors
(DIN:00305503)

Place : Mumbai
Date : May 28, 2022

PRAG DISTILLERY (P) LTD.

Notes to Financial Statements for the year ended March 31, 2022

2 Property, Plant and Equipment

(₹ in Lacs)

	Gross Block				Depreciation / Amortisation				Net Block	
	As at April 01, 2021	Additions	Deductions	As at March 31, 2022	As at April 01, 2021	Deductions	For the year	As at March 31, 2022	As At March 31, 2022	As At March 31,2021
a) Property, Plant and Equipment										
Land	176.17	-	-	**176.17**	-	-	-	**-**	**176.17**	**176.17**
Buildings	715.63	-	-	**715.63**	330.73	-	22.26	**352.99**	**362.64**	**384.90**
Plant and Equipment	1,174.54	-	-	**1,174.54**	754.68	-	62.41	**817.09**	**357.46**	**419.87**
Furniture and Fixtures	4.53	-	-	**4.53**	4.28	-	0.02	**4.30**	**0.23**	**0.25**
Motor Vehicles	12.44	-	-	**12.44**	11.79	-	0.03	**11.82**	**0.62**	**0.65**
Office Equipment	4.98	-	-	**4.98**	4.73	-	0.01	**4.74**	**0.24**	**0.25**
Computers	25.92	-	-	**25.92**	23.74	-	0.79	**24.53**	**1.39**	**2.18**
Electrical Installations	5.87	-	-	**5.87**	5.58	-	-	**5.58**	**0.29**	**0.29**
Total Property, Plant and Equipment	**2,120.08**	**-**	**-**	**2,120.08**	**1,135.54**	**-**	**85.52**	**1,221.06**	**899.03**	**984.55**
b) Intangible Assets										
Software	10.40	-	-	**10.40**	9.88	-	-	**9.88**	**0.52**	**0.52**
Total Intangible Assets	**10.40**	**-**	**-**	**10.40**	**9.88**	**-**	**-**	**9.88**	**0.52**	**0.52**
Grand Total	**2,130.48**	**-**	**-**	**2,130.48**	**1,145.42**	**-**	**85.52**	**1,230.94**	**899.55**	**985.07**

Note: The title deeds of immovable properties are held in the name of the Company.

PRAG DISTILLERY (P) LTD.
Notes to Financial Statements for the year ended March 31, 2022

Property, Plant and Equipment (Previous Financial Year 2020-21) *(₹ in Lacs)*

	Gross Block				Depreciation / Amortisation				Net Block	
	As at April 01, 2020	Additions	Deductions	As at March 31, 2021	As at April 01, 2020	Deductions	For the year	As at March 31, 2021	As At March 31, 2021	As At March 31,2020
a) Property, Plant and Equipment										
Land	176.17	-	-	**176.17**	-	-	-	-	**176.17**	**176.17**
Buildings	715.63	-	-	**715.63**	308.47	-	22.26	**330.73**	**384.90**	**407.16**
Plant and Equipment	1,174.54	-	-	**1,174.54**	680.64	-	74.04	**754.68**	**419.87**	**493.90**
Furniture and Fixtures	4.53	-	-	**4.53**	4.24	-	0.04	**4.28**	**0.25**	**0.29**
Motor Vehicles	12.44	-	-	**12.44**	10.36	-	1.43	**11.79**	**0.65**	**2.08**
Office Equipment	4.98	-	-	**4.98**	4.73	-	-	**4.73**	**0.25**	**0.25**
Computers	25.92	-	-	**25.92**	22.94	-	0.80	**23.74**	**2.18**	**2.98**
Electrical Installations	5.87	-	-	**5.87**	5.58	-		**5.58**	**0.29**	**0.29**
Total Property, Plant and Equipment	**2,120.08**	**-**	**-**	**2,120.08**	**1,036.97**	**-**	**98.57**	**1,135.54**	**984.55**	**1,083.11**
b) Intangible Assets										
Software	10.40	-	-	**10.40**	9.88	-	-	**9.88**	**0.52**	**0.52**
Total Intangible Assets	**10.40**	**-**	**-**	**10.40**	**9.88**	**-**	**-**	**9.88**	**0.52**	**0.52**
Grand Total	**2,130.48**	**-**	**-**	**2,130.48**	**1,046.85**	**-**	**98.57**	**1,145.42**	**985.07**	**1,083.63**

Note: The title deeds of immovable properties are held in the name of the Company.

2a(i) Capital Work-in-Progress

	Year Ended, March 31,2022	Year Ended, March 31,2021
Opening Carrying value as at April 1	10,010.03	10,035.97
Additions/ Adjustments	11.66	(25.94)
Transfer to property , Plant and Equipment	-	-
Closing Carrying value	10,021.69	10,010.03

Ageing Schedule- Projects Temporarily suspended

As on March 31,2022

Particulars	Less than1 year	1-2 years	2-3 years	More than 3 years	Total
Project Progress	11.66	(25.94)	119.21	9,916.76	10,021.69
Total	**11.66**	**(25.94)**	**119.21**	**9,916.76**	**10,021.69**

Ageing Schedule
As on March 31,2021

Particulars	Less than1 year	1-2 years	2-3 years	More than 3 years	Total
Project Progress	(25.94)	119.21	88.23	9,828.53	10,010.03
Total	**(25.94)**	**119.21**	**88.23**	**9,828.53**	**10,010.03**

PRAG DISTILLERY (P) LTD.

Notes to Financial Statements for the year ended March 31, 2022

		As at March 31, 2022	As at March 31, 2021
			(₹ in Lacs)
3	**Non-Current Investments**		
	Investments measured at Fair Value through other comprehensive income (FVOCI)		
	Investment in Equity Instruments (Unquoted)		
	Equity shares of ₹ 10/- each		
	Shamrao Vithal Co-operative Bank Ltd.	0.30	0.30
		0.30	**0.30**
	Aggregate of unquoted investments	**0.30**	**0.30**
	Category wise Non-Current Investments		
	Financial Investments measured at Fair Value through other comprehensive income (FVOCI)	**0.30**	**0.30**

Notes to Financial Statements for the year ended March 31, 2022

(₹ in Lacs)

		Non-Current		Current	
		As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
4	**Other Financial Assets**				
	Term Bank Deposits (Maturity exceeding 12 months)	24.32	19.01	-	-
	Other Deposits	245.23	243.98	-	
	Other Advances	693.00	693.00	-	
		962.55	955.99	-	-
	Less : Allowance for doubtful deposits	(10.00)	(10.00)	-	-
	Less : Allowance for doubtful advances	(678.00)	(678.00)	-	-
		274.55	**267.99**	**-**	**-**

4.1 Movement in loss allowance for doubtful deposits is provided below :

Particulars	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Balance at the beginning of the year	**10.00**	**10.00**	-	-
Loss allowance (net)	-	-	-	-
Write off	-	-	-	-
Balance at the end of the year	**10.00**	**10.00**	**-**	**-**

4.2 Movement in loss allowance for doubtful advances is provided below :

Particulars	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Balance at the beginning of the year	**678.00**	**678.00**	-	-
Loss allowance (net)	-	-	-	-
Write off	-	-	-	-
Balance at the end of the year	**678.00**	**678.00**	**-**	**-**

		Non-Current		Current	
		As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
5	**Other Assets**				
	Unsecured, considered good				
	Balance with Government Authorities	92.30	92.30	0.11	-
	Advances to Suppliers	-	-	210.99	210.99
	Prepaid Expense	-	-	300.00	300.02
		92.30	**92.30**	**511.10**	**511.01**
6	**Inventories**				
	(At lower of cost and net realisable value)				
	Raw materials	-	-	34.61	34.61
	Stores, Spares and Packing Materials	-	-	14.12	14.12
	Work-In-Progress	-	-	19.14	19.14
	Finished goods	-	-	-	-
		-	**-**	**67.87**	**67.87**
7	**Trade Receivables**				
	Unsecured, considered good (Refer Note No 35)	-	-	586.55	586.55
	Hight Credit Risk	-	-	482.43	482.43
	Credit Impaired	-	-	-	-
		-	**-**	**1,068.98**	**1,068.98**
	Less: Expected Credit Loss	-	-	444.31	444.31
		-	**-**	**624.67**	**624.67**

(₹ in Lacs)

	Non-Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021

7.1 Movement in Expected Credit Loss for Trade Receivables is provided below :

Particulars	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Balance at the beginning of the year	-	-	**444.31**	**444.31**
Loss allowance (net)	-	-	-	-
Write off	-	-	-	-
Balance at the end of the year	-	-	**444.31**	**444.31**

Ageing Schedule (2021-2022)

Particulars	Outstanding for following periods from due date of payment							
	Unbilled	Not Due	Less than 6 months	6 months - 1 years	1-2 years	2-3 years	More than 3 years	Total Outstanding
(i) Undisputed Trade receivables – considered good	-	-	-	-	-	400.42	186.13	586.55
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-		482.43	482.43
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-			-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-			-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-			-
Subtotal	**-**	**-**	**-**	**-**	**-**	**400.42**	**668.56**	**1,068.98**
Less: Expected Credit Loss								444.31
Total								**624.67**

Ageing Schedule (2020-2021)

Particulars	Outstanding for following periods from due date of payment							
	Unbilled	Not Due	Less than 6 months	6 months - 1 years	1-2 years	2-3 years	More than 3 years	Total Outstanding
(i) Undisputed Trade receivables – considered good	-	-	-	-	-	586.55	-	586.55
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	482.43	482.43
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-		-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-		-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-		-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-		-
Subtotal	**-**	**-**	**-**	**-**	**-**	**586.55**	**482.43**	**1,068.98**
Less: Expected Credit Loss								444.31
Total								**624.67**

(₹ in Lacs)

	Non-Current		Current	
	As at March 31, 2022	**As at March 31, 2021**	**As at March 31, 2022**	**As at March 31, 2021**
8 Cash and Bank Balances				
a) Cash and Cash Equivalents				
i) Balances with Banks				
In Current Accounts	-	-	320.43	1,922.60
ii) Short-Term Bank Deposit (Maturity within 3 months)			29.20	27.85
ii) Cash on Hand	-	-	0.73	0.05
	-	**-**	**350.36**	**1,950.50**
b) Other Bank Balances				
Short-Term Bank Deposits (Maturity within 12 months)	-	-	14.54	22.03
	-	**-**	**364.90**	**1,972.53**

PRAG DISTILLERY (P) LTD.

Notes to Financial Statements for the year ended March 31, 2022

(₹ in Lacs)

	As at March 31, 2022	As at March 31, 2021
9 Equity Share Capital		
Authorised Shares		
5,000,000 equity shares of ₹ 10/- each (P.Y. 5,000,000 equity shares of ₹ 10/- each)	**500.00**	**500.00**
Issued, subscribed and paid up shares		
3,681,000 equity shares of ₹ 10/- each fully paid up (P.Y. 3,681,000 equity shares of ₹ 10/- each fully paid up)	368.10	368.10
	368.10	**368.10**

a) Reconciliation of the number of shares outstanding *Nos. in Lacs*

Number of equity shares at the beginning	36.81	36.81
Equity Shares issued during the period	-	-
Number of equity shares at the end	**36.81**	**36.81**

b) Terms / rights attached to equity shares

Each holder of equity share is entitled to one vote per share with a right to receive per share dividend by the Company, when declared. In the event of liquidation, the equity shareholders will be entitled to receive remaining assets of the Company after distribution of all preferential amounts in the proportion to the number of equity shares held by them.

c) Shares held by holding Company

Tilaknagar Industries Ltd.	36.81	36.81

d) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of equity shares	As a % of total holding	No. of equity shares	As a % of total holding
Tilaknagar Industries Ltd.	36.81	100.00	36.81	100.00
Total	**36.81**	**100.00**	**36.81**	**100.00**

e) Disclosures of Shareholding of Promoters - Shares held by the Promoters

	As at March 31, 2022		As at March 31, 2021	
Name of the shareholder	No. of equity shares	As a % of total holding	No. of equity shares	As a % of total holding
Tilaknagar Industries Ltd.	36.81	100.00	36.81	100.00
Total	**36.81**	**100.00**	**36.81**	**100.00**

PRAG DISTILLERY (P) LTD.

Notes to Financial Statements for the year ended March 31, 2022

10 Other Equity *(₹ in Lacs)*

a) Securities Premium Account		
Balance at the beginning and at the end of the year	**835.00**	**835.00**
b) Retained Earnings		
Balance at the beginning of the year	(1,810.34)	(1,095.38)
Add: Profit / (Loss) after tax for the year	604.41	(714.96)
Add: Remeasurement of defined benefit plans	1.19	-
Balance at the end of the year	**(1,204.74)**	**(1,810.34)**
	(369.74)	**(975.34)**

Footnote:

a) The amount received in excess of face value of the equity shares is recognised in Securities Premium. It is utilised in accordance with the provisions of section 52 of the Companies Act,2013.

b) Retained earnings are the profits that Company has earned till date less transfers to general reserve dividends or other distributions paid to shareholders. Retained earnings includes re-measurement loss / (gain) on defined benefit plans (net of taxes) that will not be reclassified to the Statement of Profit and Loss. Retained earnings is a free reserve available to the Company.

(₹ in Lacs)

	Non-Current As at March 31, 2022	Non-Current As at March 31, 2021	Current As at March 31, 2022	Current As at March 31, 2021
11 Borrowings				
Secured Loans				
Cash Credit (including working capital demand loan)	-	-	-	2,816.08
Current maturities of Term Loans- Foreign Currency Loan	-	-	-	970.13
Unsecured Loans				
Loan from Holding Company			9,164.38	7,220.24
	-	**-**	**9,164.38**	**11,006.45**

The loan from Holding company is repayable on demand.

	Non-Current As at March 31, 2022	Non-Current As at March 31, 2021	Current As at March 31, 2022	Current As at March 31, 2021
12 Other Financial Liabilities				
Payable for purchase of Fixed Assets	-	-	17.36	17.36
Employee dues	-	-	137.22	11.64
Other Payables				
Related Parties	-	-	2,276.34	2,276.34
Others	-	-	244.60	253.40
	-	**-**	**2,675.52**	**2,558.74**

(₹ in Lacs)

	Non-Current As at March 31, 2022	Non-Current As at March 31, 2021	Current As at March 31, 2022	Current As at March 31, 2021
13 Provisions				
Provision for Gratuity (Refer Note 28)	73.14	65.16	1.89	1.89
Provision for Leave Encashment	3.67	3.67	0.28	0.28
	76.81	**68.83**	**2.17**	**2.17**

	Non-Current As at March 31, 2022	Non-Current As at March 31, 2021	Current As at March 31, 2022	Current As at March 31, 2021
14 Other Liabilities				
Payable towards Statutory Liabilities	**-**	**-**	**0.07**	**0.01**
	-	**-**	**0.07**	**0.01**

Notes to Financial Statements for the year ended March 31, 2022

	Non-Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
15 Trade Payables				
Trade Payables (Refer Note No.31)				
Total outstanding dues of micro & small enterprises	-	-	264.93	319.66
Total outstanding dues of creditors other than micro & small enterprises	-	-	675.36	1,183.17
	-	**-**	**940.29**	**1,502.83**

Ageing Schedule (2021-2022)

Particulars	Outstanding for following periods from due date of payments						
	Unbilled	Not Due	Less than 1 years	1-2 years	2-3 years	More than 3 years	Total Outstanding
MSME	-	-	-	-	39.08	225.85	264.93
Others	-	-	0.69	2.55	45.08	627.04	675.36
Disputed Dues - Others	-	-	-	-	-	-	-
Disputed Dues - MSME	-	-	-	-	-	-	-
Total	**-**	**-**	**0.69**	**2.55**	**84.16**	**852.89**	**940.29**

Ageing Schedule (2020-2021)

Particulars	Outstanding for following periods from due date of payments						
	Unbilled	Not Due	Less than 1 years	1-2 years	2-3 years	More than 3 years	Total Outstanding
MSME	-	-	-	55.02	58.60	206.04	319.66
Others	-	-	2.55	97.96	61.97	1,020.69	1,183.17
Disputed Dues - Others	-	-	-	-	-	-	-
Disputed Dues - MSME	-	-	-	-	-	-	-
Total	**-**	**-**	**2.55**	**152.98**	**120.57**	**1,226.73**	**1,502.83**

PRAG DISTILLERY (P) LTD.

Notes to Financial Statements for the year ended March 31, 2022

(₹ in Lacs)

		Year ended March 31, 2022	Year ended March 31, 2021
16	**Revenue from Operations**		
	Revenue from contracts with customers		
	Sales of products	-	-
		-	**-**
	Reconciliation of Gross Revenue with Revenue from Contracts with Customers		
	Contract price	-	-
	Less:Discount/Demurrage	-	-
	Revenue recognised	**-**	**-**
16.1	**Other Operating Income**		
	Sale of by products, scrap and other income	-	-
		-	**-**
17	**Other Income**		
	Interest income	8.32	3.54
	Miscellaneous Receipts	43.93	-
	Provision no longer required - Write Back	49.15	-
		101.40	**3.54**

		Year ended March 31, 2022	Year ended March 31, 2021
18	**Cost of Materials Consumed**		
	i) Raw Material Consumption		
	Inventories at the beginning of the year	34.61	34.61
	Add: Purchases	-	-
	Less: Inventories at the end of the year	34.61	34.61
		-	**-**
	ii) Packing Materials & Consumables	-	-
		-	**-**
19	**(Increase) / Decrease in Inventories**		
	Inventories at the beginning of the year		
	i) Work-In-Progress	19.14	19.14
	ii) Finished goods	-	-
		19.14	**19.14**
	Less : Inventories at the end of the year		
	i) Work-In-Progress	19.14	19.14
	ii) Finished goods	-	-
		19.14	**19.14**
	(Increase) / Decrease in Inventories	**-**	**-**

PRAG DISTILLERY (P) LTD.

Notes to Financial Statements for the year ended March 31, 2022

(₹ in Lacs)

	Year ended March 31, 2022	Year ended March 31, 2021
20 Employee Benefit Expense		
Salaries, Wages and Bonus	169.00	-
Contribution to provident fund and family pension fund (Refer Note 28)	-	-
Staff welfare expenses	-	-
Gratuity (Refer Note 28)	9.17	-
	178.17	**-**
21 Finance Costs		
Interest on Term Loans	18.10	44.02
Interest on Cash Credits/ Working Capital Demand Loan	392.21	334.59
Others	-	176.92
	410.31	**555.53**
22 Other Expenses		
Power and fuel	5.23	4.77
Repairs & maintenance		
i) Plant & Equipment	-	0.01
ii) Buildings	-	-
iii) Others	0.27	-
Insurance	2.72	3.35
Legal and professional charges	39.11	42.69
Auditor's remuneration (Refer Note No.30)	2.10	1.18
Rates and taxes	91.06	0.35
Freight, transport charges & other expenses	0.04	-
Travelling and conveyance expenses	0.05	-
Printing and stationery	0.06	-
Communication expenses	0.02	0.06
Vehicle running expenses	0.08	0.03
Miscellaneous expenses	3.76	11.96
	144.50	**64.40**

23 Financial Instruments - Accounting classification and fair value measurements

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

b) The following methods and assumptions were used to estimate the fair value:

1) Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilties, short term loans from banks and other financial instruments approximate their carrying amounts largely due to the short term maturities of these instruments.

2) Financial instruments with fixed and variable interest rates are evaluated by the company based on parameters such as interest rate and individual credit worthiness of the counter party. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

c) The company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : Valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Valuation techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows the carrying amounts and fair values of financial assets and financials liabilities :

As at March 31, 2022 *(₹ in Lacs)*

	Carrying amount			
	FVOCI - Equity Instruments	**Financial assets - cost / amortised cost**	**Financial liabilities - cost / amortised cost**	**Total carrying amount**
Financial assets				
Investments	0.30	-	-	0.30
Trade Receivables	-	624.67	-	624.67
Cash and Cash Equivalents	-	350.36	-	350.36
Other Bank Balances	-	14.54	-	14.54
Other Financial Assets	-	274.55	-	274.55
	0.30	**1,264.12**	**-**	**1,264.42**
Financial liabilities				
Borrowings	-	-	9,164.38	9,164.38
Trade Payables	-	-	940.29	940.29
Other Financial Liabilities	-	-	2,675.52	2,675.52
	-	**-**	**12,780.19**	**12,780.19**

The Company has not disclosed the fair values for financial instruments such as investments, trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, borrowings, trade payables and financial liabilities because their carrying amounts are a reasonable approximation of fair value.

As at March 31, 2021 *(₹ in Lacs)*

	Carrying amount			
	FVOCI - Equity Instruments	**Financial assets - cost / amortised cost**	**Financial liabilities - cost / amortised cost**	**Total carrying amount**
Financial assets				
Investments	0.30	-	-	0.30
Trade Receivables	-	624.67	-	624.67
Cash and Cash Equivalents	-	1,950.50	-	1,950.50
Other Bank Balances	-	22.03	-	22.03
Other Financial Assets	-	267.99	-	267.99
	0.30	**2,865.19**	**-**	**2,865.49**
Financial liabilities				
Borrowings	-	-	11,006.45	11,006.45
Trade Payables	-	-	1,502.83	1,502.83
Other Financial Liabilities	-	-	2,558.74	2,558.74
	-	**-**	**15,068.02**	**15,068.02**

The Company has not disclosed the fair values for financial instruments such as investments, trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, borrowings, trade payables and financial liabilities because their carrying amounts are a reasonable approximation of fair value.

Fair Value Measurement Hierarchy :

(₹ in Lacs)

Particulars	**As at 31-03-2022**			**As at 31-03-2021**		
	Level 1	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Financial Asset	-	-	-	-	-	-
Non current Investments	-	-	0.30	-	-	0.30
Current Investment	-	-	-	-	-	-

24 Financial risk management

Objectives and policies

Risk management framework

The Company's management has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company conducts yearly risk assessment activities to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.
The Company has a system in place to ensure risk identification and ongoing periodic risk assessment is carried out. The Board of directors periodically monitors the risk assessment.

The Company has exposure to the following risks arising from financial instruments :
- Credit risk
- Liquidity risk
- Market risk
- Interest risk

a) Credit risk

Credit risk is the risk that counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The company generally doesn't have collateral.

The carrying amounts of financial assets represent the maximum credit risk exposure. The maximum exposure to credit risk at the reporting date is as follows :-

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables	624.67	624.67
Cash and cash equivalents	350.36	1,950.50
Other bank balances	14.54	22.03
Other financial assets	274.55	267.99
Total	**1,264.12**	**2,865.19**

Trade receivables

Customer credit risk is managed as per Company's established policy, procedures and control relating to customer credit risk management. Credit risk has always been managed by the Company through credit approvals, estabilishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business.
Trade Receivables of the Company mainly consist of receivables from the state corporations. In respect of receivable from the state corporations, there is no past history of credit loss from these parties. Hence, in the opinion of the management there is no credit loss on receivable from the state corporations.

An impairment analysis is performed for all major customers at each reporting date on an individual basis. In addition, a large number of minor receivables are grouped into homogenous group and assessed for impairment collectively. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several industries and operate in largely independent markets.

(₹ in Lacs)

	Contractual cash flows		
	Carrying amount	**Less than one year**	**More than 1 year**
As at March 31, 2022	624.67	624.67	-
As at March 31, 2021	624.67	624.67	-

Bank balances and deposits with banks

Credit risk from balances with banks is managed by the company's finance department as per Company's policy. Investment of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Board of directors. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

As at March 31, 2022 *(₹ in Lacs)*

	Contractual cash flows		
	Carrying amount	**Less than one year**	**More than 1 year**
Borrowings	9,164.38	9,164.38	-
Trade payables	940.29	940.29	-
Other financial liabilities	2,675.52	2,675.52	-
	12,780.19	**12,780.19**	**-**

As at March 31, 2021 *(₹ in Lacs)*

	Contractual cash flows		
	Carrying amount	**Less than one year**	**More than 1 year**
Borrowings	11,006.45	11,006.45	-
Trade payables	1,502.83	1,502.83	-
Other financial liabilities	2,558.74	2,558.74	-
	15,068.02	**15,068.02**	**-**

c) Market risk

Market risk is the risk of loss of future earnings, fair value or future cash flows arising out of change in the price of a financial instrument. These include change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowing.

The company manages market risk through a risk management committee engaged in, inter alia, evaluation and identification of risk factors with the object of governing / mitigation them accordingly to company's objectives and declared policies in specific context of impact thereof on various segments of financial instruments.

Currency risk

The Company is exposed to currency risk to the extent that there is mismatch between the currencies in which sales, purchase are denominated and the respective functional currencies of Company. The Company has export sales primarily denominated in US dollars.

(Nos in Lacs)

Exposure to currency risk

The Company's exposure to currency risk as reported to the management is as follows:

	As at March 31, 2022 USD	**As at March 31, 2021 USD**
Foreign currency Borrowings	-	(13.25)
Total	**-**	**(13.25)**

Foreign currency sensitivity

1% increase or decrease in foreign exchange rates will have the following impact on profit before tax:

(₹ in Lacs)

	As at March 31, 2022	**As at March 31, 2021**
Increase / (decrease) in profit	-	(9.70)
Total increase / (decrease) in profit	**-**	**(9.70)**

A 1% increase in foreign exchange rates at the reporting date would have had equal but opposite effect on the amounts shown above, on the basis that all other variable remain constant.

d) Interest risk

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. The entity's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments is as follows:

(₹ in Lacs)

	As at March 31, 2022	As at March 31, 2021
Fixed rate instruments		
Financial liabilities		
Borrowings	-	-
Total	**-**	**-**
Variable-rate instruments		
Financial liabilities		
Borrowings	-	3,786.21
Total	**-**	**3,786.21**

Cash flow sensitivity analysis for variable-rate instruments

An increase of 100 basis points in interest rates at the reporting date would have decreased gain as at year end by the amounts shown below. This analysis assumes that all other variables remain constant.

Particulars	Profit or loss
As at March 31, 2022	
Variable-rate instruments	-
Cash flow sensitivity	**-**
As at March 31, 2021	
Variable-rate instruments	(37.86)
Cash flow sensitivity	**(37.86)**

A decrease of 100 basis points in the interest rates at the reporting date would have had equal but opposite effect on the amounts shown above, on the basis that all other variable remain constant.

25 Deferred Tax Assets/ (Liabilities) :

The following is the analysis of deferred tax assets/ (liabilities) presented in the balance sheet :

(₹ in Lacs)

Movement in deferred tax assets/ (liabilities) during the year	Opening Balance as on 01-04-2021	Recognised in Statement of Profit & loss	Closing balance as on 31-03-2022
Deferred Tax liabilities in relation to			
Property Plant & Equipment	(168.29)	11.13	(157.16)
Total A	**(168.29)**	**11.13**	**(157.16)**
Deferred Tax Assets in relation to			
Employee Benefit obligation	21.49	2.08	23.57
Provision/ Impairment for Doubtful Debts/ Advances/ Deposits	146.80	(13.21)	133.59
Business Losses /Unabsorbed depreciation	-	-	-
Total B	**168.29**	**(11.13)**	**157.16**
Total (A+B)	**-**	**-**	**-**

25.1 Deferred tax asset on tax losses and unabsorbed depreciation under Income Tax Act, has been recognised to the extent it is probable that future taxable income will be available against which these can be utilised. Accordingly, deferred tax assets have not been created on balance carried forward business losses and unabsorbed depreciation of ₹ 1,572.12 lacs as on March 31, 2022 (P.Y. ₹ 2,263.30 lacs)

(₹ in Lacs)

		Year ended March 31, 2022	Year ended March 31, 2021
25.2	**Income Taxes**		
a)	**Income Tax recognised in the Statement of Profit and Loss**		
	Current Tax		
	In respect of current year	-	-
	Adjustments in respect of previous years	-	-
	Deferred Tax		
	In respect of current year	-	-
b)	**Income tax expense recognised in Other Comprehensive Income**		
	Deferred tax expense on remeasurement of defined benefit plans	-	-
c)	**Applicable corporate tax rate**	26.000%	26.000%

(₹ in Lacs)

		As at March 31, 2022	As at March 31, 2021
d)	**Current Tax Liabilities**		
	Provision for Taxation (Net of Advance Tax)	-	-
e)	**Current Tax Assets**		
	Advance Tax (Net of Provision for Taxation)	0.67	0.02

26 Capital Management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

(₹ in Lacs)

The Company monitors capital based on the following ratio :-

	As at March 31, 2022	As at March 31, 2021
Total Net Debt	8,814.02	9,055.95
Total Equity	(1.64)	(607.24)
Debt to Equity Ratio	Nil	Nil

27 Contingent Liability not provided for:

(₹ in Lacs)

	Particulars	As at March 31, 2022	As at March 31, 2021
a)	Bank guarantees issued on behalf of the Company	26.20	26.20
b)	In respect of disputed Indirect Tax matters, pending before the appropriate tax authorities, contested by the Company		
	Sales Tax / Service Tax		
	F.Y. 2014-2015 (CST - AP)	0.09	0.09
	F.Y. 2015-2016 (CST - AP)	0.03	0.03
	F.Y. 2015-2017 (Service Tax)	67.35	67.35

Contingent liabilities above represent estimates made mainly for probable claims arising out of litigation and disputes pending with tax authorities. The probability and timing of outflow with regard to these matters depend on the final outcome of litigations / disputes. Hence the Company is not able to reasonably ascertain the timing of the outflow.

28 The disclosure of Ind AS 19 “Employee Benefits” is as follows:

Defined Contribution Plan

The Company has charged in the Statement of Profit and Loss during the financial year an amount of ₹ NIL lacs (P.Y. ₹ NIL lacs) under defined contribution plan as employer’s contribution to Provident Fund.

Defined Benefit Plan

The Employees’ gratuity scheme is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The net value of the defined commitment is detailed below:

(₹ in Lacs)

	As at March 31, 2022 Unfunded Gratuity	As at March 31, 2021 Unfunded Gratuity
Present Value of obligation	75.03	67.05
Fair Value of Plans	-	-
Net Liability in the balance sheet	**75.03**	**67.05**
Defined Benefit Obligations		
Opening balance	67.05	67.05
Interest expenses	4.60	-
Current service cost	4.57	-
Past service cost	-	-
(Liability Transferred Out/ Divestments)	-	-
Benefit paid directly by the employer	-	-
Benefit paid from the fund	-	-
Actuarial (gain) / loss-Due to change in Demographic Assumption	(0.05)	-
Actuarial (gain) / loss-Due to change in Financial assumptions	(2.58)	-
Actuarial (gain) / loss- Due to Experience	1.44	-
Closing balance	**75.03**	**67.05**
		-
Plan Assets		-
Opening balance	-	-
Interest Income	-	-
Expected return on plan assets	-	-
Paid Funds	-	-
Actuarial (gain) / loss	-	-
Closing balance	-	-

PRAG DISTILLERY (P) LTD.

Notes to Financial Statements for the year ended March 31, 2022

	For the year ended March 31, 2022 Unfunded Gratuity	For the year ended March 31, 2021 Unfunded Gratuity
Return on Plan Assets		
Expected return on plan assets	-	-
Actuarial (gain) / loss	-	-
Actual Return on Plan Assets	-	-
Expenses Recognised in the Statement of Profit or Loss on defined benefit plan	-	-
Current service costs	4.57	-
Past service cost		-
Interest expense	4.60	-
Interest Income	-	-
Expected return on plan assets	-	-
Expenses Recognised	**9.17**	**-**
	-	-
Expenses Recognised in the Other Comprehensive Income (OCI) on defined benefit plan	-	-
Actuarial (gain) / loss	-1.19	
Expected return on plan assets	-	-
Net (Income)/ Expense for the period Recognised in OCI	**(1.19)**	**-**
Maturity Analysis of the Benefit Payments: From the Employer	-	-
Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	2.16	
2nd Following Year	3.48	
3rd Following Year	5.42	
4th Following Year	3.44	
5th Following Year	6.83	
Sum of Years 6 to 10	35.95	
Sum of Years 11 and above	11.42	
Sensitivity Analysis		
Projected Benefits Obligations on Current Assumptions	75.03	67.05
Delta Effect +1% Change in Rate of Discounting	(6.53)	
Delta Effect -1% Change in Rate of Discounting	7.52	
Delta Effect +1% Change in Rate of Salary Increase	7.62	
Delta Effect -1% Change in Rate of Salary Increase	(6.72)	
Delta Effect +1% Change in Rate of Employee Turnover	1.33	
Delta Effect -1% Change in Rate of Employee Turnover	(1.47)	
Actuarial assumptions	**Unfunded Gratuity**	**Unfunded Gratuity**
Mortality (LIC)	2006-08 Ultimate	2006-08 Ultimate
Discount rate (per annum)	7.23%	0.00%
Expected rate of return on plan assets (per annum)	5.00%	
Rate of escalation in salary (per annum)	2.00%	0.00%

Defined Contribution Plan

Present value of DBO, Fair Value of Plan Assets, Deficit/ (Surplus), Experience Adjustments for current and earlier periods:

Unfunded Gratuity for the year ended	**March 31, 2022**	**March 31, 2021**	**March 31, 2020**	**March 31, 2019**	**March 31, 2018**
Present value of DBO	75.03	67.05	67.05	55.98	44.02
Fair value of plan assets		-	-	-	-
Deficit/(Surplus)	75.03	67.05	67.05	55.98	44.02

29 Related Party Disclosures:

The disclosures pertaining to the related parties as required by Ind AS 24 "Related Party Disclosure" are as under:

a) Holding Company	:Tilaknagar Industries Ltd.	
List of Fellow Subsidiary Companies	: Vahni Distilleries Private Limited	
	: Kesarval Springs Distillers Pvt. Ltd.	
	: PunjabExpo Breweries Private Limited	
	: Mykingdom Ventures Pvt. Ltd.	
	: Studd Projects P. Ltd.	
	: Srirampur Grains Private Limited	
	: Shivprabha Sugars Ltd.	
b) Key Managerial Personnel	: Mr. Amit Dahanukar	Member of Suspended Board of Directors
	: Mrs. Shivani Amit Dahanukar	Member of Suspended Board of Directors

(₹ in Lacs)

Nature of Transaction (excluding reimbursements)	Parties refered in (a) above		Parties refered in (b) above	
	2021-22	2020-21	2021-22	2020-21
Net Loans & Advances given / (taken)				
Tilaknagar Industries Ltd.	(1,944.14)	(831.88)	-	-
PunjabExpo Breweries Private Limited	-	(0.06)	-	-
Total	**(1,944.14)**	**(831.94)**	**-**	**-**
Outstanding Payable				
Tilaknagar Industries Ltd.	(9,164.38)	(7,220.24)	-	-
PunjabExpo Breweries Private Limited	(2,276.34)	(2,276.34)		
Total	**(11,440.72)**	**(9,496.58)**	**-**	**-**

Note :

All Related Party Transactions entered during the year were in ordinary course of the business and on arm's length basis.

PRAG DISTILLERY (P) LTD.

Notes to Financial Statements for the year ended March 31, 2022

		Year ended March 31, 2022	Year ended March 31, 2021
			(₹ in Lacs)
30	**Auditor's remuneration charged to accounts:**		
	a) Audit fees	1.17	1.18
	b) Limited review fees	0.89	-
	c) Reimbursement of expenses	0.04	-
		2.10	**1.18**

31 Micro & Small enterprises have been identified by the Company on the basis of the information received from suppliers regarding their satatus under the Mirco, Small and Medium Enterprises Development Act, 2006 (MSMED Act). The Company has amounts due to Micro & Small enterprises under the MSMED Act as follows :

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;	426.63	530.50
b) the amount of interest paid by the buyer in terms of section 16 of the Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Act ;	-	-
d) the amount of interest accrued and remaining unpaid at the end of year; and	161.70	210.85
e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Act.	-	-

		As at March 31, 2022	As at March 31, 2021
			(₹ in Lacs)
32	**Earnings per share:**		
	Profit / (Loss) After Tax	604.41	(714.96)
	Weighted average number of shares	36.81	36.81
	Basic & Diluted Earnings Per Share	16.42	(19.42)
	Face Value per Equity Share	10.00	10.00

33 The Company does not enter into any derivative instruments for trading or speculative purposes. The foreign currency exposure not hedged as at March 31, 2022 are as under:

		March 31, 2022		March 31, 2021	
	Currency	FC Amount (in Lacs)	(₹ in Lacs)	FC Amount (in Lacs)	(₹ in Lacs)
Term Loans	**USD**	**-**	**-**	**13.25**	**970.13**

34 The National Company Law Tribunal ("NCLT") had ordered for liquidation of Prag Distillery (P) Ltd. ("Prag"), wholly owned subsidiary of the Company, as a going concern in 2018-2019. A liquidator had been appointed to manage the affairs of Prag. The outstanding dues of Standard Chartered Bank and DCB Bank has been settled and no dues certificates have also been received. Hence, the accounts of Prag have been prepared on a going concern basis. The impairment, if any, of the capex project undertaken by Prag in earlier years of Rs 10,021.69 lacs and of the existing Building, Plant and Equipment of Prag will be considered on outcome of the liquidation process as the case may be, as the recoverable value is not currently ascertainable. Following NCLT's approval, Prag has entered into a lease agreement with the Holding Company and the operations are expected to restart soon after completion of the necessary statutory formalities.

35 Trade Receivables of the Company, include ₹ 586.55 lacs (P.Y. ₹ 586.55 lacs) receivable from Andhra Pradesh Beverage Corporation Ltd. towards sale of IMFL made by the Company in 2018-2019 and 2019-2020. Prag, through the Liquidator is in the process of filing an application with National Company Law Tribunal for approval to initiate legal action against Andhra Pradesh Beverage Corporation Ltd. for recovery of the same. The Management believes that no provision for doubtful debts is required to be made against this receivable as the amount is expected to be received. The Earnest Money Deposit of ₹ 182.05 lacs (P.Y. ₹ 182.05 lacs) and the advances to suppliers of ₹ 210.99 lacs (P.Y. ₹ 210.99 lacs) are mainly given for the expansion of prag capacity and the same would be capitalised as soon as the entire licence fees are paid and the plant become operational at expanded capacity.

36 The Company was admitted under Corporate Insolvency Resolution Process in the year 2017 and the National Company Law Tribunal ("NCLT") has passed an order in the year 2018-19 to liquidate the Company as a going concern. A liquidator has been appointed to manage the affairs of the Company and complete the liquidation process. The manufacturing activity of the Company had ceased from the year 2019-20 and there has been no generation of income and therefore the Liquidator was not able to make payments for salaries as well as its applicable statutory dues such as PF, ESIC, PT, etc. Pursuant to the agreement entered into between the Company and the employees during the year 2021-2022, the Company has made the necessary provision of salaries in the books of accounts of the Company.

37 Consequent to the full and final payment to Standard Chartered Bank and DCB Bank, Prag Distillery (P) Ltd, has written back Rs 96.10 lacs and Rs 1,225.41 lacs respectively being the difference between the settlement amount and the total dues including interest accrued in the books of accounts. The same is accounted under exceptional items.

PRAG DISTILLERY (P) LTD.

Notes to Financial Statements for year ended March 31, 2022

38 Ratio Analysis

Ratio	Numerator	Denominator	Current year	Previous Year	% Change	Reason for Variance
Current ratio (in times)	Total current assets	Total current liabilities	0.12	0.21	-41.77%	The Company has settled the dues of SCB Bank and DCB Bank during the year 2021-2022
Debt-Equity ratio (in times)	Total borrowings and lease liabilities	Total equity	-5588.04	-18.13	30729.92%	The Company has settled the dues of SCB Bank and DCB Bank during the year 2021-2022
Debt service coverage ratio (in times)	Net Profit after taxes + Depreciation and Amortization + Finance Cost - Exceptional items	Principal repayments including interest + lease liabilities payments	-0.05	-0.07	-29.12%	The Company has settled the dues of SCB Bank and DCB Bank during the year 2021-2022
Return on Equity Ratio	Profit after tax	Average total equity	-198.53%	286.26%	-169.35%	The Company has settled the dues of SCB Bank and DCB Bank during the year 2021-2022
Inventory turnover ratio (times)	Cost of Material consumed + Changes in Inventories	Average inventory	0.00	0.00	NA	
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	0.00	0.00	NA	
Trade payables turnover ratio (in times)	Cost of Material consumed + Changes in Inventories + Other Expenses - Inventory /Advance Provision / Advance written off	Average trade payable	0.12	0.04	176.44%	The Company has settled the dues of SCB Bank and DCB Bank during the year 2021-2022
Net capital turnover ratio (in times)	Revenue from operations	Working capital (i.e. Total current assets less Total current liabilities)	0.000	0.000	NA	
Net profit ratio (in %)	Profit after tax	Revenue from operations	0.00%	0.00%	NA	
Return on capital employed (in %)	Profit before tax + finance costs	Capital employed = Tangible Net worth + Total Borrowings	11.07%	-1.53%	-822.36%	The Company has settled the dues of SCB Bank and DCB Bank during the year 2021-2022
Return on investment (in %)	Profit after tax	Average total equity	-198.53%	286.26%	-169.35%	The Company has settled the dues of SCB Bank and DCB Bank during the year 2021-2022

39 Other Statutory Information:

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

ii) The Company does not have any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the Company.

iii) The Company does not have any transactions with the struck off Companies.

iv) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

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

vi) The Company have 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;

vii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

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.

viii) 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.

ix) The Company has not made any Loans or Advances in the nature of loans that 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.

x) The company has not been declared as a wilful defaulter.

xi) The Company did not have sanctioned working capital limits during the year from any banks / lenders.

40 Figures of previous year have been regrouped, reclassified and recast, wherever considered necessary.

As per our Report of even date annexed. For and on behalf of the Suspended Board of Directors

For Batliboi & Purohit
Chartered Accountants
Firm Registration No. 101048W

Paresh Chokshi
Partner
Membership No. 033597

Amit Dahanukar
Member of Suspended Board of Directors
(DIN:00305636)

Dipti Mehta
Insolvency Professional
IBBI / IPA-002 / IP-N00134 / 2017-18 / 10350

Mrs. Shivani Amit Dahanukar
Member of Suspended Board of Directors
(DIN:00305503)

Place : Mumbai
Date : May 28, 2022

DIRECTORS' REPORT

Dear Members,

The Directors hereby present their 30th Annual Report along with the audited financial statements of the Company for the financial year ended March 31, 2022.

1. FINANCIAL & OPERATIONAL REVIEW

During the financial year 2021-22, the revenue from operations of the Company stood at Rs. 393.63 lacs as compared to Rs. 301.26 lacs in the previous year. The total comprehensive income stood at Rs. 82.97 lacs during the financial year 2021-22 as compared to total comprehensive loss of Rs. 0.58 lacs in the previous year.

2. DIVIDEND

In order to conserve the resources, the Directors have not recommended any dividend for the financial year ended March 31, 2022.

3. HOLDING COMPANY

The Company is wholly owned subsidiary of Tilaknagar Industries Ltd.

4. DIRECTORS

At the 29th Annual General Meeting of the Company held on September 30, 2021:

i. Mrs. Shivani Amit Dahanukar, who retired by rotation in the said Annual General Meeting in accordance with the provisions of Section 152(6) of the Companies Act, 2013, was re-appointed as Director, liable to retire by rotation.

ii. Ms. Aparna Praveen Chaturvedi, who was appointed as a Non-Executive and Independent Director of the Company by the Members for a term of 1(One) year commencing from September 16, 2020 upto September 15, 2021, was re-appointed as an Independent Director of the Company by the Members in their Annual General Meeting (“AGM”) held on September 30, 2021 for a second term of 5 (Five) consecutive years commencing from September 16, 2021 and expiring on September 15, 2026 (both days inclusive).

In accordance with the provisions of Section 152(6) of the Companies Act, 2013, Mr. Kapa Sreenivasulu Reddy, Director of the Company is retiring by rotation at the ensuing 30th AGM and being eligible, has offered himself for re-appointment. The Board based on the recommendation of the Nomination and Remuneration Committee, recommends his re-appointment. Information pursuant to Secretarial Standard- 1 issued by the Institute of Company Secretaries of India with respect to Director seeking re-appointment is appended to the Notice convening the ensuing AGM.

All the Independent Directors have furnished declaration stating that they meet the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013.

5. NUMBER OF MEETINGS OF THE BOARD

The Board has met 5 (Five) times during the financial year 2021-22 on May 28, 2021; August 13, 2021; November 12, 2021; February 09, 2022; and February 28, 2022 and the intervening period between the two meetings did not exceed 120 days.

6. SHARE CAPITAL

During the financial year under review, there were no changes in the authorized, issued, subscribed and paid up Share Capital of the Company.

7. AUDIT COMMITTEE

The composition of the Audit Committee, constituted in accordance with the provisions of Section 177 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, as on March 31, 2022 as follows:

Name of the Member	Category	Designation
Mr. C.V. Bijlani	Non-Executive and Independent Director	Chairman
Dr. Ravindra Bapat	Non-Executive and Independent Director	Member
Mr. Kishorekumar Ganpatrao Mhatre	Non-Executive and Independent Director	Member
Ms. Aparna Praveen Chaturvedi	Non-Executive and Independent Director	Member

The terms of reference of the Committee are as follows:

a) to recommend to the Board the appointment, remuneration and terms of appointment of auditors of the Company;

b) to review and monitor the auditor's independence and performance, and effectiveness of audit process;

c) examination of the financial statement and the auditors' report thereon;

d) approval or any subsequent modification of transactions of the company with related parties;

e) scrutiny of inter-corporate loans and investments;

f) valuation of undertakings or assets of the company, wherever it is necessary;

g) evaluation of internal financial controls and risk management systems;

h) monitoring the end use of funds raised through public offers and related matters.

There have not been any instances during the year when recommendations of the Audit Committee were not accepted by the Board of Directors.

8. NOMINATION AND REMUNERATION COMMITTEE

The composition of the Nomination and Remuneration Committee, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, as on March 31, 2022 as follows:

Name of the Director	Category	Designation
Mr. C.V. Bijlani	Non-Executive and Independent Director	Chairman
Mr. Amit Dahanukar	Chairman	Member
Mrs. Shivani Amit Dahanukar	Non-Executive Director	Member
Dr. Ravindra Bapat	Non-Executive and Independent Director	Member
Mr. Kishorekumar Ganpatrao Mhatre	Non-Executive and Independent Director	Member
Ms. Aparna Praveen Chaturvedi	Non-Executive and Independent Director	Member

The terms of reference of the Committee are as follows:

i. identification of persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommending to the Board their appointment and removal and to carry evaluation of every Director's performance;

ii. formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommending a policy to the Board, relating to the remuneration for the Directors, Key Managerial Personnel and other employees ensuring that:

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate them;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration to Directors, Key Managerial Personnel and Senior Management Personnel involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

In accordance with the provisions of Section 178 of the Companies Act, 2013, the Company has a Nomination, Remuneration and Evaluation Policy which lays down criteria for

i. determining qualifications, positive attributes required for appointment of Directors, Key Managerial Personnel and Senior Management and also the criteria for determining the independence of a Director;

ii. tenure, removal/retirement of Directors, Key Managerial Personnel and Senior Management;

iii. determining remuneration (fixed and performance linked) payable to the Directors, Key Managerial Personnel and Senior Management; and

iv. evaluation of the performance of the Board and its constituents.

Further, the Policy states that Non-Executive/Independent Directors of the Company may receive remuneration by way of sitting fees for participation in meetings of the Board or Committee thereof and profit related commission, as per limits prescribed under the Companies Act, 2013 and approved by the Shareholders.

During the financial year 2021-22, following sitting fees was paid to the Non-Executive/Independent Directors:

Sr. No.	Name	Total in Rs.
1.	Mr. Amit Dahanukar	85,000
2.	Mrs. Shivani Amit Dahanukar	85,000
3.	Mr. C.V. Bijlani	1,62,500
4.	Dr. Ravindra Bapat	Nil
5.	Mr. Kishorekumar Ganpatrao Mhatre	2,22,500
6.	Ms. Aparna Praveen Chaturvedi	2,22,500
7.	Mr. Ajit Sirsat	1,00,000
8.	Mr. Shankar Pawar	1,00,000
9.	Mr. Kapa Sreenivasulu Reddy	1,00,000
Total		**10,77,500**

There is no pecuniary or business relationship between the Independent Directors and the Company.

9. BOARD EVALUATION

In accordance with the provisions of Section 178(2) and Schedule IV of the Companies Act, 2013 read with Clause 5 of the Nomination, Remuneration and Evaluation Policy of the Company, the annual performance evaluation of the Independent Directors, Non-Independent Directors, Chairman and Board as a whole (including its Committees) was carried out on February 09, 2022 in the manner given below:

i. The performance evaluation of Independent Directors was done by the entire Board of Directors (excluding the Director being evaluated);

ii. Independent Directors in their separate meeting held on February 09, 2022 reviewed the performance of Non-Independent Directors and the Board as a whole (including its Committees); and

iii. Independent Directors in their separate meeting also reviewed the performance of the Chairman after taking into account the views of all the Directors.

After taking into consideration the various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance, a structured questionnaire was prepared and circulated among the Directors for the abovementioned evaluation.

The Nomination and Remuneration Committee reviewed the results of the annual performance evaluation in its Meeting held on May 30, 2022 and expressed overall satisfaction on the performance of the Independent Directors, Non-Independent Directors, Chairman and the Board as a whole (including its Committees).

10. KEY MANAGERIAL PERSONNEL

During the year under review, Ms. Priya Dubey resigned as Company Secretary w.e.f. close of business hours of March 31, 2022.

Ms. Vijeta Shah was appointed as Company Secretary w.e.f. May 30, 2022 in place of Ms. Priya Dubey.

As on March 31, 2022, Mr. Ajit Anant Sirsat, Managing Director, Mr. Shankar Chintu Pawar, Whole-time Director and Chief Financial Officer and Ms. Priya Dubey, Company Secretary were the Key Managerial Personnel of Company under the provisions of Section 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Qualifications of Managerial Personnel) Rules, 2014.

11. AUDITORS

Statutory Auditors and Statutory Audit Report

In accordance with the provisions of Section 139 of the Companies Act, 2013 read with Rule 3 of the Companies (Audit and Auditors) Rules, 2014, M/s. Batliboi & Purohit, Chartered Accountants were appointed as Statutory Auditors of the Company in the 25th Annual General Meeting held on September 25, 2017 to hold office from the conclusion of the 25th Annual General Meeting till the conclusion of the 30th Annual General Meeting of the Company. Accordingly, the current term of M/s. Batliboi & Purohit is expiring in the ensuing Annual General Meeting.

In accordance with the provisions of Section 139(1) read with the Companies (Audit and Auditors) Rules, 2014, it is proposed to re-appoint M/s. Batliboi & Purohit, Chartered Accountants (Firm Registration No. 101048W) as Statutory Auditors of the Company at the ensuing 30th Annual General Meeting for a term of 5 years. The Company has received consent/certificate pursuant to the provisions of Sections 139 and 141 of the Companies Act, 2013 read with Rules made thereunder from them with respect to the abovementioned proposal.

A proposal seeking Members' approval for the re-appointment of M/s. Batliboi & Purohit, Chartered Accountants and for fixing their remuneration forms part of the Notice convening the ensuing Annual General Meeting.

No frauds have been reported by the Statutory Auditors during the financial year 2021-22 pursuant to the provisions of Section 143(12) of the Companies Act, 2013.

The Auditors' Report for the financial year ended March 31, 2022 does not contain any qualification, reservation, adverse remark or disclaimer.

12. DETAILS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Details with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 are set out in Annexure 'A' to this Report.

13. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Key Managerial Personnel) Rules, 2014, is provided in Annexure 'B' forming a part of this Report. Further, the Annual Report is being sent to the Members excluding the aforesaid Annexure.

In terms of Section 136 of the Act, the said Annexure will be available for inspection of the Shareholders. Shareholders may write to the Company at investor@tilind.com in that regard.

14. ANNUAL RETURN

In accordance with the provisions of Section 134(3)(a) of the Companies Act, 2013, the Company has uploaded the Annual Return for the financial year ended March 31, 2022 on the website of its Holding Company i.e. Tilaknagar Industries Ltd., accessible at weblink : https://tilind.com/investors-filings-reports/

15. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The necessary disclosure as required in pursuance of the provisions of Section 134(3)(g) read with Section 186(4) of the Companies Act, 2013, has been made in the financial statements.

16. FIXED DEPOSITS

As on April 01, 2021, the Company was not having any outstanding deposits falling under the scope of Chapter V of the Companies Act, 2013 and it has not accepted any deposits covered under said Chapter during the financial year 2021-22. As on March 31, 2022, the Company was not having any outstanding deposit falling under the scope of said Chapter.

17. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the financial year 2021-22, there were no related party transactions requiring disclosure in Form AOC-2 as required under Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014.

18. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Board of Directors has laid down standards, processes and procedures for implementing the internal financial controls across the organization. After considering the framework of existing internal financial controls and compliance systems; work performed by the Statutory Auditors, the Board of Directors is of the opinion that the Company's internal financial controls with reference to the financial statements were adequate and effective during the financial year 2021-22.

19. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to requirements of Section 134(3)(c) of the Companies Act, 2013, and on the basis of the information furnished to them by the Statutory Auditors and Management, the Directors state that:

a. in the preparation of the annual accounts, the applicable Accounting Standards have been followed and there are no material departures;

b. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profits of the Company for the year;

c. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. they have prepared the annual accounts on a going concern basis; and

e. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

20. RESIDUARY DISCLOSURES

i. During the financial year 2021-22, no amount is proposed to be carried to reserves;

ii. There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this Report. Hence, disclosure under the provisions of Section 134(3)(l) of the Companies Act, 2013 is not applicable;

iii. The key business risks, which in the opinion of the Board of Directors may threaten the existence of the Company, along with mitigation strategies adopted by the Company are enumerated herein below:

i. **Regulatory Risk**

The IMFL industry is a high-risk industry, primarily on account of high taxes and innumerable regulations governing it. As a result, liquor companies suffer from low pricing flexibility and have underutilized capacities, which, in turn, may lead to low margins. To mitigate this risk, the Company complies with all the applicable rules and regulations in all the States where it is present.

ii. **Strategic Risk**

The Company's strategy and its execution are dependent on uncertainties and untapped opportunities. To mitigate this risk, the Company has adopted resilient policies which not only allow the Company to maximize opportunities under normal conditions but also ensure that acceptable results are achieved under extra-ordinary adverse conditions.

In order to establish various levels of accountability for risk management/mitigation within the Company and provide for reviewing, documentation and reporting mechanism for such risks, a risk management policy has been formulated.

iv. During the financial year 2021-22, provisions of Section 135 of the Companies Act, 2013 were not applicable to the Company. Hence, disclosure under Section 134(3)(o) of the Companies Act, 2013 read with Rule 8 of the Companies (CSR Policy) Rules, 2014 is not applicable;

v. During the financial year 2021-22, the Company has not issued equity shares with differential rights as to dividend, voting or otherwise. Hence, disclosure under Rule 4(4) of the Companies (Share Capital and Debentures) Rules, 2014 is not applicable;

vi. During the financial year 2021-22, there has been no change in the nature of business of the Company. Hence, disclosure under Rule 8(5)(ii) of the Companies (Accounts) Rules, 2014 is not applicable;

vii. During the financial year 2021-22, no company has become or ceased to be subsidiary, joint venture or associate of the Company. Hence, disclosure under Rule 8(5)(iv) of the Companies (Accounts) Rules, 2014 is not applicable;

viii. During the financial year 2021-22, no significant material orders have been passed by any regulators or courts or tribunals which may impact the going concern status of the Company and its future operations. Hence, disclosure under Rule 8(5)(vii) of the Companies (Accounts) Rules, 2014 is not applicable; and

ix. During the financial year 2021-22, the Company has not issued sweat equity shares to its employees. Hence, disclosure under Rule 8(13) of the Companies (Share Capital and Debentures) Rules, 2014 is not applicable;

x. The Company has complied with the applicable provisions relating to the constitution of the Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 [14 of 2013] and the Company has not received any complaint of sexual harassment during the financial year 2021-22; and

xi. During the financial year 2021-22, the Company was not required to make and maintain cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013.

xii. During the financial year 2021-22, no application was made or any proceeding is pending under the Insolvency and Bankruptcy Code, 2016 in respect of the Company.

xiii. During the financial year 2021-22, no one time settlement was entered into by the Company.

21. ACKNOWLEDGEMENTS

The Directors wish to acknowledge and place on record their sincere appreciation for the assistance and co-operation received from all the members, bankers and other stakeholders.

For and on behalf of the Board of Directors

Place : Mumbai
Date : May 30, 2022

Amit Dahanukar
Chairman

ANNEXURE 'A' TO THE DIRECTORS' REPORT

[Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

(A) CONSERVATION OF ENERGY

(i) Steps Taken or Impact on Conservation of Energy:

Due to the current financial constraints of the Company, it had not made any investment for conservation of energy.

(ii) Steps Taken by the Company for Utilizing Alternate Sources of Energy:

With current local power cost, other than use of gen-set as an alternate source of energy under emergency, no other steps are economically viable, though search for an economically viable alternate source is on.

(iii) Capital Investment on Energy Conservation Equipments:

During the financial year 2021-22, no capital investment has been made by the Company on energy conservation equipments.

(B) TECHNOLOGY ABSORPTION

(i) **Efforts made towards Technology Absorption:** NIL

(ii) **Benefits derived like product improvement, cost reduction, product development or import substitution:** NIL

(iii) **In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):**

a) **the details of technology imported:** The Company has not imported any technology during the last three financial years.

b) **the year of import:** Not Applicable

c) **whether the technology has been fully absorbed:** Not Applicable

d) **if not fully absorbed, areas where absorption has not taken place, and the reasons thereof:** Not Applicable

(iv) **Expenditure incurred on Research and Development:**

During the financial year 2021-22, neither capital nor revenue expenditure has been incurred by the Company on Research and Development activities.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

There were no earnings and expenditure in foreign currency during the year.

For and on behalf of the Board of Directors

Place : Mumbai
Date : May 30, 2022

Amit Dahanukar
Chairman

INDEPENDENT AUDITORS' REPORT

To the Members of Vahni Distilleries Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Vahni Distilleries Private Limited** ("the Company") which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the 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 Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS"), as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the profit and the other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Information other than the financial statements and auditor's report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis and Board's Report including Annexures to Board's Report, but does not include the consolidated financial statements, financial statements and our auditor's report thereon.

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

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

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

Management's Responsibility for the Financial Statements

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

In preparing the financial statements, 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 responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, 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 controls.

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order.

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 including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Company as on March 31, 2022 and 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the auditor's report in accordance with the requirements of section 197(16), as amended:

   In our opinion and to the best of our knowledge and according to the explanations given to us, no remuneration has been paid/provided by the Company to its directors during the year under the provisions of section 197 of the Act.

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, as amended, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer note no. 20 to the financial statements;

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

   iv. (a) The management has represented that, to the best of its knowledge and belief, no funds 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 persons or entities, 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 has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("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; and

(c) Based on audit procedures performed, nothing has come to our attention that causes us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided in (a) and (b) above, contain any material misstatement.

v. The Company has not declared or paid any dividend during the year.

For BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Reg. No.101048W

Kaushal Mehta
Partner
Membership No. 111749

Place : Mumbai
Date : May 30, 2022
ICAI UDIN: 22111749AJVYHL2233

Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended March 31, 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 has maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular programme of physical verification of its Property, Plant and Equipment by which all items of Property, Plant and Equipment are verified once in every two years. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the said programme, certain items of Property, Plant and Equipment were physically verified during the year and no material discrepancies were observed on such verification.

(c) With respect to immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment, capital work-in progress, according to the information and explanations given to us and based on the examination of the registered sale deed / title deed provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date.

(d) The Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year. Accordingly, paragraph 3(i)(d) of the Order is not applicable.

(e) According to the information and explanations given to us, no proceedings have been initiated during the year or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) (a) The Company does not have any inventory and hence reporting under clause 3(ii)a of the Order is not applicable.

(b) During the year, the Company did not have any sanctioned working capital limits in excess of five crore rupees, in aggregate, from any banks on the basis of security of its current assets. Accordingly, paragraph 3(ii)(b) of the Order is not applicable.

(iii) During the year, the Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, paragraph 3(iii) of the Order is not applicable.

(iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, made investments or given guarantees in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable. Accordingly, reporting under paragraph 3(iv) of the Order is not applicable.

(v) According to information and explanations given to us, the Company has not accepted any deposits from the public in accordance with the provisions of section 73 to 76 or any relevant provisions of the Act and rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable.

(vi) To the best of our knowledge and as explained the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the products of the Company.

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

According to the information and explanations given to us, no undisputed statutory dues referred above were in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us by the Company and on the basis of our examination of the books of account and the record, there are no dues of, Service Tax, Goods and service tax, Income tax, Duty of Customs, Duty of Excise and Value added tax outstanding on account of any dispute except for Sales Tax and Entry tax as stated below: *:

Name of the statute	Nature of dues	Amount (Rs. In lakhs)*	Period to which the amount relates (Financial Year)	Forum where dispute is pending
KTEG ACT, 1979	Entry Tax	22.00	2015-2016	JT.COMMISSIONER, APPEAL, KARNATAKA
KTEG ACT, 1979	Entry Tax	2.17	2017-2018	JT.COMMISSIONER, APPEAL, KARNATAKA
Sales Tax Rules	KVAT (Karnataka)	22.04	2017-2018	Deputy Commissioner (Appeals)
Sales Tax Rules	CST (Karnataka)	1.42	2017-2018	Deputy Commissioner (Appeals)

**As represented by Management.*

(viii) According to the information and explanations given to us, no transactions have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which was not recorded in the books of account. Accordingly, paragraph 3(viii) of the Order is not applicable.

(ix) (a) According to the information and explanations given to us and on the basis of our audit procedures, the Company has not taken any loans from any lender during the year. Accordingly, paragraph 3(ix)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our audit procedures, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) According to the information and explanations given to us and based on our examination of the records of the Company, no term loans were obtained or utilised during the year by the Company. Accordingly, paragraph 3(ix)(c) of the Order is not applicable.

(d) In our opinion and according to the information and explanations given to us and based on the audit procedures performed by us, no funds have been raised on short term basis by the Company.

(e) According to the information and explanations given to us and based on the audit procedures performed by us, the Company does not have any subsidiaries, joint ventures or associate companies. Accordingly, paragraph 3(ix)(e) of the Order is not applicable.

(f) According to the information and explanations given to us and based on the audit procedures performed by us, the Company does not have any subsidiaries, joint ventures or associate companies. Accordingly, paragraph 3(ix)(f) of the Order is not applicable.

(x) (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, paragraph 3(ix)(a) of the Order is not applicable.

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

(xi) (a) According to the information and explanations given to us, no fraud by the company or any fraud on the company has been noticed or reported during the year.

(b) According to the information and explanations given to us and based on the audit procedures performed by us, no report under sub-section (12) of section 143 of the Companies Act in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was filed with the Central Government during the year or upto the date of the Report.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a 'nidhi' company and it has not accepted any deposits. Accordingly, paragraph 3(xii)(a), paragraph 3(xii)(b) and paragraph 3(xii)(c) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on the audit procedures performed by us, transactions with the related parties during the year were in compliance with sections 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards. Provisions of Section 177 of the Act are not applicable to the Company.

(xiv) (a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the company issued till date, for the period under audit.

(xv) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, provisions of section 192 of the Act and paragraph 3(xv) of the Order are not applicable.

(xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and based on audit procedures performed by us, the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year. Accordingly, paragraph 3(xvi)(b) of the Order is not applicable.

(c) In our opinion and according to the information and explanations given to us, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, paragraph 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations given to us, the Group (as defined the Core Investment Companies (Reserve Bank) Direction 2016) does not have any Core Investment Company (‘CIC’) as part of the Group. Accordingly, paragraph 3(xvi)(d) of the Order is not applicable.

(xvii) According to the information and explanations given to us and based on audit procedures performed by us, the Company has not incurred cash losses in the financial year and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, paragraph 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, 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 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) (a) According to the information and explanations given to us and based on audit procedures performed by us, the Company was not required to spent any amount in terms of Section 135 of the Act during the year. Accordingly, second proviso to sub-section (5) of section 135 of the said Act and paragraph 3(xx)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and based on audit procedures performed by us, the Company did not have any ongoing project in terms of Section 135 of the Act during the year. Accordingly, provision of sub-section (6) of section 135 of the said Act and paragraph 3(xx)(b) of the Order is not applicable.

(xxi) This Report is issued on the standalone financial statements of the Company. Accordingly, paragraph 3(xxi) of the Order is not applicable.

For BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Reg. No.101048W

Kaushal Mehta
Partner
Membership No. 111749

Place: Mumbai
Date: May 28, 2022
ICAI UDIN: 22111749AJVYHL2233

Annexure - B to the Independent Auditors' Report
(Referred to in paragraph (g) under 'Report on Other Legal and Regulatory Requirement's section of our report to the members of **Vahni Distilleries Private Limited** of even date)

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

Opinion

We have audited the Internal Financial Controls over financial reporting of Vahni Distilleries Private Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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 March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI').

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining Internal Financial Controls based on the Internal Control over Financial Reporting criteria established by the Company considering the essential components of Internal Control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the 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 Act.

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 the ICAI and deemed to be prescribed under section 143(10) of the Act, 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 ICAI. 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 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 of the Company.

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 unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls over Financial Reporting
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management 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.

For BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Reg. No.101048W

Kaushal Mehta
Partner
Membership No. 111749

Place : Mumbai
Date : May 30, 2022
ICAI UDIN: 22111749AJVYHL2233

VAHNI DISTILLERIES PRIVATE LIMITED

Balance Sheet as at March 31, 2022

(₹ in Lacs)

		Note No.	As at March 31, 2022	As at March 31, 2021
I	**ASSETS**			
	Non-Current Assets			
	Property, Plant and Equipment	2	167.92	195.02
	Financial Assets			
	Other Financial Assets	3	0.37	8.22
	Deferred Tax Assets (Net)	18	-	-
	Other Non-Current Assets	4	46.31	13.42
	Non-Current Tax Assets (Net)	19	57.77	12.31
			272.37	**228.97**
	Current Assets			
	Cash and Cash Equivalents	5a	352.98	1,200.65
	Other Bank Balances	5b	-	5.40
	Other Financial Assets	3	0.01	0.25
	Other Current Assets	4	18.81	29.92
			371.80	**1,236.22**
	TOTAL ASSETS		**644.17**	**1,465.19**
II	**EQUITY AND LIABILITIES**			
	Equity			
	Equity Share Capital	6	1,498.05	1,498.05
	Other Equity	7	(2,083.59)	(2,166.56)
			(585.54)	**(668.51)**
	Liabilities			
	Non-Current Liabilities			
	Financial Liabilities			
	Other Financial Liabilities	8	-	-
	Provisions	9	4.35	3.64
	Deferred Tax Liabilities (Net)	18	-	-
	Other Non-Current Liabilities	10	-	-
			4.35	**3.64**
	Current Liabilities			
	Financial Liabilities			
	Trade Payables			
	Total outstanding dues of micro, small enterprises	11	-	-
	Total outstanding dues of creditors other than micro, small enterprises	11	16.94	9.00
	Other Financial Liabilities	8	1,188.55	2,106.32
	Provisions	9	0.63	0.50
	Other Current Liabilities	10	19.24	14.24
			1,225.36	**2,130.06**
	TOTAL EQUITY AND LIABILITIES		**644.17**	**1,465.19**

Summary of significant accounting policies — 1

The accompanying notes are an integral part of the financial statements — 2-31

As per our Report of even date annexed.

For **Batliboi & Purohit**
Chartered Accountants
Firm Registration No. 101048W

For and on behalf of the Board of Directors

Kaushal Mehta
Partner
Membership No. 111749

Amit Dahanukar
Chairman
(DIN:00305636)

Ajit Anant Sirsat
Managing Director
(DIN:08877654)

Place : Mumbai
Date : May 30,2022

Shankar Pawar
Director & Chief Financial Officer
(DIN:08877747)

Vijeta Shah
Company Secretary

VAHNI DISTILLERIES PRIVATE LIMITED

Statement of Profit and Loss for the year ended March 31, 2022

	Note No.	Year ended March 31, 2022	(₹ in Lacs) Year ended March 31, 2021
INCOME			
Revenue from Operations	12	393.63	301.26
Other Income	13	0.62	0.25
Total Income		**394.25**	**301.51**
EXPENSES			
Employee Benefit Expense	14	42.30	39.62
Depreciation	2	27.07	27.35
Other Expenses	15	241.63	235.08
		311.00	**302.05**
Profit / (Loss) before tax		**83.25**	**(0.54)**
Less : Tax expense			
1) Current Tax		-	-
2) Taxes for earlier years		0.17	-
3) Deferred Tax		-	-
Total Tax Expense		**0.17**	**-**
Profit / (Loss) after tax		**83.08**	**(0.54)**
Other Comprehensive Income			
Items that will not be reclassified to Profit and Loss			
Remeasurement of defined benefit plans		**(0.11)**	**(0.04)**
Items that will be reclassified to Profit and Loss		**-**	**-**
Total Other Comprehensive Income / (Loss)		**(0.11)**	**(0.04)**
Total Comprehensive Income for the year		**82.97**	**(0.58)**
Earnings Per Share (₹) Basic & Diluted	26	5.55	(0.04)
Summary of significant accounting policies	1		
The accompanying notes are an integral part of the financial statements	2-31		

As per our Report of even date annexed.

For **Batliboi & Purohit**
Chartered Accountants
Firm Registration No. 101048W

For and on behalf of the Board of Directors

Kaushal Mehta
Partner
Membership No. 111749

Amit Dahanukar
Chairman
(DIN:00305636)

Ajit Anant Sirsat
Managing Director
(DIN:08877654)

Place : Mumbai
Date : May 30,2022

Shankar Pawar
Director & Chief Financial Officer
(DIN:08877747)

Vijeta Shah
Company Secretary

VAHNI DISTILLERIES PRIVATE LIMITED

Statement of Cash Flow for the year ended March 31, 2022

(₹ in Lacs)

		Year Ended March 31, 2022		Year Ended March 31, 2021	
A)	**Cash flow from Operating activities**				
	Net profit before tax		**83.25**		**(0.54)**
	Adjustment for:				
	Depreciation	27.07		27.35	
	Loss on Sale of Assets	-		0.81	
	Interest Income	(0.62)		(0.25)	
	Sundry balance w/off /(back)	-	26.45	-	27.91
	Operating Profit before working capital changes		**109.70**		**27.37**
	Adjustment for:				
	(Decrease)/ Increase in trade payables, current liabilities, provisions and other financial liabilities	(904.12)		568.62	
	(Increase) / Decrease in loans and advances and other assets	(13.64)		(33.30)	
			(917.76)	-	535.32
	Direct taxes refund / (paid)		(45.63)		0.31
	Net Cash from Operating activities		**(853.69)**		**563.00**
B)	**Cash Flow from Investing activities**				
	Sale / (Purchase) of property, plant and equipment	-		1.97	
	Interest Receieved	0.62		0.25	
	(Increase) / decrease in other Bank Balances	5.40		(5.40)	
	Net Cash from Investing Activities		**6.02**		**(3.18)**
C)	**Cash Flow from Financing activities**				
	Proceeds from borrowings including current maturities	-		-	
	Repayment of borrowings including current maturities	-		-	
	Net Cash from Financing Activities		**-**		**-**
	Net increase in Cash & Cash equivalents(A+B+C)		**(847.67)**		**559.82**
	Opening cash & cash equivalents		1,200.65		640.83
	Closing cash & cash equivalents		**352.98**		**1,200.65**

Notes :

		As at March 31, 2022	As at March 31, 2021
(a)	**Cash and cash equivalents comprises of**		
	i) Balances with Banks		
	In Current Accounts	351.85	1,199.96
	ii) Cash on Hand	1.13	0.69
		352.98	**1,200.65**

(b) The above statement of cash flow have been prepared under the "Indirect Method" as set out in Ind AS 7, " Statement of cash flow "

(c) Figures of previous year have been regrouped, reclassified and recast, wherever considered necessary.

As per our Report of even date annexed.

For **Batliboi & Purohit**
Chartered Accountants
Firm Registration No. 101048W

For and on behalf of the Board of Directors

Kaushal Mehta
Partner
Membership No. 111749

Amit Dahanukar
Chairman
(DIN:00305636)

Ajit Anant Sirsat
Managing Director
(DIN:08877654)

Place : Mumbai
Date : May 30,2022

Shankar Pawar
Director & Chief Financial Officer
(DIN:08877747)

Vijeta Shah
Company Secretary

VAHNI DISTILLERIES PRIVATE LIMITED

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

A) Equity Share Capital

(₹ in Lacs)

1) Current reporting period

Balance as at April 01, 2021	Changes in equity share capital due to prior period errors	Restated balance as at April 01,2021	Changes in equity share capital during the year	Balance as at March 31,2022
1,498.05	**-**	**1,498.05**	**-**	**1,498.05**

2) Previous reporting period

Balance as at April 01, 2020	Changes in equity share capital due to prior period errors	Restated balance as at April 01,2020	Changes in equity share capital during the year	Balance as at March 31,2021
1,498.05	**-**	**1,498.05**	**-**	**1,498.05**

B) Other Equity

1) Current Reporting Period

	Reserves and Surplus			Total
	Securities Premium Account	Capital Reserve	Retained Earnings	
Balance at the beginning of the current reporting period	**356.25**	**18.97**	**(2,541.78)**	**(2,166.56)**
Changes in Accounting Policies or prior period errors	-	-	-	-
Restated balances at the beginning of the current reporting period	356.25	18.97	(2,541.78)	(2,166.56)
Profit / (Loss) after tax			83.08	83.08
Remeasurement of defined benefit plans	-	-	(0.11)	(0.11)
Balance at the end of the current reporting period	**356.25**	**18.97**	**(2,458.81)**	**(2,083.59)**

2) Previous Reporting Period

	Reserves and Surplus			Total
	Securities Premium Account	Capital Reserve	Retained Earnings	
Balance at the beginning of the previous reporting period	356.25	18.97	(2,541.20)	(2,165.98)
Changes in Accounting Policies or prior period errors	-	-		-
Restated balances at the beginning of the previous reporting Period	356.25	18.97	(2,541.20)	(2,165.98)
Profit / (Loss) after tax			(0.54)	(0.54)
Remeasurement of defined benefit plans	-	-	(0.04)	(0.04)
Balance at the end of the previous reporting period	**356.25**	**18.97**	**(2,541.78)**	**(2,166.56)**

As per our Report of even date annexed.

For **Batliboi & Purohit**
Chartered Accountants
Firm Registration No. 101048W

For and on behalf of the Board of Directors

Kaushal Mehta
Partner
Membership No. 111749

Amit Dahanukar
Chairman

Ajit Anant Sirsat
Managing Director

Place : Mumbai
Date : May 30,2022

Shankar Pawar
Director & Chief Financial Officer
(DIN:08877747)

Vijeta Shah
Company Secretary

VAHNI DISTILLERIES PRIVATE LIMITED

Notes to Financial Statements for the year ended March 31, 2022

1.1 General Information:

Vahni Distilleries Private Limited (The 'Company') is a Company domiciled in India, with its registered office situated at PO Tilaknagar, Tal Shrirampur, Dist. Ahmednagar, Maharashtra - 413720. The Company has been incorporated under the provisions of Indian Companies Act. The Company is primarily involved in manufacturing and sale of Indian Made Foreign Liquor (IMFL). The Company has a strong and diverse portfolio of brands in various liquor categories including brandy, whisky, vodka, gin, and rum.

1.2 Basis of preparation

a) Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The financial statements were authorised for issue by the Company's Board of Directors on May 30, 2022.
Details of the Company's accounting policies are included in Note 1.3

b) Functional and presentation currency

These financial statements are presented in Indian Rupees (Rs.), which is also the Company's functional currency. All amounts have been rounded off to two decimal places to the nearest lakhs, unless otherwise indicated.

c) Basis of measurement

The financial statements have been prepared on the historical cost basis, except for certain financial assets and liabilities and defined benefit plan assets / liabilities measured at fair value.

d) Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

1) Useful life of Property, plant and equipment.
2) Useful life of Intangible Assets
3) Employee benefit plans
4) Provisions and contingent liabilities
5) Lease classification
6) Income tax

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2022 is included in the following notes:

Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

e) Measurement at fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values.
Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : Valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Valuation techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

VAHNI DISTILLERIES PRIVATE LIMITED

Notes to Financial Statements for the year ended March 31, 2022

1.3 Significant Accounting Policies

i) Property, plant and equipment

a) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

b) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

c) Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method and is recognised in the statement of profit and loss.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset	Management estimate of useful life	Useful Life as per Schedule II of the Companies Act, 2013
Factory Buildings	30	30
Plant and equipment	15	15
Furniture and Fixtures	10	10
Motor Vehicles	8	8
Office Equipments	5	5
Computers	3	3
Computer server	6	6
Electrical Installations	10	10

Depreciation method, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate. Based on internal assessment and consequent advice, the management believes that its estimate of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed off).

ii) Intangible assets

a) Acquired intangible assets

Intangible assets comprise purchased technical know-how are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

b) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

c) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method and is included in depreciation and amortisation in Statement of Profit and Loss.

Intangible assets are amortised over a period of 10 years for technical know-how and 3 years for others.
Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

iii) Inventories

Inventories are measured at the lower of cost and net realisable value after provision for obsolescence where appropriate. The cost of inventories is based on the weighted average cost method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable values.

The comparison of cost and net realisable value is made on an item-by-item basis.

Scrap is valued at net realisable value.

iv) Foreign currency transactions

The Company's financial statements are presented in INR, which is also the Company’s functional currency.

Transactions and balances

Monetary items are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

v) Impairment of non-financial assets

An asset is deemed impairable when recoverable value is less than its carrying cost and the difference between the two represents provisioning exigency. Recoverable value is the higher of the ‘Value in Use’ and fair value as reduced by cost of disposal. Test of impairment of PPE, investment in subsidiaries / associates / joint venture and goodwill are undertaken under Cash Generating Unit (CGU) concept. For Intangible Assets and Investment Properties it is undertaken in asset specific context. Test of impairment of assets are generally undertaken based on indication of impairment, if any, from external and internal sources of information. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

vi) Employee Benefits

a) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

b) Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund and Employee State Insurance scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

c) Defined Benefit Plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company’s net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses are recognised in Other Comprehensive Income (OCI). The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service (‘past service cost’ or ‘past service gain’) or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

d) Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in profit or loss in the period in which they arise.

vii) Provisions and contingent liabilties

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assumptions of the time value of money and the risks specific to the liability. The unwinding of discount is recognized as finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

viii) Leases

As a lessee

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the date of commencement of the lease, the Company recognizes a ROU and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and/or low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Currently, ROU assets are being amortised over a period of 3-5 years based on lease term being lower of lease term and estimated useful life of underlying assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing activities in statement of cash flows.

As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

ix) Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of those property, plant and equipment which necessarily takes a substantial period of time to get ready for their intended use are capitalised. All other borrowing costs are expensed in the period in which they incur in the statement of profit and loss.

x) Revenue Recognition

Revenue comprises revenue from contracts with customers for sale of goods. Revenue from sale of goods is inclusive of excise duties and is net of returns, trade allowances, rebates, value added taxes, Goods and Services Tax (GST) and such amounts collected on behalf of third parties.

Revenue is recognised as and when performance obligations are satisfied by transferring goods or services to the customer,as below:

a) Revenue from sale of products:

Revenue is recognised at transaction price on transfer of control, being on dispatch of goods or upon delivery to customer, in accordance with the terms of sale.

b) Revenue from manufacture and sale of products from tie-up manufacturing arrangements:

The Company has entered into arrangements with Tie-up Manufacturing Units (TMUs), where-in TMUs manufacture and sell beverage alcohol on behalf of the Company. Under such arrangements, the Company has exposure to significant risks and rewards associated with the sale of products i.e. it has the primary responsibility for providing goods to the customer, has pricing latitude and is also exposed to inventory and credit risks. Accordingly, the transactions of the TMUs under such arrangements have been recorded as gross revenue, excise duty and expenses as if they were transactions of the Company. The Company also presents inventory under such arrangements as its own inventory. The net receivables from/payable to TMUs are recognised under other financial assets/ other financial liabilities respectively.

c) Interest

Interest income is recognized using the effective interest rate method. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. Interest income is included under the head “Other income” in the statement of profit and loss.

d) Dividend

Dividend income is recognized when the Company’s right to receive the payment is established, which is generally when the shareholders approve the dividend.

xi) Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

a) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

b) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used.

Deferred tax assets recognised or unrecognised are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The Company offsets, the current tax assets and liabilities (on a year on year basis) and deferred tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

xii) Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjusting for the effects of all potential dilutive ordinary shares.

xiii) Statement of Cash flow

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

xiv) Financial instruments

a) Recognition and initial measurement

The Company initially recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

b) Classification and subsequent measurement

Financial assets

Financial assets carried at amortised cost

A financial asset is subsequently 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.

Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income 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.

Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

In case, the fair value of a financial asset or financial liability, at initial recognition, differs from the transaction price, the difference between the fair value at initial recognition and the transaction price -

(i) is recognised as a gain or loss if that fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation.

(ii) is deferred and is recognised as a gain or loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability. The unamortised portion of the deferred fair value gain/loss difference as on reporting date, is disclosed under other current/non-current assets/liabilities as the case may be.

c) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

The Company assesses impairment based on expected credit losses (ECL) model at an amount equal to:-

• 12 months expected credit losses, or
• Lifetime expected credit losses

depending upon whether there has been a significant increase in credit risk since initial recognition. However, for trade receivables, the company does not track the changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognised in the statement of profit and loss.

d) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or realise the asset and settle the liability simultaneously.

xv) Recent amendments to Indian Accounting Standards:

On March 23, 2022, Ministry of Corporate Affairs (‘MCA’) amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 01, 2022, as below

a) Ind AS 103 - Business Combinations:

The amendment clarifies that while applying the acquisition method for recognition, the assets and liabilities taken over, in a business combination, must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. The Company does not expect the amendment to have any impact in its financial statements.

b) Ind AS 16 – Property, Plant and Equipment :

The amendment requires that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The Company does not expect the amendment to have any significant impact in its financial statements.

c) **Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets :**

The amendment clarifies in relation to onerous contracts that the cost of fulfilling a contract comprises the costs that relate directly to the contract which consist of incremental costs of fulfilling that contract (examples would be direct labour, materials) and an allocation of other costs that relate directly to fulfilling contracts. The Company does not expect the amendment to have any significant impact in its financial statements.

d) **Ind AS 41 – Agriculture:**

The amendment relates to recognition and measurement of biological assets or agricultural produce. The Company does not expect the amendment to have any impact in its financial statements.

e) **Ind AS 109 – Financial Instruments :**

The amendment clarifies that while determining the fees paid (net of fees received) when a borrower applies the ‘10 percent’ test of Ind AS 109 in assessing whether to derecognise a financial liability, the borrower to include only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other‘s behalf. The Company does not expect the amendment to have any significant impact in its financial statements.

VAHNI DISTILLERIES PRIVATE LIMITED

Notes to Financial Statements for the year ended March 31, 2022

2 Property, Plant and Equipment *(₹ in Lacs)*

	Gross Block				Depreciation				Net Block	
	As at April 01, 2021	Additions	Deductions	As at March 31, 2022	As at April 01, 2021	Deductions	For the year	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Property, Plant and Equipment										
Land	0.15	-	-	**0.15**	-	-	-	**-**	**0.15**	**0.15**
Factory Building	52.35	-	-	**52.35**	44.37	-	0.24	**44.61**	**7.72**	**7.98**
Residence Building	5.26	-	-	**5.26**	5.00	-	-	**5.00**	**0.26**	**0.26**
Plant and Equipment	453.35	-	-	**453.35**	270.90	-	25.95	**296.85**	**156.51**	**182.45**
Furniture and Fixtures	0.41	-	-	**0.41**	0.39	-	-	**0.39**	**0.02**	**0.02**
Office Equipment	1.39	-	-	**1.39**	1.05	-	0.13	**1.18**	**0.20**	**0.34**
Motor Vehicles	0.04	-	-	**0.04**	0.04	-	-	**0.04**	**-**	**-**
Electrical Installation	8.46	-	-	**8.46**	7.33	-	0.62	**7.95**	**0.51**	**1.13**
Roads & Bridges	50.00	-	-	**50.00**	47.50	-	-	**47.50**	**2.50**	**2.50**
Computers	0.59	-	-	**0.59**	0.40	-	0.13	**0.53**	**0.05**	**0.19**
Total Property, Plant and Equipment	**572.00**	**-**	**-**	**572.00**	**376.98**	**-**	**27.07**	**404.05**	**167.92**	**195.02**

VAHNI DISTILLERIES PRIVATE LIMITED

Notes to Financial Statements for the year ended March 31, 2022

2 Property, Plant and Equipment (Previous Financial Year 2020-21) *(₹ in Lacs)*

	Gross Block				Depreciation				Net Block	
	As at April 01, 2020	Additions	Deductions	As at March 31, 2021	As at April 01, 2020	Deductions	For the year	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Property, Plant and Equipment										
Land	0.15	-	-	**0.15**	-	-	-	**-**	**0.15**	**0.15**
Factory Building	52.35	-	-	**52.35**	44.13	-	0.24	**44.37**	**7.98**	**8.22**
Residence Building	5.26	-	-	**5.26**	5.00	-	-	**5.00**	**0.26**	**0.26**
Plant and Equipment	453.22	0.13	-	**453.35**	244.95	-	25.95	**270.90**	**182.45**	**208.27**
Furniture and Fixtures	0.41	-	-	**0.41**	0.39	-	-	**0.39**	**0.02**	**0.02**
Office Equipment	1.39	-	-	**1.39**	0.92	-	0.13	**1.05**	**0.34**	**0.47**
Motor Vehicles	4.03	-	3.99	**0.04**	0.83	1.07	0.28	**0.04**	**-**	**3.20**
Electrical Installation	8.46	-	-	**8.46**	6.71	-	0.62	**7.33**	**1.13**	**1.75**
Roads & Bridges	50.00	-	-	**50.00**	47.50	-	-	**47.50**	**2.50**	**2.50**
Computers	0.59	-	-	**0.59**	0.27	-	0.13	**0.40**	**0.19**	**0.32**
Total Property, Plant and Equipment	**575.86**	**0.13**	**3.99**	**572.00**	**350.70**	**1.07**	**27.35**	**376.98**	**195.02**	**225.16**

Note: The title deeds of the immovable properties are held in the name of the Company. 2.92

2.92

VAHNI DISTILLERIES PRIVATE LIMITED

Notes to Financial Statements for the year ended March 31, 2022

(₹ in Lacs)

	Non-Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
3 Other Financial Assets				
Deposits	0.37	0.37	-	-
Others	7.85	7.85	0.01	0.25
	8.22	**8.22**	**0.01**	**0.25**
Less : Allowance for doubtful other financial assets	(7.85)	-	-	-
	0.37	**8.22**	**0.01**	**0.25**

3.1 Movement in loss allowance for doubtful other financial assets is provided below :

Particulars	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Balance at the beginning of the year	-			-
Loss allowance (net)	(7.85)	-		-
Write off			-	-
Balance at the end of the year	**(7.85)**	**-**	**-**	**-**

4 Other Assets

	Non-Current		Current	
Unsecured, considered good				
Balance with Government Authorities	46.31	13.42	0.19	15.38
Advances to Suppliers	-	-	4.99	0.88
Prepaid Expense	-	-	13.63	13.66
	46.31	**13.42**	**18.81**	**29.92**

(₹ in Lacs)

	As at March 31, 2022	As at March 31, 2021
5 Cash and Bank Balances		
a) Cash and Cash Equivalents		
(i) Balances with Banks		
In Current Accounts	351.85	1,199.96
(ii) Cash on Hand	1.13	0.69
	352.98	**1,200.65**
b) Other Bank Balances		
Short-term Bank Deposits (Maturity within 12 months)	-	5.40
	-	5.40
	352.98	**1,206.05**

VAHNI DISTILLERIES PRIVATE LIMITED

Notes to Financial Statements for the year ended March 31, 2022

	As at March 31, 2022	(₹ in Lacs) As at March 31, 2021
6 Equity Share Capital		
Authorised Shares		
3,000,000 equity shares of ₹ 100/- each (P.Y. 3,000,000 equity shares of ₹ 100/- each)	**3,000.00**	**3,000.00**
Issued, subscribed and paid up shares		
1,498,050 equity shares of ₹ 100/- each fully paid up (P.Y. 1,498,050 equity shares of ₹ 100/- each fully paid up)	1,498.05	1,498.05
	1,498.05	**1,498.05**

a) Reconciliation of the number of shares outstanding

		(Nos. in Lacs)
Number of equity shares at the beginning	14.98	14.98
Equity Shares issued during the period	-	
Number of equity shares at the end	**14.98**	**14.98**

b) Terms / rights attached to equity shares

Each holder of equity share is entitled to one vote per share with a right to receive per share dividend by the Company, when declared. In the event of liquidation, the equity shareholders will be entitled to receive remaining assets of the Company after distribution of all preferential amounts in the proportion to the number of equity shares held by them.

c) Shares held by holding company

Tilaknagar Industries Ltd.	14.98	14.98

d) Details of shareholders holding more than 5% shares in the Company

(Nos. in Lacs)

Name of the shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of equity shares	As a % of total holding	No. of equity shares	As a % of total holding
Tilaknagar Industries Ltd.	14.98	100	14.98	100
Total	**14.98**	**100**	**14.98**	**100**

e) Disclosures of Shareholding of Promoters - Shares held by the Promoters

Name of the shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of equity shares	As a % of total holding	No. of equity shares	As a % of total holding
Tilaknagar Industries Ltd.	14.98	100	14.98	100
Total	**14.98**	**100**	**14.98**	**100**

	As at March 31, 2022	(₹ in Lacs) As at March 31, 2021
7 Other Equity		
a) Securities Premium Account		
Balance at the beginning and at the end of the year	356.25	356.25
b) Capital Reserve		
Balance at the beginning and at the end of the year	18.97	18.97
c) Retained Earnings		
Balance at the beginning of the year	(2,541.78)	(2,541.20)
Add: Profit / (Loss) after tax for the year	83.08	(0.54)
Add: Remeasurement of defined benefit plans	(0.11)	(0.04)
Balance at the end of the year	**(2,458.81)**	**(2,541.78)**
	(2,083.59)	**(2,166.56)**

Footnote:

a) The amount received in excess of face value of the equity shares is recognised in Securities Premium. It is utilised in accordance with the provisions of section 52 of the Companies Act,2013.

b) This reserve has been transferred to the company in the course of business combinations and can be utilised in accordance with the provisions of the Companies Act, 2013.

c) Retained earnings are the profits that Company has earned till date less transfers to general reserve dividends or other distributions paid to shareholders. Retained earnings includes re-measurement loss / (gain) on defined benefit plans (net of taxes) that will not be reclassified to the Statement of Profit and Loss. Retained earnings is a free reserve available to the Company.

VAHNI DISTILLERIES PRIVATE LIMITED

Notes to Financial Statements for the year ended March 31, 2022

(₹ in Lacs)

	Non-Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
8 Other Financial Liabilities				
Trade Deposits & Others (Unsecured)	-	-	-	-
Employee dues	-	-	7.97	6.60
Advance from Holding Company	-	-	1,179.89	2,096.62
Other Payables	-	-	0.69	3.10
	-	**-**	**1,188.55**	**2,106.32**
9 Provisions				
Provision for Gratuity (Refer Note 22)	3.60	3.03	0.42	0.37
Provision for Leave Encashment	0.75	0.61	0.21	0.13
	4.35	**3.64**	**0.63**	**0.50**
10 Other Liabilities				
Payable towards Statutory Liabilities	-	-	19.24	14.24
	-	**-**	**19.24**	**14.24**
11 Trade Payables				
Trade Payables (Refer Note 25)				
Total outstanding dues of micro & small enterprises	-	-	-	-
Total outstanding dues of creditors other than micro & small enterprises	-	-	16.94	9.00
	-	**-**	**16.94**	**9.00**

Ageing Schedule (2021-2022)

	Outstanding for following periods from due date of payments						
Particulars	**Unbilled**	**Not Due**	**Less than 1 years**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total Outstanding**
MSME							-
Others			15.79			1.15	16.94
Disputed Dues - Others							-
Disputed Dues - MSME							-
Total	**-**	**-**	**15.79**	**-**	**-**	**1.15**	**16.94**

Ageing Schedule (2020-2021)

	Outstanding for following periods from due date of payments						
Particulars	**Unbilled**	**Not Due**	**Less than 1 years**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total Outstanding**
MSME							-
Others			7.85			1.15	9.00
Disputed Dues - Others							-
Disputed Dues - MSME							-
Total	**-**	**-**	**7.85**	**-**	**-**	**1.15**	**9.00**

(₹ in Lacs)

	Year ended March 31, 2022	Year ended March 31, 2021
12 Revenue from Operation		
Income from contract manufacturing	393.63	301.26
	393.63	**301.26**
13 Other Income		
Interest income	0.62	0.25
	0.62	**0.25**

VAHNI DISTILLERIES PRIVATE LIMITED

Notes to Financial Statements for the year ended March 31, 2022

	Year ended March 31, 2022	Year ended March 31, 2021
		(₹ in Lacs)
14 Employee Benefit Expense		
Salaries, Wages and Bonus	30.22	28.09
Contribution to provident fund and family pension fund (Refer Note 22)	1.91	1.68
Staff welfare expenses	9.64	9.25
Gratuity (Refer Note 22)	0.53	0.60
	42.30	**39.62**

	Year ended March 31, 2022	Year ended March 31, 2021
15 Other Expenses		
Power and fuel	15.88	17.01
Repairs & maintenance :-		
i) Plant & Equipment	4.87	1.36
ii) Others	4.65	9.84
Insurance	0.82	1.93
Legal and professional charges	8.41	6.95
Auditor's Remuneration (Refer Note 24)	4.08	3.96
Rates and taxes	61.53	62.45
Travelling and conveyance expenses	1.42	2.05
Printing and stationery	1.33	1.35
Communication expenses	1.83	1.66
Directors Sitting Fees	10.78	8.65
Loss on Sale of Assets	-	0.81
Security Charges	13.61	14.05
Operational and Allied Charges	97.91	94.53
Allowance for doubtful advances / deposits	7.85	-
Miscellaneous expenses	6.66	8.48
	241.63	**235.08**

16 Financial Instruments - Accounting classification and fair value measurements

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

b) The following methods and assumptions were used to estimate the fair value:

1) Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilties, short term loans from banks and other financial instruments approximate their carrying amounts largely due to the short term maturities of these instruments.

2) Financial instruments with fixed and variable interest rates are evaluated by the company based on parameters such as interest rate and individual credit worthiness of the counter party. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

c) The company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : Valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Valuation techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows the carrying amounts and fair values of financial assets and financials liabilities, including their levels in the fair value hierarchy :

As at March 31, 2022 *(₹ in Lacs)*

	Carrying amount			
	Financial assets - FVTPL	Financial assets - cost / amortised cost	Financial liabilities - cost / amortised cost	Total carrying amount
Financial assets				
Cash and Cash Equivalents	-	352.98	-	352.98
Other Bank Balance	-	-	-	-
Other Financial Assets	-	0.38	-	0.38
	-	**353.36**	**-**	**353.36**
Financial liabilities				
Trade Payables	-	-	16.94	16.94
Other Financial Liabilities	-	-	1,188.55	1,188.55
	-	**-**	**1,205.49**	**1,205.49**

The Company has not disclosed the fair values for financial instruments such as investments, trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, borrowings, trade payables and financial liabilities because their carrying amounts are a reasonable approximation of fair value.

As at March 31, 2021 *(₹ in Lacs)*

	Carrying amount			
	Financial assets - FVTPL	Financial assets - cost / amortised cost	Financial liabilities - cost / amortised cost	Total carrying amount
Financial assets				
Cash and Cash Equivalents	-	1,200.65	-	1,200.65
Other Bank Balance	-	5.40	-	5.40
Other Financial Assets	-	8.47	-	8.47
	-	**1,214.52**	**-**	**1,214.52**
Financial liabilities				
Trade Payables	-	-	9.00	9.00
Other Financial Liabilities	-	-	2,106.32	2,106.32
	-	**-**	**2,115.32**	**2,115.32**

The Company has not disclosed the fair values for financial instruments such as investments, trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, borrowings, trade payables and financial liabilities because their carrying amounts are a reasonable approximation of fair value.

Fair Value Measurement Hierarchy :

(₹ in Lacs)

Particulars	As at 31-03-2022			As at 31-03-2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Asset	-	-	-	-	-	-
Non current Investments	-	-	-	-	-	-
Current Investment	-	-	-	-	-	-

17 Financial risk management

Objectives and policies

Risk management framework

The Company's management has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company conducts yearly risk assessment activities to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company has a system in place to ensure risk identification and ongoing periodic risk assessment is carried out. The Board of directors periodically monitors the risk assessment.

The Company has exposure to the following risks arising from financial instruments :
- Credit risk
- Liquidity risk
- Market risk
- Interest risk

a) Credit risk

Credit risk is the risk that counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The company generally doesn't have collateral.

The carrying amounts of financial assets represent the maximum credit risk exposure. The maximum exposure to credit risk at the reporting date is as follows :-

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents	352.98	1,200.65
Other bank balances	-	5.40
Other financial assets	0.38	8.47
Total	**353.36**	**1,214.52**

Trade receivables

Customer credit risk is managed as per Company's established policy, procedures and control relating to customer credit risk management. Credit risk has always been managed by the Company through credit approvals, estabilishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business.

Trade Receivables of the Company mainly consist of receivables from the state corporations. In respect of receivable from the state corporations, there is no past history of credit loss from these parties. Hence, in the opinion of the management there is no credit loss on receivable from the state corporations.

An impairment analysis is performed for all major customers at each reporting date on an individual basis. In addition, a large number of minor receivables are grouped into homogenous group and assessed for impairment collectively. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several industries and operate in largely independent markets.

(₹ in Lacs)

	Contractual cash flows		
	Carrying amount	**Less than one year**	**More than 1 year**
As at March 31, 2022	-	-	-
As at March 31, 2021	-	-	-

Bank balances and deposits with banks

Credit risk from balances with banks is managed by the company's finance department as per Company's policy. Investment of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Board of directors. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

As at March 31, 2022

(₹ in Lacs)

	Contractual cash flows		
	Carrying amount	**Less than one year**	**More than 1 year**
Trade payables	16.94	16.94	-
Other financial liabilities	1,188.55	1,188.55	-
	1,205.49	**1,205.49**	**-**

As at March 31, 2021

(₹ in Lacs)

	Contractual cash flows		
	Carrying amount	**Less than one year**	**More than 1 year**
Trade payables	9.00	9.00	-
Other financial liabilities	2,106.32	2,106.32	-
	2,115.32	**2,115.32**	**-**

c) Market risk

Market risk is the risk of loss of future earnings, fair value or future cash flows arising out of change in the price of a financial instrument. These include change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowing.

The company manages market risk through a risk management committee engaged in, inter alia, evaluation and identification of risk factors with the object of governing / mitigation them accordingly to company's objectives and declared policies in specific context of impact thereof on various segments of financial instruments.

Currency risk

The Company is exposed to currency risk to the extent that there is mismatch between the currencies in which sales, purchase are denominated and the respective functional currencies of Company. The Company has export sales primarily denominated in US dollars.

Exposure to currency risk

The Company's exposure to currency risk as reported to the management is as follows:

	As at March 31, 2022	As at March 31, 2021
	USD	USD
Export receivables	-	-
Overseas payables	-	-
Total	**-**	**-**

Foreign currency sensitivity

1% increase or decrease in foreign exchange rates will have the following impact on profit before tax:

(₹ in Lacs)

	As at March 31, 2022	As at March 31, 2021
Increase / (decrease) in profit	-	-
Total increase / (decrease) in profit	**-**	**-**

A 1% increase in foreign exchange rates at the reporting date would have had equal but opposite effect on the amounts shown above, on the basis that all other variable remain constant.

d) Interest risk

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. The entity's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments is as follows:

(₹ in Lacs)

	As at March 31, 2022	As at March 31, 2021
Fixed rate instruments		
Financial liabilities		
Borrowings	-	-
Total	**-**	**-**
Variable-rate instruments		
Financial liabilities		
Borrowings	-	-
Total	**-**	**-**

Cash flow sensitivity analysis for variable-rate instruments

An increase of 100 basis points in interest rates at the reporting date would have decreased gain as at year end by the amounts shown below. This analysis assumes that all other variables remain constant.

Particulars	Profit or loss
March 31, 2022	
Variable-rate instruments	-
Cash flow sensitivity	**-**
March 31, 2021	
Variable-rate instruments	-
Cash flow sensitivity	**-**

A decrease of 100 basis points in the interest rates at the reporting date would have had equal but opposite effect on the amounts shown above, on the basis that all other variable remain constant.

18 Deferred Tax Assets / (Liabilities)

The following is the analysis of deferred tax assets/ (liabilities) presented in the balance sheet : *(₹ in Lacs)*

Movement in deferred tax assets/ (liabilities during the year	Opening Balance as on April 01,2021	Recognised in statement of Profit & loss	Closing Balance as on March 31,2022
Deferred Tax liabilities in relation to			
Property Plant & Equipment	(24.02)	3.46	(20.56)
Total A	**(24.02)**	**3.46**	**(20.56)**
Deferred Tax Assets in relation to			
Employee Benefit obligation	1.42	0.32	1.74
Business Losses / Unabsorbed depreciation	22.60	(3.78)	18.82
Total B	**24.02**	**(3.46)**	**20.56**
Total (A+B)	-	-	-

18.1 Deferred tax asset on tax losses and unabsorbed depreciation under Income Tax Act, has been recognised to the extent it is probable that future taxable income will be available against which these can be utilised. Accordingly, deferred tax assets have not been created on balance carried forward business losses and unabsorbed depreciation of ₹ 636.18 Lacs as on March 31, 2022 (P.Y. ₹ 728.82 Lacs)

19 Income Taxes *(₹ in Lacs)*

		Year ended March 31, 2022	Year ended March 31, 2021
a)	**Income Tax recognised in the Statement of Profit and Loss**		
	Current Tax		
	In respect of current year	-	-
	Adjustments in respect of previous years	0.17	-
	Deferred Tax		
	In respect of current year	-	-
	Adjustments in respect of deferred tax of previous years	-	-
b)	**Income tax expense recognised in Other Comprehensive Income**		
	Deferred tax expense on remeasurement of defined benefit plans	-	-
c)	**Applicable corporate tax rate**	31.200%	31.200%

		As at March 31, 2022	As at March 31, 2021
d)	**Current Tax Liabilities**		
	Provision for Taxation (Net of Advance Tax)	-	-
e)	**Current Tax Assets**		
	Provision for Taxation (Net of Advance Tax)	-	-
	Advance Tax (Net of Provision for Taxation)	57.77	12.31

20 Capital Management *(₹ in Lacs)*

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

The Group monitors capital based on the following ratio :-

	As at March 31, 2022	As at March 31, 2021
Total Net Debt	Nil	Nil
Total Equity	(585.54)	(668.51)
Debt to Equity Ratio	Nil	Nil

21 Contingent Liability not provided for:

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
a) Bank guarantees issued on behalf of the Company	-	5.40
b) In respect of disputed Indirect Tax matters, pending before the appropriate tax authorities, contested by the Company		
Sales Tax		
F.Y. 2015-2016 (Entry Tax - KTEG Act 1979)	22.00	22.00
F.Y. 2017-2018 (KVAT-Karnataka)	22.04	-
F.Y. 2017-2018 (KTEG-Karnataka)	2.17	-
F.Y. 2017-2018 (CST-Karnataka)	1.42	-

Contingent liabilities above represent estimates made mainly for probable claims arising out of litigation and disputes pending with tax authorities. The probability and timing of outflow with regard to these matters depend on the final outcome of litigations / disputes. Hence the Company is not able to reasonably ascertain the timing of the outflow.

22 The disclosure of Ind AS 19 “Employee Benefits” is as follows:

Defined Contribution Plan

The Company has charged in the Statement of Profit and Loss during the financial year an amount of ₹ 1.91 Lacs (P.Y. ₹ 1.68 Lacs) under defined contribution plan as employer’s contribution to Provident Fund.

Defined Benefit Plan

The Employees’ gratuity scheme of the Company is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The net value of the defined commitment is detailed below: *(₹ in Lacs)*

	As at March 31, 2022 Unfunded Gratuity	As at March 31, 2021 Unfunded Gratuity
Present Value of obligation	4.02	3.40
Fair Value of Plans		-
Net Liability in the balance sheet	**4.02**	**3.40**
Defined Benefit Obligations		
Opening balance	3.40	2.89
Interest expenses	0.21	0.20
Current service cost	0.32	0.41
Past service cost	-	-
(Liability Transferred Out/ Divestments)	-	-
Benefit paid directly by the employer	-	(0.14)
Actuarial (gain) / loss-Due to change in Demographic Assumption	-	0.08
Actuarial (gain) / loss-Due to change in Financial assumptions	(0.08)	0.15
Actuarial (gain) / loss- Due to Experience	0.17	(0.18)
Closing balance	**4.02**	**3.40**
Plan Assets		
Opening balance	-	-
Interest Income	-	-
Expected return on plan assets	-	-
Paid Funds	-	-
Actuarial (gain) / loss	-	-
Closing balance	**-**	-

VAHNI DISTILLERIES PRIVATE LIMITED

Notes to Financial Statements for the year ended March 31, 2022

	Year ended March 31, 2022 Unfunded Gratuity	Year ended March 31, 2021 Unfunded Gratuity
Return on Plan Assets		
Expected return on plan assets	-	-
Actuarial (gain) / loss	-	-
Actual Return on Plan Assets	**-**	**-**
Expenses Recognised in the Statement of Profit or Loss on defined benefit plan		
Current service costs	0.32	0.40
Past service cost	-	-
Interest expense	0.21	0.20
Interest Income	-	-
Expected return on plan assets	-	-
Expenses Recognised	**0.53**	**0.60**
Expenses Recognised in the Other Comprehensive Income (OCI) on defined benefit plan		
Actuarial (gain) / loss	0.11	0.04
Expected return on plan assets	-	-
Net (Income)/ Expense for the period Recognised in OCI	**0.11**	**0.04**
Maturity Analysis of the Benefit Payments: From the Fund		
Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	0.42	0.37
2nd Following Year	0.40	0.34
3rd Following Year	0.41	0.33
4th Following Year	0.38	0.32
5th Following Year	0.37	0.30
Sum of Years 6 to 10	2.22	1.88
Sum of Years 11 and above	1.81	1.46
Sensitivity Analysis		
Projected Benefits Obligations on Current Assumptions	4.02	3.39
Delta Effect +1% Change in Rate of Discounting	(0.21)	(0.18)
Delta Effect -1% Change in Rate of Discounting	0.23	0.20
Delta Effect +1% Change in Rate of Salary Increase	0.23	0.20
Delta Effect -1% Change in Rate of Salary Increase	(0.02)	(0.19)
Delta Effect +1% Change in Rate of Employee Turnover	0.01	0.01
Delta Effect -1% Change in Rate of Employee Turnover	0.01	(0.01)
Actuarial assumptions	**Unfunded Gratuity**	**Unfunded Gratuity**
Mortality (LIC)	2006-08 Ultimate	2006-08 Ultimate
Discount rate (per annum)	6.41%	6.06%
Expected rate of return on plan assets (per annum)	-	-
Rate of escalation in salary (per annum)	5.00%	5.00%

Defined Contribution Plan

Present value of DBO, Fair Value of Plan Assets, Deficit/ (Surplus), Experience Adjustments for current and earlier periods:

Unfunded Gratuity for the year ended	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018
Present value of DBO	4.02	3.40	2.89	9.68	0.44
Fair value of plan assets		-	-	-	-
Deficit/(Surplus)	4.02	3.40	2.89	9.68	0.44

VAHNI DISTILLERIES PRIVATE LIMITED

Notes to Financial Statements for the year ended March 31, 2022

23 Related Party Disclosures:

The disclosures pertaining to the related parties as required by Ind AS 24 "Related Party Disclosure" are as under:

a) Holding Company :Tilaknagar Industries Ltd.

List of Fellow Subsidiary Companies
: Prag Distillery (P) Ltd.
: Kesarval Springs Distillers Pvt. Ltd.
: PunjabExpo Breweries Private Limited
: Mykingdom Ventures Pvt. Ltd.
: Studd Projects P. Ltd.
: Srirampur Grains Private Limited
: Shivprabha Sugars Ltd.

b) Key Managerial Personnel

	: Mr. Amit Dahanukar	: Chairman
	: Mr. Ajit Anant Sirsat	: Managing Director
	: Mrs. Shivani Amit Dahanukar	: Non Excecutive Director
	: Mr. C V Bijlani	: Independent Director
	: Dr. R D Bapat	: Independent Director
	: Mr. Kishorekumar G. Mhatre	: Independent Director
	: Ms. Aparna Chaturvedi	: Independent Director
	: Mr. K S Reddy	: Non Excecutive Director
	: Mr. Shankar Pawar	: Director and Chief Financial Officer

(₹ in Lacs)

Nature of Transaction (excluding reimbursements)	Parties refered in (a) above		Parties refered in (b) above	
	Year ended March 31, 2022	**Year ended March 31, 2021**	**Year ended March 31, 2022**	**Year ended March 31, 2021**
Sales				
Tilaknagar Industries Ltd.	52.79	11.17	-	-
Total	**52.79**	**11.17**	**-**	**-**
Purchase				
Tilaknagar Industries Ltd.	67.67	116.69	-	-
Total	**67.67**	**116.69**	**-**	**-**
Income from Contract Manufacturing				
Tilaknagar Industries Ltd.	393.63	301.26	-	-
Total	**393.63**	**301.26**	**-**	**-**
Payments to Key Managerial Personnel				
Sitting Fees to Directors (Excluding GST)	-	-	10.78	8.65
Total	**-**	**-**	**10.78**	**8.65**
Net Loans & Advances given / (taken)				
Tilaknagar Industries Ltd.	916.73	(579.37)	-	-
Total	**916.73**	**(579.37)**	**-**	**-**
Outstanding Receivable / (Payable)				
Tilaknagar Industries Ltd.	(1,179.89)	(2,096.62)	-	-
Total	**(1,179.89)**	**(2,096.62)**	**-**	**-**

Notes :

a) All Related Party Transactions entered during the year were in ordinary course of the business and on arm's length basis.

b)

Compensation of key management personnel of the Company **	**Year ended March 31, 2022**	**Year ended March 31, 2021**
Sitting Fees to Directors	10.78	8.65
Total compensation of key management personnel of the Company	**10.78**	**8.65**

VAHNI DISTILLERIES PRIVATE LIMITED

Notes to Financial Statements for the year ended March 31, 2022

(₹ in Lacs)

24 Auditor's remuneration charged to accounts:	Year ended March 31, 2022	Year ended March 31, 2021
a) Audit fees	1.77	1.77
b) Limited review fees	2.12	2.12
c) Reimbursement of expenses	0.19	0.07
	4.08	**3.96**

25 Micro & Small enterprises have been identified by the Company on the basis of the information received from suppliers regarding their satatus under the Mirco, Small and Medium Enterprises Development Act, 2006 (MSMED Act). The Company has amounts due to Micro & Small enterprises under the MSMED Act as follows :

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;	-	-
b) the amount of interest paid by the buyer in terms of section 16 of the Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Act ;	-	-
d) the amount of interest accrued and remaining unpaid at the end of year; and	-	-
e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Act.	-	-

(₹ in Lacs)

26 Earnings per share:	As at March 31, 2022	As at March 31, 2021
Profit / (Loss) after tax	83.08	(0.54)
Weighted average number of shares	14.98	14.98
Basic & Diluted Earnings Per Share	5.55	(0.04)
Face Value per Equity Share	100.00	100.00

27 The Company has entered into arrangements with Tilaknagar Industries Ltd. (referred as 'Holding Company) as Tie-up Manufacturing Unit (TMU), where-in the Company will manufacture and sell beverage alcohol on behalf of the Holding Company. Under such arrangements, the Holding Company has exposure to significant risks and rewards associated with the sale of products i.e. it has the primary responsibility for providing goods to the customer, has pricing latitude and is also exposed to inventory and credit risks. Accordingly, the transactions of the Company under such arrangements have been recorded as gross revenue, excise duty and expenses in the books of the Holding Company as if they were transactions of the Holding Company. The Holding Company also presents inventory under such arrangements as its own inventory. The net receivables from/ payable to Holding Company are recognised under other financial assets/ other financial liabilities respectively.

(₹ in Lacs)

In Profit & Loss A/C	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from operations / Other Income	62,912.26	59,689.38
Total Income	**62,912.26**	**59,689.38**
Cost of materials consumed / (Increase) / decrease in Inventories	4,504.77	3,100.10
Excise Duty	54,587.68	52,702.01
Finance costs / other expenses	1,252.21	1,616.21
Total expenses	**60,344.66**	**57,418.32**
Profit/(Loss)	**2,567.60**	**2,271.06**

(₹ in Lacs)

In Balance Sheet	As at March 31, 2022	As at March 31, 2021
Assets:		
Inventory	944.84	1,426.49
Trade Receivables	2,247.00	2,016.67
Other Assets	1,627.24	7.61
Liabilities:		
Trade Payables	1,249.50	1,264.76
Provisions	653.57	1,165.62
Other Liabilities	529.67	2,381.14

28 The Company is predominantly engaged in income from contract manufacturing which constitute a single business segment.The company derives its entire revenue from a single customer i.e. Holding Company

VAHNI DISTILLERIES PRIVATE LIMITED

Notes to Financial Statements for year ended March 31, 2022

29 Ratio Analysis

Ratio	Numerator	Denominator	2021-2022 Numerator	2021-2022 Denominator	2020-2021 Numerator	2020-2021 Denominator	Current year	Previous Year	% Change	Reason for Variance
Current ratio (in times)	Total current assets	Total current liabilities	371.80	1,225.36	1,236.22	2,130.06	0.30	0.58	-48%	The Company has improved its business performance during the year 2022-2022.
Debt-Equity ratio (in times)	Total borrowings and lease liabilities	Total equity	-	(585.54)	-	(668.51)	-	-	NA	
Debt service coverage ratio (in times)	Net Profit after taxes + Depreciation and Amortization + Finance Cost	Principal repayments including interest + lease liabilities payments	110.15	-	26.81	-	-	-	NA	
Return on Equity Ratio	Profit after tax	Average total equity	83.08	(627.03)	(0.54)	(668.22)	(0.13)	0.00	NA	
Inventory turnover ratio (times)	Cost of Material consumed + Changes in Inventories	Average inventory	-	-	-	-	-	-	NA	
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	393.63	-	301.26	-	-	-	NA	
Trade payables turnover ratio (in times)	Cost of Material consumed + Changes in Inventories + Other Expenses - Inventory /Advance Provision / Advance written off	Average trade payable	233.78	12.97	235.08	17.23	0.18	0.14	32%	The Company has improved its business performance during the year 2022-2022.
Net capital turnover ratio (in times)	Revenue from operations	Working capital (i.e. Total current assets less Total current liabilities)	393.63	(853.56)	301.26	(893.84)	(0.00)	(0.00)	37%	The Company has improved its business performance during the year 2022-2022.
Net profit ratio (in %)	Profit after tax	Revenue from operations	83.08	393.63	(0.54)	301.26	21%	-0.18%	-11779%	
Return on capital employed (in %)	Profit before tax + finance costs	Capital employed = Tangible Net worth + Total Borrowings	83.25	(585.54)	(0.54)	(668.51)	-14%	0.08%	NA	
Return on investment (in %)	Profit after tax	Average total equity	83.08	(627.03)	(0.54)	(668.22)	-13%	0.08%	NA	

30 Other Statutory Information:

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

ii) The Company does not have any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the Company.

iii) The Company does not have any transactions with the struck off Companies..

iv) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

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

vi) The Company have 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;

vii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

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.

viii) 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.

ix) The Company has not made any Loans or Advances in the nature of loans that 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.

x) The company has not been declared as a wilful defaulter.

xi) The Company did not have sanctioned working capital limits during the year from any banks / lenders.

31 Figures of previous year have been regrouped, reclassified and recast, wherever considered necessary.

As per our Report of even date annexed

For **Batliboi & Purohit**
Chartered Accountants
Firm Registration No. 101048W

For and on behalf of the Board of Directors

Kaushal Mehta
Partner
Membership No. 111749

Amit Dahanukar
Chairman
(DIN:00305636)

Ajit Anant Sirsat
Managing Director
(DIN:08877654)

Place : Mumbai
Date : May 30,2022

Shankar Pawar
Director & Chief Financial Officer
(DIN:08877747)

Vijeta Shah
Company Secretary

PUNJABEXPO BREWERIES PRIVATE LIMITED

Regd. Office: P.O. Tilaknagar, Tal. Shrirampur, Dist. Ahmednagar, Maharashtra – 413 720
Tel No: (02422) 265 032/265 123, Fax No: (02422) 265 135
CIN No: [U15531PN1997PTC143390]

DIRECTORS' REPORT

Dear Members,

The Directors hereby present their 25th Annual Report along with the Audited Financial Statements for the financial year ended March 31, 2022.

1. FINANCIAL & OPERATIONAL REVIEW

During the financial year under review, the revenue from operations of the Company stood at Rs. 60.65 Lacs as compared to Rs. 62.49 Lacs in the previous year. It has incurred total comprehensive loss of Rs. 1,017.14 Lacs during the financial year 2021-22 as compared to total comprehensive loss of Rs. 1,066.99 Lacs in the previous year.

2. DIVIDEND

In view of the losses incurred by the Company during the year under review, the Directors have not recommended any dividend for the financial year ended March 31, 2022.

3. SHARE CAPITAL

During the financial year under review, the authorized Share Capital of the Company was increased from Rs. 12,00,00,000 divided into 1,20,00,000 equity shares of face value of Rs. 10/- each to Rs. 21,60,00,000 divided into 2,16,00,000 equity shares of face value of Rs. 10 each. The Company has allotted 1,60,00,000 Equity Shares of Rs. 10/- each fully paid-up at par of Rs. 10/- per share aggregating to Rs. 16,00,00,000/- (Rupees Sixteen Crores only) on rights basis to existing equity shareholders of the Company. As a result, the issued, subscribed and the paid-up share capital of the Company has increased from Rs. 5,60,00,000 divided into to 56,00,000 equity shares of face value of Rs 10 each to Rs. 21,60,00,000 divided into 2,16,00,000 equity shares of face value of Rs. 10 each as on March 31, 2022.

4. HOLDING COMPANY

Your Company is wholly owned subsidiary of Tilaknagar Industries Ltd.

5. DIRECTORS

During the financial year under review, Mrs. Shivani Amit Dahanukar, who retired by rotation in accordance with the provisions of Section 152(6) of the Companies Act, 2013, was re-appointed as Director, liable to retire by rotation by the Members in their Annual General Meeting("AGM") held on September 29, 2021.

In accordance with the provisions of Section 152(6) of the Act, Mr. Pradeep Kumar, Director of the Company is retiring by rotation at the ensuing AGM and being eligible, has offered himself for re-appointment.

The Board recommends his re-appointment in terms of the provisions of Section 152 of the Act. Information pursuant to Secretarial Standard- 1 issued by the Institute of Company Secretaries of India with respect to Director seeking re-appointment is appended to the Notice convening the ensuing AGM.

Mr. Chanderbhan Verhomal Bijlani, Independent Director has furnished declaration regarding meeting the criteria of independence as laid down in Section 149(6) of the Act.

6. NUMBER OF MEETINGS OF THE BOARD

The Board has met 8 (Eight) times during the financial year 2021-22 on April 17, 2021; April 26, 2021; May 28, 2021; June 07, 2021; August 12, 2021; November 11, 2021; February 08, 2022; and March 30, 2022 and the intervening period between the two meetings did not exceed 120 days.

7. KEY MANAGERIAL PERSONNEL

As on March 31, 2022, Mr. Amit Dahanukar, Chairman & Managing Director, Mrs. Shivani Amit Dahanukar, Executive Director, Mr. Anand Kamparath Chandrasekharan, Chief Financial Officer and Ms. Varsha Vallabh Vyas, Company Secretary were the Key Managerial Personnel of the Company under the provisions of Sections 2(51) and 203 of the Act read with the Companies (Appointment and Qualifications of Managerial Personnel) Rules, 2014.

During the financial year under review, Mr. Anand Kamparath Chandrasekharan was appointed as Chief Financial Officer of the Company w.e.f. March 30, 2022.

8. AUDITORS

In accordance with the provisions of Section 139(1) read with the Companies (Audit and Auditors) Rules, 2014, M/s. Batliboi & Purohit, Chartered Accountants (Firm Registration No. 101048W) were appointed as Statutory Auditors of the Company in the 22nd AGM held on September 11, 2019 to hold office from the conclusion of the 22nd AGM till the conclusion of the 27th AGM.

No frauds have been reported by the Statutory Auditors during the financial year 2021-22 pursuant to the provisions of Section 143(12) of the Act.

With reference to qualification contained in the Auditors' Report for the financial year ended March 31, 2022 with respect to Note no. 31 of the Financial Statements, which states that the company has given advances amounting to 2,276.34 lakhs to Prag Distillery (P) Ltd ("the Prag") a fellow subsidiary to meet working capital requirement for bottling brands licensed to the Company. Prag is currently going through Corporate Insolvency Resolution process under Insolvency and Bankruptcy Code, 2016 before the National Company Law Tribunal and is not in a position to repay the advances since the financial position is weak. In spite of this, the Company has not considered any provision/ allowance for doubtful advances in accordance with the applicable Indian Accounting Standard ("Ind AS"). Hence the loss for the year is understated to the extent of the advances not provided.

Board's Response: The National Company Law Tribunal("NCLT") has ordered for liquidation of Prag Distillery (P) Ltd ("Prag"), a fellow subsidiary of the Company vide its order No. MA 309/2018 in CP1067/ 2017 dated July 26, 2018, as a going concern. A liquidator has been appointed to manage the affairs of Prag and complete the liquidation process. The outstanding dues of Standard Chartered Bank and DCB Bank have been settled by the Holding Company and no dues certificates have also been received. The impairment, if any, of the advances amounting to ₹ 2,276.34 lacs (P.Y. ₹ 2,276.28 lacs) given to Prag will be considered on completion of the liquidation process / final settlement as the case may be.

Further, the Auditors under the paragraph material uncertainty related to going concern have drawn attention to Note no. 33 in the standalone Ind AS financial statements that the Company has incurred net loss during the year. The Company has accumulated losses and its net worth has been fully eroded. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

Board's Response: The net worth of the Company has been eroded and has incurred net loss during the current year. However, Tilaknagar Industries Ltd.("TI"), the Holding Company, is actively exploring the possibility of entering into northern markets where the Company will be one of the major sources of supply. It is also in talks with other brand owners to enter into bottling arrangements for the said brand owners. This would significantly improve the capacity utilisation and have favourable impact on the profitability of the Company. Moreover, the Company is also in the process of rationalization of its administrative overheads. In order to repose faith in the Company, during the year, TI has subscribed to rights issue of 1,60,00,000 shares of Rs 10 each of the Company thereby further improving the net worth of the company. The Board of Directors have assessed the above conditions and indicators and have come to the conclusion that no material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern taking into account the plans management has put in place and the other mitigating factors described above. Hence, the accounts of Company have been prepared on a going concern basis.

9. DETAILS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Details with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are set out in Annexure 'A' to this Report.

10. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Key Managerial Personnel) Rules, 2014, is provided in Annexure 'B' forming a part of this Report. Further, the Annual Report is being sent to the Members excluding the aforesaid Annexure.

In terms of Section 136 of the Act, the said Annexure will be available for inspection of the Shareholders. Shareholders may write to the Company at investor@tilind.com in that regard.

11. ANNUAL RETURN

In accordance with the provisions of Section 134(3)(a) of the Act the Company has uploaded the Annual Return for the financial year ended March 31, 2022 on the website of its Holding Company i.e. Tilaknagar Industries Ltd., accessible at weblink : https://tilind.com/investors-filings-reports/

12. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The necessary disclosure as required in pursuance of the provisions of Section 134(3)(g) read with Section 186(4) of the Act has been made in the financial statements.

13. FIXED DEPOSITS

The Company has not accepted any deposits from the public and as such, no amount of principal or interest on deposits was outstanding as on the balance sheet date.

14. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the financial year 2021-22, there were no related party transactions requiring disclosure in Form AOC-2 as required under Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014.

15. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Board of Directors has laid down standards, processes and procedures for implementing the internal financial controls across the organization. After considering the framework of existing internal financial controls and compliance systems; work performed by the Statutory Auditors, the Board of Directors is of the opinion that the Company's internal financial controls with reference to the financial statements were adequate and effective during the financial year 2021-22.

16. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to requirements of Section 134(3)(c) of the Act and on the basis of the information furnished to them by the Statutory Auditors and Management, the Directors state that:

a. in the preparation of the annual accounts, the applicable Accounting Standards have been followed and there are no material departures;

b. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the year;

c. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. they have prepared the annual accounts on a going concern basis; and

e. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

17. RESIDUARY DISCLOSURES

i. During the year under review, provisions of Section 178(1) of the Act were not applicable to the Company. Hence, disclosure under Section 134(3)(e) the Act is not applicable;

ii. During the year under review, no amount is proposed to be carried to reserves;

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

iv. The key business risks, which in the opinion of the Board of Directors may threaten the existence of the Company, along with mitigation strategies adopted by the Company are enumerated herein below:

   i. **Regulatory Risk**

   The IMFL industry is a high-risk industry, primarily on account of high taxes and innumerable regulations governing it. As a result, liquor

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CIN No: [U15531PN1997PTC143390]

companies suffer from low pricing flexibility and have underutilized capacities, which, in turn, may lead to low margins. To mitigate this risk, the Company complies with all the applicable rules and regulations in all the States where it is present.

ii. **Strategic Risk**

The Company's strategy and its execution are dependent on uncertainties and untapped opportunities. To mitigate this risk, the Company has adopted resilient policies which not only allow the Company to maximize opportunities under normal conditions but also ensure that acceptable results are achieved under extra-ordinary adverse conditions.

In order to establish various levels of accountability for risk management/mitigation within the Company and provide for reviewing, documentation and reporting mechanism for such risks, a risk management policy is under formulation.

v. During the year under review, provisions of Section 135 of the Act were not applicable to the Company. Hence, disclosure under Section 134(3)(o) of the Act read with Rule 8 of the Companies (CSR Policy) Rules, 2014 is not applicable;

vi. During the year under review, provisions of Section 178(2) of the Act were not applicable to the Company. Hence, disclosure under Section 134(3)(p) read with Rule 8(4) of the Companies (Accounts) Rules, 2014 is not applicable;

vii. During the year under review, the Company has not issued equity shares with differential rights as to dividend, voting or otherwise. Hence, disclosure under Rule 4(4) of the Companies (Share Capital and Debentures) Rules, 2014 is not applicable;

viii. During the year under review, there has been no change in the nature of business of the Company. Hence, disclosure under Rule 8(5)(ii) of the Companies (Accounts) Rules, 2014 is not applicable;

ix. During the year under review, no company has become or ceased to be subsidiary, joint venture or associate of the Company. Hence, disclosure under Rule 8(5)(iv) of the Companies (Accounts) Rules, 2014 is not applicable;

x. During the year under review, no significant material orders have been passed by any regulators or courts or tribunals which may impact the going concern status of the Company and its future operations. Hence, disclosure under Rule 8(5)(vii) of the Companies (Accounts) Rules, 2014 is not applicable;

xi. The Company has complied with the applicable provisions relating to the constitution of the Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 [14 of 2013] and the Company has not received any complaint of sexual harassment during the financial year 2021-22;

xii. During the year under review, the Company was not required to make and maintain cost records as specified by the Central Government under Section 148(1) of the Act; and

xiii. During the financial year 2021-22, no application was made or any proceeding is pending under the Insolvency and Bankruptcy Code, 2016 in respect of the Company.

xiv. During the financial year 2021-22, no one time settlement was entered into by the Company.

18. ACKNOWLEDGEMENTS

The Directors wish to acknowledge and place on record their sincere appreciation for the assistance and co-operation received from all the members, employees, bankers and other stakeholders.

For and on behalf of the Board of Directors

Place : Mumbai
Date : May 28, 2022

Amit Dahanukar
Chairman & Managing Director

ANNEXURE 'A' TO THE DIRECTORS' REPORT

[Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

(A) CONSERVATION OF ENERGY

(i) Steps Taken or Impact on Conservation of Energy:

The manufacturing unit of the Company is too small to consider investment under the present financial constraints and have a healthy return on investment.

(ii) Steps Taken by the Company for Utilizing Alternate Sources of Energy:

With current local power cost, other than use of gen-set as an alternate source of energy under emergency, no other steps are economically viable, though search for an economically viable alternate source is on.

(iii) Capital Investment on Energy Conservation Equipments:

During the financial year 2021-22, no capital investment has been made by the Company on energy conservation equipments.

(B) TECHNOLOGY ABSORPTION

(i) Efforts made towards Technology Absorption: NIL

(ii) Benefits derived like product improvement, cost reduction, product development or import substitution: NIL

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

a) **the details of technology imported:** The Company has not imported any technology during the last three financial years.

b) **the year of import:** Not Applicable

c) **whether the technology has been fully absorbed:** Not Applicable

d) **if not fully absorbed, areas where absorption has not taken place, and the reasons thereof:** Not Applicable

(iv) Expenditure incurred on Research and Development:

During the financial year 2021-22, neither capital nor revenue expenditure has been incurred by the Company on Research and Development acitivities.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

There were no earnings and expenditure in foreign currency during the year.

For and on behalf of the Board of Directors

Place: Mumbai
Date: May 28, 2022

Amit Dahanukar
Chairman & Managing Director

INDEPENDENT AUDITOR'S REPORT

To the Members of **PUNJAB EXPO BREWERIES PRIVATE LIMITED**

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of **PunjabExpo Breweries Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in basis for qualified opinion paragraph below the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the 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 Loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

We draw attention to Note no. 31 of the Financial Statements, which states that the company has outstanding advances given in earlier years amounting to Rs 2276.34 lakhs to **Prag Distillery (P) Ltd** ('the Prag') a fellow subsidiary to meet working capital requirement for bottling brands licensed to the Company. Prag is currently going through Corporate Insolvency Resolution process under Insolvency and Bankruptcy Code, 2016 before the National Company Law Tribunal and is not in a position to repay the advances since the financial position is weak. In spite of this, the Company has not considered any provision / allowance for doubtful advances in accordance with the applicable Indian Accounting Standard (Ind AS). Hence the Loss for the year is understated to the extent of the advances not provided.

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

Material Uncertainty Related to Going Concern

We draw attention to Note no. 33 of the financial statements which indicates that the Company has incurred a net loss of Rs. 1017.14 lakhs during the current year. The Company has accumulated losses of Rs. 2098.66 lakhs and its net worth has been fully eroded as at March 31, 2022. These conditions indicate that a material uncertainty exists that may cast a significant doubt about the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said Note.

Our opinion is not modified in respect of this matter.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

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

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

When we are made available the Board report, if we conclude that there is a material misstatement therein of this other information, we are required to report that fact with those charged with governance.

Management's Responsibility for the Financial Statements

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

In preparing the financial statements, 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 responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, based on our audit 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) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, 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 including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

d) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) The matter described in Basis for Qualified opinion and Material uncertainty related to Going Concern section above, in our opinion, may have an adverse effect on the functioning of the Company.

f) On the basis of the written representations received from the directors as on 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.

g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.

h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

i) In our opinion and according to the information and explanations given to us, the remuneration paid/ provided by the Company to its directors during the year is in accordance with the provisions of section 197 read with schedule V of the Act.

j) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position as at March 31, 2022 - Refer note 24 of the financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company.

iv. (a) The management has represented that, to the best of its knowledge and belief, no funds 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 persons or entities, 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 has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("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; and

(c) Based on audit procedures performed, nothing has come to our attention that causes us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided in (a) and (b) above, contain any material misstatement.

v. The Company has not declared or paid any dividend during the year.

For BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Reg. No.101048W

Paresh Chokshi
Partner
Membership No. 033597

Place: Mumbai
Date: May 28, 2022
ICAI UDIN: 22033597AJVHXB9910

Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended March 31, 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 has maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular programme of physical verification of its Property, Plant and Equipment by which all items of Property, Plant and Equipment are verified once in every two years. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the said programme, certain items of Property, Plant and Equipment were physically verified during the year and no material discrepancies were observed on such verification.

(c) With respect to immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment, capital work-in progress, according to the information and explanations given to us and based on the examination of the registered sale deed / title deed provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date.

(d) The Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year. Accordingly, paragraph 3(i)(d) of the Order is not applicable.

(e) According to the information and explanations given to us, no proceedings have been initiated during the year or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) (a) The Company does not have any inventory and hence reporting under clause 3(ii)a of the Order is not applicable.

(b) During the year, the Company did not have any sanctioned working capital limits in excess of five crore rupees, in aggregate, from any banks on the basis of security of its current assets. Accordingly, paragraph 3(ii)(b) of the Order is not applicable.

(iii) (a) During the year, the Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Based on the information and explanation given to us, in respect of loans granted by the Company in the earlier year and remaining outstanding during the year the details are given below:

Particulars	Loans (Rs. In lakhs)
Balance outstanding as at Balance sheet date	
- Fellow Subsidiary	2276.34

(b) In respect of loans outstanding during the year, in our opinion terms and conditions of the loan granted are, prima facie, prejudicial to the Company's interest, since the schedule of repayment of principal amount of Rs. 2276.34 lakhs and payment of interest has not been stipulated.

(c) In respect of loans outstanding during the year, the schedule of repayment of principal and payment of interest has not been stipulated. The repayments of principal amounts and receipts of interest are not regular.

(d) In our opinion in respect of loans outstanding, we are unable to comment on the overdue amount remaining outstanding as at balance sheet date since the schedule of repayment of principal and payment of interest has not been stipulated.

(e) In our opinion and on the basis of information and explanations given to us, no loans have fallen due during the year. Hence, reporting under clause 3(iii)(e) is not applicable.

(f) The Company has not granted any fresh loans or advances or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence reporting under clause 3(iii)(f) is not applicable

(iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, made investments or given guarantees in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable. Accordingly, reporting under paragraph 3(iv) of the Order is not applicable.

(v) According to information and explanations given to us, the Company has not accepted any deposits from the public in accordance with the provisions of section 73 to 76 or any relevant provisions of the Act and rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable.

(vi) To the best of our knowledge and as explained the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the products of the Company.

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

According to the information and explanations given to us, no undisputed statutory dues referred above were in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us by the Company and on the basis of our examination of the books of account and the record, there are no dues of Service Tax, Goods and service tax, Income tax, Duty of Customs, Duty of Excise and Value added tax outstanding on account of any dispute except for Sales Tax as stated below: *:

Name of the statute	**Nature of dues**	**Amount (Rs. In lakhs)***	**Period to which the amount relates (Financial Year)**	**Forum where dispute is pending**
Sales Tax Rules	PVAT (Punjab)	0.10	2013-2014	Dy. Commissioner (Appeals)

**As represented by Management.*

Sales Tax Rules	CST (Punjab)	24.65	2013-2014	Dy. Commissioner (Appeals)
Sales Tax Rules	CST (Punjab)	122.08	2013-2014	Dy. Commissioner (Appeals)

(viii) According to the information and explanations given to us, no transactions have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which was not recorded in the books of account. Accordingly, paragraph 3(viii) of the Order is not applicable.

(ix) (a) According to the information and explanations given to us and on the basis of our audit procedures, the Company has taken unsecured demand loans from its Parent Company during the year and in the earlier years. Since there are no terms and conditions or any repayment schedule of the loan taken, we are unable to comment whether there is any default in repayment of principal or payment of interest.

(b) According to the information and explanations given to us and on the basis of our audit procedures, the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) According to the information and explanations given to us and based on our examination of the records of the Company, no term loans were obtained or utilised during the year by the Company. Accordingly, paragraph 3(ix)(c) of the Order is not applicable.

(d) In our opinion and according to the information and explanations given to us and based on the audit procedures performed by us, no funds have been raised on short term basis by the Company.

(e) According to the information and explanations given to us and based on the audit procedures performed by us, the Company does not have any subsidiaries, joint ventures or associate companies. Accordingly, paragraph 3(ix)(e) of the Order is not applicable.

(f) According to the information and explanations given to us and based on the audit procedures performed by us, the Company does not have any subsidiaries, joint ventures or associate companies. Accordingly, paragraph 3(ix)(f) of the Order is not applicable.

(x) (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, paragraph 3(ix)(a) of the Order is not applicable.

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

(xi) (a) According to the information and explanations given to us, no fraud by the company or any fraud on the company has been noticed or reported during the year.

(b) According to the information and explanations given to us and based on the audit procedures performed by us, no report under sub-section (12) of section 143 of the Companies Act in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was filed with the Central Government during the year or upto the date of the Report.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a 'nidhi' company and it has not accepted any deposits. Accordingly, paragraph 3(xii)(a), paragraph 3(xii)(b) and paragraph 3(xii)(c) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on the audit procedures performed by us, transactions with the related parties during the year were in compliance with sections 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards. Provisions of Section 177 of the Act are not applicable to the Company.

(xiv) (a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the company issued till date, for the period under audit.

(xv) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, provisions of section 192 of the Act and paragraph 3(xv) of the Order are not applicable.

(xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and based on audit procedures performed by us, the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year. Accordingly, paragraph 3(xvi)(b) of the Order is not applicable.

(c) In our opinion and according to the information and explanations given to us, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, paragraph 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations given to us, the Group (as defined the Core Investment Companies (Reserve Bank) Direction 2016) does not have any Core Investment Company ('CIC') as part of the Group. Accordingly, paragraph 3(xvi)(d) of the Order is not applicable.

(xvii) According to the information and explanations given to us and based on audit procedures performed by us, the Company has incurred cash losses in the current and in the immediately preceding financial year of Rs. 970.20 lakhs and Rs. 1016.76 lakhs respectively.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, paragraph 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, 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 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) (a) According to the information and explanations given to us and based on audit procedures performed by us, the Company was not required to spend any amount in terms of Section 135 of the Act during the year. Accordingly, second proviso to sub-section (5) of section 135 of the said Act and paragraph 3(xx)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and based on audit procedures performed by us, the Company did not have any ongoing project in terms of Section 135 of the Act during the year. Accordingly, provision of sub-section (6) of section 135 of the said Act and paragraph 3(xx)(b) of the Order is not applicable.

(xxi) This Report is issued on the standalone financial statements of the Company. Accordingly, paragraph 3(xxi) of the Order is not applicable.

For BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Reg. No.101048W

Paresh Chokshi
Partner
Membership No. 033597

Place: Mumbai
Date: May 28, 2022
ICAI UDIN: 22033597AJVHXB9910

Annexure - B to the Auditors' Report
(referred to in paragraph 2(h) under 'Report on Other Legal and regulatory requirements' section of our report to the members of the Company of even date)

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

Opinion

We have audited the internal financial controls over financial reporting of PunjabExpo Breweries Private Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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 March 31, 2022 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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 Ind AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s Internal Financial Controls system over Financial Reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's Internal Financial Control over Financial Reporting is a process designed to provide reasonable assurance regarding the reliability of Financial Reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted Accounting Principles. A company's Internal Financial Control over Financial Reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 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.

For BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Reg. No.101048W

Paresh Chokshi
Partner
Membership No. 033597

Place: Mumbai
Date: May 28, 2022
ICAI UDIN: 22033597AJVHXB9910

PUNJABEXPO BREWERIES PRIVATE LIMITED

Balance Sheet as at March 31, 2022

(₹ in Lacs)

		Note No.	As at March 31, 2022	As at March 31, 2021
I	**ASSETS**			
	Non-Current Assets			
	Property, Plant and Equipment	2a	619.26	657.88
	Other Intangible Assets	2c	0.03	0.03
	Financial Assets			
	Other Financial Assets	3	42.58	21.19
	Deferred Tax Assets (Net)	4	-	-
	Other Non-Current Assets	5	46.04	8.90
	Non-Current Tax Assets (Net)	22	4.07	3.83
			711.98	**691.83**
	Current Assets			
	Financial Assets			
	Cash and Cash Equivalents	6a	19.74	42.15
	Other Bank Balances	6b	25.74	111.04
	Other Financial Assets	3	2,276.34	2,276.34
	Other Current Assets	5	48.86	41.22
			2,370.68	**2,470.75**
	TOTAL ASSETS		**3,082.66**	**3,162.58**
II	**EQUITY AND LIABILITIES**			
	Equity			
	Equity Share Capital	7	2,160.00	560.00
	Other Equity	8	(2,908.66)	(1,891.52)
			(748.66)	**(1,331.52)**
	Liabilities			
	Non-Current Liabilities			
	Financial Liabilities			
	Borrowings	9	-	-
	Other Financial Liabilities	10	-	-
	Provisions	11	72.78	67.27
	Other Non-Current Liabilities	12	-	-
			72.78	**67.27**
	Current Liabilities			
	Financial Liabilities			
	Borrowings	9	540.87	777.25
	Trade Payables			
	Total outstanding dues of micro & small enterprises	13	-	-
	Total outstanding dues of creditors other than micro & small enterprises	13	12.97	17.23
	Other Financial Liabilities	10	3,167.28	3,572.69
	Provisions	11	6.81	6.42
	Other Current Liabilities	12	30.61	53.24
			3,758.54	**4,426.83**
	TOTAL EQUITY AND LIABILITIES		**3,082.66**	**3,162.58**
			-	-
	Significant accounting policies	1		
	The accompanying notes are an integral part of the financial statements	2-37		

As per our Report of even date annexed.

For **Batliboi & Purohit**
Chartered Accountants
Firm Registration No. 101048W

For and on behalf of the Board of Directors

Paresh Chokshi
Partner
Membership No. 033597

Amit Dahanukar
Chairman & Managing Director
(DIN:00305636)

Ajit Anant Sirsat
Director
(DIN:08877654)

Place : Mumbai
Date : May 28, 2022

Varsha Vyas
Company Secretary

Anand K C
Chief Financial Office

PUNJABEXPO BREWERIES PRIVATE LIMITED

Statement of Profit and Loss for the year ended March 31, 2022

(₹ in Lacs)

	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
INCOME			
Revenue from Operations	14	60.65	62.49
Other Income	15	7.65	8.85
Total Income		**68.30**	**71.34**
EXPENSES			
Employee Benefits Expense	16	909.09	921.10
Finance Costs	17	18.28	38.10
Depreciation	2	44.94	45.23
Other Expenses	18	109.21	122.60
Total expenses		**1,081.52**	**1,127.03**
Profit / (Loss) before tax		**(1,013.22)**	**(1,055.69)**
Less : Tax expense			
1) Taxes for earlier years	22	-	-
2) Deferred Tax	21	-	-
Total Tax Expense		**-**	**-**
Profit / (Loss) after tax		**(1,013.22)**	**(1,055.69)**
Other Comprehensive Income			
Items that will not be reclassified to Profit and Loss			
Remeasurement of defined benefit plans	25	(3.92)	(11.30)
Tax on above		-	-
Items that will be reclassified to Profit and Loss		-	-
			-
Total Other Comprehensive Income / (Loss)		**(3.92)**	**(11.30)**
Total Comprehensive Income for the year		**(1,017.14)**	**(1,066.99)**
Earnings Per Share (₹) Basic & Diluted	29	(4.69)	(18.85)
Summary of significant accounting policies	1		
The accompanying notes are an integral part of the financial statements	2-37		

As per our Report of even date annexed.

For **Batliboi & Purohit**
Chartered Accountants
Firm Registration No. 101048W

For and on behalf of the Board of Directors

Paresh Chokshi
Partner
Membership No. 033597

Amit Dahanukar
Chairman & Managing Director
(DIN:00305636)

Ajit Anant Sirsat
Director
(DIN:08877654)

Place : Mumbai
Date : May 28, 2022

Varsha Vyas
Company Secretary

Anand K C
Chief Financial Officer

PUNJABEXPO BREWERIES PRIVATE LIMITED

Statement of Cash Flow for the year ended March 31, 2022

(₹ in Lacs)

		Year Ended March 31, 2022		Year Ended March 31, 2021	
A)	**Cash flow from Operating activities**				
	Net profit before tax		(1,013.22)		(1,055.69)
	Adjustment for:				
	Depreciation	44.94		45.23	
	Loss / (Profit) on sale of Asset	-		0.30	
	Gain on sale of investments	-		-	
	Finance Cost	18.28		38.10	
	Sundry balance written off	2.16		-	
	Sundry balance written back	-		-	
	Interest income	(7.48)	57.90	(8.85)	74.78
	Operating Profit before working capital changes		(955.32)		(980.91)
	Adjustment for:				
	(Decrease)/ Increase in trade payables, current liabilities, provisions and other financial liabilities	(430.36)		55.03	
	(Increase) / Decrease in loans and advances and other assets	(68.33)		32.75	
	(Increase) / Decrease in inventories	-		-	
	(Increase) / Decrease in trade receivables	-	(498.69)	-	87.78
	Direct taxes refund / (paid)		(0.23)		171.59
	Net Cash from Operating activities		**(1,454.24)**		**(721.54)**
B)	**Cash Flow from Investing activities**				
	Purchase of property, plant and equipment	(6.29)		(0.63)	
	Sale of investments	-		-	
	Interest received	7.48		8.85	
	(Increase) / Decrease in other bank balances	85.29		(5.94)	
	Net Cash from Investing Activities		**86.48**		**2.28**
C)	**Cash Flow from Financing activities**				
	Proceeds from issue of Shares	1,600.00			
	Proceeds from borrowings including current maturities	691.11		739.17	
	Repayment of borrowings including current maturities	(943.79)		(11.24)	
	Finance Cost Paid	(1.97)		(3.70)	
	Net Cash from Financing Activities		**1,345.35**		**724.23**
	Net increase in Cash & Cash equivalents (A+B+C)		**(22.41)**		**4.97**
	Opening cash & cash equivalents		42.15		37.18
	Closing cash & cash equivalents		**19.74**		**42.15**
			(0.00)		

Notes :

(₹ Lacs)

		As at March 31, 2022	As at March 31, 2021
(a)	**Cash and cash equivalents comprises of**		
	i) Balances with Banks		
	In Current Accounts	6.25	6.92
	ii) Short-Term Bank Deposits (Maturity within 3 months)	13.18	35.17
	iii) Cash on Hand	0.31	0.06
		19.74	**42.15**

(₹ Lacs)

		As at April 01, 2021	Cash Flow (net)	Non Cash Changes	As at March 31, 2022
(b)	**Change in liability arising from financing activities**				
	Borrowings	777.25	(254.65)	18.27	540.87

(c) The above statement of cash flow have been prepared under the "Indirect Method" as set out in Ind AS 7, " Statement of cash flow "

(d) Figures of previous year have been regrouped, reclassified and recast, wherever considered necessary.

For **Batliboi & Purohit**
Chartered Accountants
Firm Registration No. 101048W

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Place : Mumbai
Date : May 28, 2022

Varsha Vyas
Company Secretary

Anand K C
Chief Financial Officer

PUNJABEXPO BREWERIES PRIVATE LIMITED

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

A) Equity Share Capital

1) Current reporting period

(₹ in Lacs)

Balance as at April 01, 2021	Changes in equity share capital due to prior period errors	Restated balance as at April 01,2021	Changes in equity share capital during the year	Balance as at March 31,2022
560.00	-	560.00	1,600.00	2,160.00

2) Previous reporting period

Balance as at April 01, 2020	Changes in equity share capital due to prior period errors	Restated balance as at April 01,2020	Changes in equity share capital during the year	Balance as at March 31,2021
560.00	-	560.00	-	560.00

B) Other Equity

1) Current Reporting Period

(₹ in Lacs)

	Reserves and Surplus			Total
	Securities Premium Account	Capital Reserve	Retained Earnings	
Balance at the beginning of the current reporting period	-	-	(1,891.52)	(1,891.52)
Changes in Accounting Policies or prior period errors	-	-	-	-
Restated balances at the beginning of the current reporting period	-	-	(1,891.52)	(1,891.52)
Profit / (Loss) after tax	-	-	(1,013.22)	(1,013.22)
Remeasurement of defined benefit plans			(3.92)	(3.92)
Balance at the end of the current reporting period	-	-	(2,908.66)	(2,908.66)

2) Previous Reporting Period

	Reserves and Surplus			Total
	Securities Premium Account	Capital Reserve	Retained Earnings	
Balance at the beginning of the previous reporting period	-	-	(824.53)	(824.53)
Changes in Accounting Policies or prior period errors	-	-		-
Restated balances at the beginning of the previous reporting period	-	-	(824.53)	(824.53)
Profit / (Loss) after tax	-	-	(1,055.69)	(1,055.69)
Remeasurement of defined benefit plans			(11.30)	(11.30)
Balance at the end of the previous reporting period	-	-	(1,891.52)	(1,891.52)

As per our Report of even date annexed.

For **Batliboi & Purohit**
Chartered Accountants
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Paresh Chokshi
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Anand K C
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Place : Mumbai
Date : May 28, 2022

Varsha Vyas
Company Secretary

PUNJABEXPO BREWERIES PRIVATE LIMITED

Notes to Financial Statements for the year ended March 31, 2022

1.1 General Information:

PunjabExpo Breweries Private Limited (The 'Company') is a Company domiciled in India, with its registered office situated at PO Tilaknagar, Tal Shrirampur, Dist. Ahmednagar, Maharashtra - 413720. The Company has been incorporated under the provisions of Indian Companies Act. The Company is primarily involved in manufacturing and sale of Indian Made Foreign Liquor (IMFL). The Company has a strong and diverse portfolio of brands in various liquor categories including brandy, whisky, vodka, gin, and rum.

1.2 Basis of preparation

a) Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The financial statements were authorised for issue by the Company's Board of Directors on May 28, 2022.
Details of the Company's accounting policies are included in Note 1.3.

b) Functional and presentation currency

These financial statements are presented in Indian Rupees (Rs.), which is also the Company's functional currency. All amounts have been rounded off to two decimal places to the nearest lakhs, unless otherwise indicated.

c) Basis of measurement

The financial statements have been prepared on the historical cost basis, except for certain financial assets and liabilities and defined benefit plan assets / liabilities measured at fair value.

d) Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

1) Useful life of Property, plant and equipment.
2) Useful life of Intangible Assets
3) Employee benefit plans
4) Provisions and contingent liabilities
5) Lease classification
6) Income tax

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2022 is included in the following notes:

Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

e) Measurement at fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values.
Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : Valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Valuation techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

1.3 Significant Accounting Policies

i) Property, plant and equipment

a) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

b) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

c) Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method and is recognised in the statement of profit and loss.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset	Management estimate of useful life	Schedule II of the Companies Act, 2013
Factory Buildings	30	30
Plant and equipment	15	15
Furniture and Fixtures	10	10
Motor Vehicles	8	8
Office Equipments	5	5
Computers	3	3
Computer server	6	6
Electrical Installations	10	10

Depreciation method, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate. Based on internal assessment and consequent advice, the management believes that its estimate of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed off).

ii) Intangible assets

a) Acquired intangible assets

Intangible assets comprise purchased technical know-how are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

b) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

c) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method and is included in depreciation and amortisation in Statement of Profit and Loss.

Intangible assets are amortised over a period of 10 years for technical know-how and 3 years for others.

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

iii) Inventories

Inventories are measured at the lower of cost and net realisable value after provision for obsolescence where appropriate. The cost of inventories is based on the weighted average cost method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable values.

The comparison of cost and net realisable value is made on an item-by-item basis.

Scrap is valued at net realisable value.

iv) Foreign currency transactions

The Company's financial statements are presented in INR, which is also the Company's functional currency.

Transactions and balances

Monetary items are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

v) Impairment of non-financial assets

An asset is deemed impairable when recoverable value is less than its carrying cost and the difference between the two represents provisioning exigency. Recoverable value is the higher of the 'Value in Use' and fair value as reduced by cost of disposal. Test of impairment of PPE, investment in subsidiaries / associates / joint venture and goodwill are undertaken under Cash Generating Unit (CGU) concept. For Intangible Assets and Investment Properties it is undertaken in asset specific context. Test of impairment of assets are generally undertaken based on indication of impairment, if any, from external and internal sources of information. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

vi) Employee Benefits

a) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

b) Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund and Employee State Insurance scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

c) Defined Benefit Plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses are recognised in Other Comprehensive Income (OCI). The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

d) Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in profit or loss in the period in which they arise.

vii) Provisions and contingent liabilties

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assumptions of the time value of money and the risks specific to the liability. The unwinding of discount is recognized as finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

viii) Leases

As a lessee

The Company has adopted modified simplified approach under Ind AS 116 - Leases, with effect from April 01, 2019. Accordingly, the Company has recognised 'Right of use (ROU)' assets of ₹ 11.15 lacs, accumulated amortisation of ₹ Nil and present value of lease liabilities of ₹ 11.15 lacs as on April 01, 2019.

In the statement of profit and loss for the year, instead of rent expenses (as accounted under previous periods), amortisation of right of use has been

accounted under depreciation and amortisation expenses and unwinding of discount on lease liabilities has been accounted under finance cost.

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the date of commencement of the lease, the Company recognizes a ROU and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and/or low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Currently, ROU assets are being amortised over a period of 3-5 years based on lease term being lower of lease term and estimated useful life of underlying assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing activities in statement of cash flows.

As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

ix) Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of those property, plant and equipment which necessarily takes a substantial period of time to get ready for their intended use are capitalised. All other borrowing costs are expensed in the period in which they incur in the statement of profit and loss.

x) Revenue Recognition

Revenue comprises revenue from contracts with customers for sale of goods. Revenue from sale of goods is inclusive of excise duties and is net of returns, trade allowances, rebates, value added taxes, Goods and Services Tax (GST) and such amounts collected on behalf of third parties.

Revenue is recognised as and when performance obligations are satisfied by transferring goods or services to the customer,as below:

a) Revenue from sale of products:

Revenue is recognised at transaction price on transfer of control, being on dispatch of goods or upon delivery to customer, in accordance with the terms of sale.

b) Revenue from manufacture and sale of products from tie-up manufacturing arrangements:

The Company has entered into arrangements with Tie-up Manufacturing Units (TMUs), where-in TMUs manufacture and sell beverage alcohol on behalf of the Company. Under such arrangements, the Company has exposure to significant risks and rewards associated with the sale of products i.e. it has the primary responsibility for providing goods to the customer, has pricing latitude and is also exposed to inventory and credit risks. Accordingly, the transactions of the TMUs under such arrangements have been recorded as gross revenue, excise duty and expenses as if they were transactions of the Company. The Company also presents inventory under such arrangements as its own inventory. The net receivables from/payable to TMUs are recognised under other financial assets/ other financial liabilities respectively.

c) Interest

Interest income is recognized using the effective interest rate method. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. Interest income is included under the head “Other income” in the statement of profit and loss.

d) Dividend

Dividend income is recognized when the Company’s right to receive the payment is established, which is generally when the shareholders approve the dividend.

xi) Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

a) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

b) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used.

Deferred tax assets recognised or unrecognised are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The Company offsets, the current tax assets and liabilities (on a year on year basis) and deferred tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

xii) Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjusting for the effects of all potential dilutive ordinary shares.

xiii) Statement of Cash flow

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

xiv) Financial instruments

a) Recognition and initial measurement

The Company initially recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

b) Classification and subsequent measurement

Financial assets

Financial assets carried at amortised cost

A financial asset is subsequently 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.

Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income 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.

Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

In case, the fair value of a financial asset or financial liability, at initial recognition, differs from the transaction price, the difference between the fair value at initial recognition and the transaction price -

(i) is recognised as a gain or loss if that fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation.

(ii) is deferred and is recognised as a gain or loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability. The unamortised portion of the deferred fair value gain/loss difference as on reporting date, is disclosed under other current/non-current assets/liabilities as the case may be.

c) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

The Company assesses impairment based on expected credit losses (ECL) model at an amount equal to:-

• 12 months expected credit losses, or

• Lifetime expected credit losses

depending upon whether there has been a significant increase in credit risk since initial recognition. However, for trade receivables, the company does not track the changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognised in the statement of profit and loss.

d) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or realise the asset and settle the liability simultaneously.

xv) Recent amendments to Indian Accounting Standards:

On March 23, 2022, Ministry of Corporate Affairs ('MCA') amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 01, 2022, as below

a) Ind AS 103 - Business Combinations:

The amendment clarifies that while applying the acquisition method for recognition, the assets and liabilities taken over, in a business combination, must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. The Company does not expect the amendment to have any impact in its financial statements.

b) Ind AS 16 – Property, Plant and Equipment :

The amendment requires that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The Company does not expect the amendment to have any significant impact in its financial statements.

c) Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets :

The amendment clarifies in relation to onerous contracts that the cost of fulfilling a contract comprises the costs that relate directly to the contract which consist of incremental costs of fulfilling that contract (examples would be direct labour, materials) and an allocation of other costs that relate directly to fulfilling contracts. The Company does not expect the amendment to have any significant impact in its financial statements.

d) Ind AS 41 – Agriculture:

The amendment relates to recognition and measurement of biological assets or agricultural produce. The Company does not expect the amendment to have any impact in its financial statements.

e) Ind AS 109 – Financial Instruments :

The amendment clarifies that while determining the fees paid (net of fees received) when a borrower applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability, the borrower to include only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. The Company does not expect the amendment to have any significant impact in its financial statements.

PUNJABEXPO BREWERIES PRIVATE LIMITED

Notes to Financial Statements for the year ended March 31, 2022

2 Property, Plant and Equipment *(₹ in Lacs)*

	Gross Block				Depreciation / Amortisation				Net Block	
	As at April 01, 2021	**Additions**	**Deductions**	**As at March 31, 2022**	**As at April 01, 2021**	**Deductions**	**For the year**	**As at March 31, 2022**	**As at March 31, 2022**	**As at March 31,2021**
a) Property, Plant and Equipment										
Land & Development	7.70	-		7.70	-		-	-	7.70	7.70
Factory Building	689.85	-		689.85	181.16		21.04	202.20	487.65	508.68
Plant and Equipment	206.67	6.29		212.96	124.22		11.87	136.09	76.87	82.45
Vehicles	80.34	-		80.34	29.16		8.36	37.52	42.82	51.19
Tools and Equipments	0.37	-		0.37	0.21		0.02	0.23	0.14	0.15
Furniture	1.07	-		1.07	0.89		0.07	0.96	0.11	0.18
Office Equipment	5.87	-		5.87	4.26		0.62	4.88	0.99	1.59
Computer	16.82	-		16.82	15.97		-	15.97	0.85	0.85
Electrical Installation	29.04	-		29.04	23.95		2.96	26.91	2.13	5.09
Total Property, Plant and Equipment	**1,037.73**	**6.29**	**-**	**1,044.02**	**379.82**	**-**	**44.94**	**424.76**	**619.26**	**657.88**
b) Right Of Use Asset										
Premises	-	-	-	-	-	-	-	-	-	-
Total Right of Use Asset	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
c) Intangible Assets										
Software	0.60	-	-	**0.60**	0.57	-	-	**0.57**	**0.03**	**0.03**
Total Intangible Assets	**0.60**	**-**	**-**	**0.60**	**0.57**	**-**	**-**	**0.57**	**0.03**	**0.03**
Grand Total	**1,038.33**	**6.29**	**-**	**1,044.62**	**380.39**	**-**	**44.94**	**425.33**	**619.29**	**657.91**

Note: The title deeds of the immovable properties are held in the name of the Company.

PUNJABEXPO BREWERIES PRIVATE LIMITED

Notes to Financial Statements for the year ended March 31, 2022

2 Property, Plant and Equipment (Previous Financial Year 2020-21) *(₹ in Lacs)*

	Gross Block				Depreciation / Amortisation				Net Block	
	As at April 01, 2020	Additions	Deductions	As at March 31, 2021	As at April 01, 2020	Deductions	For the year	As at March 31, 2021	As at March 31, 2021	As at March 31,2020
a) Property, Plant and Equipment										
Land & Development	7.70	-	-	7.70	-	-	-	-	7.70	7.70
Factory Building	689.85	-	-	689.85	160.12	-	21.04	181.16	508.68	529.73
Plant and Equipment	206.56	0.63	0.52	206.67	112.81	0.33	11.74	124.22	82.45	93.75
Vehicles	80.78	-	0.44	80.34	20.83	0.41	8.74	29.16	51.19	59.95
Tools and Equipments	0.37	-	-	0.37	0.19	-	0.02	0.21	0.15	0.18
Furniture	1.07	-	-	1.07	0.78	-	0.11	0.89	0.18	0.29
Office Equipment	6.77	-	0.90	5.87	4.50	0.86	0.62	4.26	1.59	2.27
Computer	17.57	-	0.75	16.82	16.69	0.72	-	15.97	0.85	0.88
Electrical Installation	29.04	-	-	29.04	20.99	-	2.96	23.95	5.09	8.05
Total Property, Plant and Equipment	1,039.71	0.63	2.61	1,037.73	336.91	2.32	45.23	379.82	657.88	702.80
b) Right Of Use Asset										
Premises	2.14	-	2.14	-	2.14	2.14	-	-	-	-
Total Right of Use Asset	2.14	-	2.14	-	2.14	2.14	-	-	-	-
c) Intangible Assets										
Software	0.60	-	-	0.60	0.57	-	-	0.57	0.03	0.03
Total Intangible Assets	**0.60**	**-**	**-**	**0.60**	**0.57**	**-**	**-**	**0.57**	**0.03**	**0.03**
Grand Total	**1,042.45**	**0.63**	**4.75**	**1,038.33**	**339.62**	**4.46**	**45.23**	**380.39**	**657.91**	**702.83**

Note: The title deeds of the immovable properties are held in the name of the Company.

PUNJABEXPO BREWERIES PRIVATE LIMITED

Notes to Financial Statements for the year ended March 31, 2022

(₹ in Lacs)

	Non-Current		Current	
	As at March 31, 2022	**As at March 31, 2021**	**As at March 31, 2022**	**As at March 31, 2021**
3 Other Financial Assets				
Term Bank Deposits (Maturity exceeding 12 months)	25.25	1.70	-	-
Advance to Employees	-	-	-	-
Deposits	17.33	19.49	-	-
Advances to Related party	-	-	2,276.34	2,276.34
	42.58	**21.19**	**2,276.34**	**2,276.34**
4 Deferred Tax Assets (Net)				
Deferred Tax Assets (Net) (Refer Note 21)	-	-	-	-
	-	**-**	**-**	**-**

5 Other Assets	Non-Current		Current	
	As at March 31, 2022	**As at March 31, 2021**	**As at March 31, 2022**	**As at March 31, 2021**
Advances to Suppliers	-	-	5.00	5.18
Balance with Government Authorities	117.24	80.10	11.95	5.89
Prepaid Expense	-	-	36.91	35.15
Less : Allowance for Advances / balances with government authorities	(71.20)	(71.20)	(5.00)	(5.00)
	46.04	**8.90**	**48.86**	**41.22**

5.1 Movement in loss allowance for balances with government authorities:

Particulars	**March 31, 2022**	**March 31, 2021**	**March 31, 2022**	**March 31, 2021**
Balance at the beginning of the year	71.20	-	5.00	-
Loss allowance (net)	-	71.20	-	5.00
Write off	-	-	-	-
Balance at the end of the year	**71.20**	**71.20**	**5.00**	**5.00**

PUNJABEXPO BREWERIES PRIVATE LIMITED

Notes to Financial Statements for the year ended March 31, 2022

(₹ in Lacs)

	Current	
	As at March 31, 2022	**As at March 31, 2021**
6 Cash and bank balances		
a) Cash and Cash Equivalents		
i) Balances with Banks		
In Current Accounts	6.25	6.92
ii) Short-Term Bank Deposits (Maturity within 3 months)	13.18	35.17
iii) Cash on Hand	0.31	0.06
	19.74	**42.15**
b) Other Bank Balances		
Short-term Bank Deposits (Maturity within 12 months)	25.74	111.04
	25.74	**111.04**
	45.48	**153.19**

PUNJABEXPO BREWERIES PRIVATE LIMITED

Notes to Financial Statements for the year ended March 31, 2022

	As at March 31, 2022	As at March 31, 2021
		(₹ in Lacs)
7 Equity Share Capital		
Authorised Shares		
2,16,00,000 equity shares of ₹ 10/- each (P.Y. 12,000,000 equity shares of ₹ 10/- each)	**2,160.00**	**1,200.00**
Issued, subscribed and paid up shares		
2,16,00,000 equity shares of ₹ 10/- each fully paid up (P.Y. 56,00,000 equity shares of ₹ 10/- each fully paid up)	2,160.00	560.00
	2,160.00	**560.00**

a) Reconciliation of the number of shares outstanding

		(Nos in lacs)
Number of equity shares at the beginning	56.00	56.00
Equity Shares issued during the period *	160.00	-
Number of equity shares at the end	**216.00**	**56.00**

* Note: The company has issued 1,60,00,000 shares of Rs 10/- each to the holding compnay as a right issue.

b) Terms / rights attached to equity shares

Each holder of equity share is entitled to one vote per share with a right to receive per share dividend by the Company, when declared. In the event of liquidation, the equity shareholders will be entitled to receive remaining assets of the Company after distribution of all preferential amounts in the proportion to the number of equity shares held by them.

c) Shares held by holding Company

Tilaknagar Industries Ltd.	216.00	56.00

d) Details of shareholders holding more than 5% shares in the Company

(Nos in lacs)

Name of the shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of equity shares	As a % of total holding	No. of equity shares	As a % of total holding
Tilaknagar Industries Ltd.	216	100	56	100
Total	**216**	**100**	**56**	**100**

e)	As at March 31, 2022		As at March 31, 2021	
Disclosures of Shareholding of Promoters - Shares held by the Promoters	No. of equity shares	As a % of total holding	No. of equity shares	As a % of total holding
Tilaknagar Industries Ltd.	216	100	56	100
Total	**216**	**100**	**56**	**100**

	As at March 31, 2022	As at March 31, 2021
		(₹ in Lacs)
8 Other Equity		
Retained Earnings		
Balance at the beginning of the year	(1,891.52)	(824.53)
Add: Profit / (Loss) after tax for the year	(1,013.22)	(1,055.69)
Less: Remeasurement of defined benefit plans	(3.92)	(11.30)
Balance at the end of the year	**(2,908.66)**	**(1,891.52)**

Footnote:
Retained earnings are the profits that Company has earned till date less transfers to general reserve dividends or other distributions paid to shareholders. Retained earnings includes re-measurement loss / (gain) on defined benefit plans (net of taxes) that will not be reclassified to the Statement of Profit and Loss. Retained earnings is a free reserve available to the Company.

(₹ in Lacs)

	Non-Current As at March 31, 2022	Non-Current As at March 31, 2021	Current As at March 31, 2022	Current As at March 31, 2021
9 Borrowings				
Secured Loans				
Hire Purchase Car Loans (with banker's lien on cars)	-	-	-	3.68
Unsecured Loans				
Loan from Holding Company			540.87	773.57
	-	**-**	**540.87**	**777.25**

The loan from Holding company is repayable on demand.

10 Other Financial Liabilities	Non-Current As at March 31, 2022	Non-Current As at March 31, 2021	Current As at March 31, 2022	Current As at March 31, 2021
Current Maturities of Long term borrowings	-	-	-	-
Employee dues	-	-	96.05	67.47
Advance from Holding Company	-	-	3,070.89	3,505.07
Other Payables	-	-	0.34	0.15
	-	**-**	**3,167.28**	**3,572.69**

11 Provisions	Non-Current As at March 31, 2022	Non-Current As at March 31, 2021	Current As at March 31, 2022	Current As at March 31, 2021
Provision for Gratuity (Refer Note 25)	40.57	34.45	2.02	1.65
Provision for Leave Encashment	32.21	32.82	4.79	4.77
	72.78	**67.27**	**6.81**	**6.42**

12 Other Liabilities	Non-Current As at March 31, 2022	Non-Current As at March 31, 2021	Current As at March 31, 2022	Current As at March 31, 2021
Payable towards Statutory Liabilities	-	-	30.61	53.24
	-	**-**	**30.61**	**53.24**

	Non-Current As at March 31, 2022	Non-Current As at March 31, 2021	Current As at March 31, 2022	Current As at March 31, 2021
13 Trade Payables				
Trade Payables (Refer Note 28)				
Total outstanding dues of micro & small enterprises	-	-	-	-
Total outstanding dues of creditors other than micro & small enterprises	-	-	12.97	17.23
	-	**-**	**12.97**	**17.23**

Ageing Schedule (2021-2022)

Particulars	Outstanding for following periods from due date of payments						
	Unbilled	Not Due	Less than 1 years	1-2 years	2-3 years	More than 3 years	Total Outstanding
MSME							-
Others		2.25	3.09	1.72	0.20	5.71	12.97
Disputed Dues - Others							-
Disputed Dues - MSME							-
Total	**-**	**2.25**	**3.09**	**1.72**	**0.20**	**5.71**	**12.97**

Ageing Schedule (2020-2021)

Particulars	Outstanding for following periods from due date of payments						
	Unbilled	Not Due	Less than 1 years	1-2 years	2-3 years	More than 3 years	Total Outstanding
MSME							-
Others		0.82	10.47	0.20	4.72	1.02	17.23
Disputed Dues - Others							-
Disputed Dues - MSME							-
Total	-	0.82	10.47	0.20	4.72	1.02	17.23

PUNJABEXPO BREWERIES PRIVATE LIMITED

Notes to Financial Statements for the year ended March 31, 2022

		Year ended March 31, 2022	*(₹ in Lacs)* Year ended March 31, 2021
14	**Revenue from Operations**		
	Income from contract manufacturing / others	60.65	62.49
		60.65	**62.49**
15	**Other Income**		
	Interest income	7.48	8.85
	Sundry balance written back	0.17	-
		7.65	**8.85**

PUNJABEXPO BREWERIES PRIVATE LIMITED

Notes to Financial Statements for the year ended March 31, 2022

		Year ended March 31, 2022	Year ended March 31, 2021
			(₹ in Lacs)
16	**Employee Benefit Expense**		
	Salaries, Wages and Bonus	875.69	887.42
	Contribution to provident fund and family pension fund (Refer Note 25)	24.32	25.05
	Staff welfare expenses	4.36	4.72
	Gratuity (Refer Note 25)	4.72	3.91
		909.09	**921.10**
17	**Finance costs**		
	Interest on Loan	18.12	37.19
	Interest Others	0.16	0.91
		18.28	**38.10**
18	**Other Expenses**		
	Power and fuel	7.08	7.21
	Repairs & maintenance		
	i) Plant & Equipment	0.49	-
	ii) Others	1.87	5.50
	Insurance	1.17	0.74
	Legal and professional charges	7.11	27.58
	Auditor's Remuneration (Refer Note 27)	4.08	3.93
	Rates and taxes	45.67	32.66
	Travelling and conveyance expenses	2.09	2.76
	Communication expenses	3.05	2.42
	Vehicle running expenses	2.05	0.54
	Allowance for doubtful advances / deposits	-	5.00
	Advance Written off	2.16	-
	Operational and Allied Charges	18.44	-
	Miscellaneous expenses	13.95	33.96
	Loss on Sale of Assets	-	0.30
		109.21	**122.60**

PUNJABEXPO BREWERIES PRIVATE LIMITED

Notes to Financial Statements for the year ended March 31, 2022

19 Financial Instruments - Accounting classification and fair value measurements

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

b) The following methods and assumptions were used to estimate the fair value:

1) Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilties, short term loans from banks and other financial instruments approximate their carrying amounts largely due to the short term maturities of these instruments.

2) Financial instruments with fixed and variable interest rates are evaluated by the company based on parameters such as interest rate and individual credit worthiness of the counter party. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

c) The company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : Valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Valuation techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows the carrying amounts and fair values of financial assets and financials liabilities, including their levels in the fair value hierarchy :

As at March 31, 2022

(₹ in Lacs)

	Carrying amount			
	Financial assets - FVTPL	**Financial assets - cost / amortised cost**	**Financial liabilities - cost / amortised cost**	**Total carrying amount**
Financial assets				
Cash and Cash Equivalents	-	19.74	-	19.74
Other Bank Balances	-	25.74	-	25.74
Other Financial Assets	-	2,318.92	-	2,318.92
	-	**2,364.40**	**-**	**2,364.40**
Financial liabilities				
Borrowings	-	-	540.87	540.87
Trade Payables	-	-	12.97	12.97
Other Financial Liabilities	-	-	3,167.28	3,167.28
	-	**-**	**3,721.12**	**3,721.12**

The Company has not disclosed the fair values for financial instruments such as investments, trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, borrowings, trade payables and financial liabilities because their carrying amounts are a reasonable approximation of fair value.

As at March 31, 2021

(₹ in Lacs)

	Carrying amount			
	Financial assets - FVTPL	**Financial assets - cost / amortised cost**	**Financial liabilities - cost / amortised cost**	**Total carrying amount**
Financial assets				
Cash and Cash Equivalents	-	42.15	-	42.15
Other Bank Balances	-	111.04	-	111.04
Other Financial Assets	-	2,297.53	-	2,297.53
	-	**2,450.72**	**-**	**2,450.72**
Financial liabilities				
Borrowings	-	-	777.25	777.25
Trade Payables	-	-	17.23	17.23
Other Financial Liabilities	-	-	3,572.69	3,572.69
	-	**-**	**4,367.17**	**4,367.17**

The Company has not disclosed the fair values for financial instruments such as investments, trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, borrowings, trade payables and financial liabilities because their carrying amounts are a reasonable approximation of fair value.

Fair Value Measurement Hierarchy :

(₹ in Lacs)

Particulars	**As at 31-03-2022**			**As at 31-03-2021**		
	Level 1	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Financial Asset	-	-	-	-	-	-
Non current Investments	-	-	-	-	-	-
Current Investment	-	-	-	-	-	-

20 Financial risk management

Objectives and policies

Risk management framework

The Company's management has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company conducts yearly risk assessment activities to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company has a system in place to ensure risk identification and ongoing periodic risk assessment is carried out. The Board of directors periodically monitors the risk assessment.

The Company has exposure to the following risks arising from financial instruments :
- Credit risk
- Liquidity risk
- Market risk
- Interest risk

a) Credit risk

Credit risk is the risk that counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The company generally doesn't have collateral.

The carrying amounts of financial assets represent the maximum credit risk exposure. The maximum exposure to credit risk at the reporting date is as follows :-

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables	-	-
Cash and cash equivalents	19.74	42.15
Other bank balances	25.74	111.04
Other financial assets	2,318.92	2,297.53
Total	**2,364.40**	**2,450.72**

Trade receivables

Customer credit risk is managed as per Company's established policy, procedures and control relating to customer credit risk management. Credit risk has always been managed by the Company through credit approvals, estabilishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business.

An impairment analysis is performed for all major customers at each reporting date on an individual basis. In addition, a large number of minor receivables are grouped into homogenous group and assessed for impairment collectively. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several industries and operate in largely independent markets.

(₹ in Lacs)

		Contractual cash flows	
	Carrying amount	Less than one year	More than 1 year
As at March 31, 2022	-	-	-
As at March 31, 2021	-	-	-

Bank balances and deposits with banks

Credit risk from balances with banks is managed by the company's finance department as per Company's policy. Investment of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Board of directors. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

As at March 31, 2022 *(₹ in Lacs)*

	Contractual cash flows		
	Carrying amount	**Less than one year**	**More than 1 year**
Borrowings	540.87	540.87	-
Trade Payables	12.97	12.97	-
Other Financial Liabilities	3,167.28	3,167.28	-
	3,721.12	**3,721.12**	**-**

As at March 31, 2021 *(₹ in Lacs)*

	Contractual cash flows		
	Carrying amount	**Less than one year**	**More than 1 year**
Borrowings	777.25	777.25	-
Trade Payables	17.23	17.23	-
Other Financial Liabilities	3,572.69	3,572.69	-
	4,367.17	**4,367.17**	**-**

c) Market risk

Market risk is the risk of loss of future earnings, fair value or future cash flows arising out of change in the price of a financial instrument. These include change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowing.

The company manages market risk through a risk management committee engaged in, inter alia, evaluation and identification of risk factors with the object of governing / mitigation them accordingly to company's objectives and declared policies in specific context of impact thereof on various segments of financial instruments.

Currency risk

The Company is exposed to currency risk to the extent that there is mismatch between the currencies in which sales, purchase are denominated and the respective functional currencies of Company. The Company has export sales primarily denominated in US dollars.

d) Interest risk

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. The entity's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments is as follows:

(₹ in Lacs)

	As at March 31, 2022	**As at March 31, 2021**
Fixed rate instruments		
Financial liabilities		
Borrowings	-	-
Total	**-**	**-**
Variable-rate instruments		
Financial liabilities		
Borrowings	540.87	777.25
Total	**540.87**	**777.25**

Cash flow sensitivity analysis for variable-rate instruments

An increase of 100 basis points in interest rates at the reporting date would have decreased gain as at year end by the amounts shown below. This analysis assumes that all other variables remain constant.

Particulars	**Profit or loss**
31-03-2022	
Variable-rate instruments	(5.41)
Cash flow sensitivity	**(5.41)**
31-03-2021	
Variable-rate instruments	(7.77)
Cash flow sensitivity	**(7.77)**

A decrease of 100 basis points in the interest rates at the reporting date would have had equal but opposite effect on the amounts shown above, on the basis that all other variable remain constant.

PUNJABEXPO BREWERIES PRIVATE LIMITED

Notes to Financial Statements for the year ended March 31, 2022

21 Deferred Tax Assets/ (Liabilities) : *(₹ in Lacs)*

The following is the analysis of deferred tax assets/ (liabilities) presented in the balance sheet :

Movement in deferred tax assets/ (liabilities) during the year	Opening Balance as on 01-04-2021	Recognised in Statement of Profit & loss	Closing balance as on 31-03-2022
Deferred Tax Liabilities in relation to			
Property Plant & Equipment	(82.59)	0.26	(82.33)
Unrealized gain On Investment	-	-	-
Total A	**(82.59)**	**0.26**	**(82.33)**
Deferred Tax Assets in relation to			
Employee Benefit obligation	27.74	1.86	29.60
Provision/ Impairment for doubtful advances	22.21	1.56	23.77
MAT Credit	32.61	(3.65)	28.96
Business Losses / Unabsorbed depreciation	0.03	(0.03)	-
Total B	**82.59**	**(0.26)**	**82.33**
Total (A+B)	**-**	**-**	**-**

21.1 Deferred tax asset on tax losses and unabsorbed depreciation under Income Tax Act, has been recognised to the extent it is probable that future taxable income will be available against which these can be utiised. Accordingly, deferred tax assets have not been created on balance carried forward business losses and unabsorbed depreciation of ₹ 2,955.51 lacs as on March 31, 2022 (P.Y. ₹1,976.29 lacs).

22 Income Taxes *(₹ in Lacs)*

		Year ended March 31, 2022	Year ended March 31, 2021
a)	**Income Tax recognised in the Statement of Profit and Loss**		
	Current Tax		
	In respect of current year	-	-
	Adjustments in respect of previous years	-	-
	Deferred Tax	-	-
	In respect of current year	-	-
	Adjustments in respect of deferred tax of previous years	-	-
	MAT credit (including earlier year)	-	-
	Total	**-**	**-**
b)	**Income tax expense recognised in Other Comprehensive Income**		
	Tax expense on remeasurement of defined benefit plans	-	-
c)	**Applicable corporate tax rate**	31.200%	31.200%

		As at March 31, 2022	As at March 31, 2021
d)	**Current Tax Liabilities**		
	Provision for Taxation (Net of Advance Tax)	-	-
e)	**Current Tax Assets**		
	Advance Tax (Net of Provision for Taxation)	4.07	3.83

23 Capital Management *(₹ in Lacs)*

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

The Company monitors capital based on the following ratio :-

	As at March 31, 2022	As at March 31, 2021
Total Net Debt	521.13	735
Total Equity	(748.66)	(1,331.52)
Debt to Equity Ratio	Nil	Nil

24 Contingent Liability not provided for:

(₹ in Lacs)

	Particulars	As at March 31, 2022	As at March 31, 2021
a)	Bank guarantees issued on behalf of the Company	33.75	33.75
b)	In respect of disputed Indirect Tax matters, pending before the appropriate tax authorities, contested by the Company		
	<u>Sales Tax</u>		
	F. Y. 2013-14 PVT Punjab	0.10	-
	F. Y. 2013-14 CST Punjab	24.65	-
	F. Y. 2014-15 CST Punjab	122.08	-

25 The disclosure of Ind AS 19 “Employee Benefits” is as follows:

Defined Contribution Plan

The Company has charged in the Statement of Profit and Loss during the financial year an amount of ₹ 24.32 Lacs (P.Y. ₹ 25.05 Lacs) under defined contribution plan as employer’s contribution to Provident Fund.

Defined Benefit Plan

The Employees’ gratuity scheme is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The net value of the defined commitment is detailed below:

(₹ in Lacs)

	As at March 31, 2022 Unfunded Gratuity	As at March 31, 2021 Unfunded Gratuity
Present Value of obligation	42.59	36.10
Fair Value of Plans	-	-
Net Liability in the balance sheet	**42.59**	**36.10**
Defined Benefit Obligations		
Opening balance	36.10	22.73
Interest expenses	2.35	1.56
Current service cost	2.37	2.35
Past service cost		-
(Liability Transferred Out/ Divestments)		-
Benefit paid directly by the employer	(2.16)	(1.84)
Actuarial (gain) / loss-Due to change in Demographic Assumption	(0.04)	3.72
Actuarial (gain) / loss-Due to change in Financial assumptions	(0.85)	0.79
Actuarial (gain) / loss- Due to Experience	4.82	6.79
Closing balance	**42.59**	**36.10**
Plan Assets		
Opening balance	-	-
Interest Income	-	-
Expected return on plan assets	-	-
Paid Funds	-	-
Actuarial (gain) / loss	-	-
Closing balance	**-**	**-**

	For the year ended March 31, 2022	For the year ended March 31, 2021
	Unfunded Gratuity	Unfunded Gratuity
Return on Plan Assets	-	-
Expected return on plan assets	-	-
Actuarial (gain) / loss		
Expenses Recognised in the Statement of Profit or Loss on defined benefit plan		
Current service costs	2.37	2.35
Past service cost		-
Interest expense	2.34	1.56
Interest Income		-
Expected return on plan assets		-
Expenses Recognised	**4.72**	**3.91**
Expenses Recognised in the Other Comprehensive Income (OCI) on defined benefit plan		
Actuarial (gain) / loss	3.92	11.30
Expected return on plan assets	-	-
Net (Income)/ Expense for the period Recognised in OCI	**3.92**	**11.30**
Maturity Analysis of the Benefit Payments: From the Fund		
Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	2.02	1.65
2nd Following Year	5.76	1.64
3rd Following Year	5.40	4.89
4th Following Year	5.44	4.63
5th Following Year	4.49	4.57
Sum of Years 6 to 10	20.15	17.93
Sum of Years 11 and above	23.70	23.10
Sensitivity Analysis		
Projected Benefits Obligations on Current Assumptions	42.59	36.10
Delta Effect +1% Change in Rate of Discounting	(2.28)	(2.18)
Delta Effect -1% Change in Rate of Discounting	2.52	2.43
Delta Effect +1% Change in Rate of Salary Increase	1.15	1.07
Delta Effect -1% Change in Rate of Salary Increase	1.06	(1.01)
Delta Effect +1% Change in Rate of Employee Turnover	0.39	0.05
Delta Effect -1% Change in Rate of Employee Turnover	(0.45)	(0.11)
Actuarial assumptions	**Unfunded Gratuity**	**Unfunded Gratuity**
Mortality (LIC)	2006-08 Ultimate	2006-08 Ultimate
Discount rate (per annum)	6.84%	6.49%
Expected rate of return on plan assets (per annum)		-
Rate of escalation in salary (per annum)	5.00%	5.00%

Defined Contribution Plan

Present value of DBO, Fair Value of Plan Assets, Deficit/ (Surplus), Experience Adjustments for current and earlier periods:

Funded Gratuity for the year ended	**March 31, 2022**	**March 31, 2021**	**March 31, 2020**	**March 31, 2019**	**March 31, 2018**
Present value of DBO	42.59	36.10	22.73	13.84	2.27
Fair value of plan assets		-	-	-	-
Deficit/(Surplus)	42.59	36.10	22.73	13.84	2.27

PUNJABEXPO BREWERIES PRIVATE LIMITED

Notes to Financial Statements for the year ended March 31, 2022

26 Related Party Disclosures:

The disclosures pertaining to the related parties as required by Ind AS 24 “Related Party Disclosure” are as under:

a) Holding Company :Tilaknagar Industries Ltd.

List of Fellow Subsidiary Companies
: Prag Distillery (P) Ltd.
: Vahni Distilleries Private Limited
: Kesarval Springs Distillers Pvt. Ltd.
: Mykingdom Ventures Pvt. Ltd.
: Studd Projects P. Ltd.
: Srirampur Grains Private Limited
: Shivprabha Sugars Ltd.

b) Key Managerial Personnel

: Mr. Amit Dahanukar	- Chairman & Managing Director
: Mrs. Shivani Amit Dahanukar	- Executive Director
: Mr. C.V.Bijlani	- Independent Director
: Mr.Pradeep Kumar	- Director
: Mr. Ajit Anant Sirsat	- Director
: Mr. Shankar Pawar	- Director
: Ms. Varsha Vyas	- Company Secretary

(₹ in Lacs)

Nature of Transaction (excluding reimbursements)	Parties refered in (a) above		Parties refered in (b) above	
	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
Sales				
Tilaknagar Industries Ltd.	51.83	81.99	-	-
Total	**51.83**	**81.99**	**-**	**-**
Purchase				
Tilaknagar Industries Ltd.	13.50	24.43	-	-
Total	**13.50**	**24.43**	**-**	**-**
Bottling Charges Income				
Tilaknagar Industries Ltd.	60.65	62.49	-	-
Total	**60.65**	**62.49**	**-**	**-**
Interest Expenses				
Tilaknagar Industries Ltd.	18.12	37.19	-	-
Total	**18.12**	**37.19**	**-**	**-**
Payment to Key Managerial Personnel				
Remuneration to Executive Directors	-	-	691.11	739.17
Total	**-**	**-**	**691.11**	**739.17**
Net Loans & Advances given / (taken)				
Tilaknagar Industries Ltd.	666.88	(841.77)	-	-
Prag Distilleries Pvt. Ltd	-	0.06	-	-
Total	**666.88**	**(841.71)**	**-**	**-**
Outstanding Balances (Loans and Advances given / (taken))				
Tilaknagar Industries Ltd.	(3,611.76)	(4,278.64)		
Prag Distilleries Pvt. Ltd	2,276.34	2,276.34		
Total	**(1,335.42)**	**(2,002.30)**	**-**	**-**

Notes :

a) All Related Party Transactions entered during the year were in ordinary course of the business and on arm’s length basis.

b)

Compensation of key management personnel of the Company **	**Year ended March 31, 2022**	**Year ended March 31, 2021**
Short-term employee benefits	691.11	739.17
Total compensation of key management personnel of the Company	**691.11**	**739.17**

**Does not include post-employment benefit based on actuarial valuation as this is done for the Company as a whole.

(₹ Lacs)

27 Auditor's remuneration charged to accounts:	Year ended March 31, 2022	Year ended March 31, 2021
a) Audit fees	1.77	1.77
b) Limited review fees	2.12	2.12
c) Reimbursement of expense	0.19	0.04
	4.08	**3.93**

28 Micro & Small enterprises have been identified by the Company on the basis of the information received from suppliers regarding their satatus under the Mirco, Small and Medium Enterprises Development Act, 2006 (MSMED Act). The Company has amounts due to Micro & Small enterprises under the MSMED Act as follows :

(₹ Lacs)

Particulars	**March 31, 2022**	**March 31, 2021**
a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;	-	-
b) the amount of interest paid by the buyer in terms of section 16 of the Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Act ;	-	-
d) the amount of interest accrued and remaining unpaid at the end of year; and	-	-
e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Act.	-	-

(₹ Lacs)

29 Earnings per share:	March 31, 2022	March 31, 2021
Profit / (Loss) After Tax	(1,013.22)	(1,055.69)
Weighted average number of shares	216	56.00
Basic & Diluted Earnings Per Share	(4.69)	(18.85)
Face Value per Equity Share	10.00	10.00

30 The Company is predominantly engaged in income from contract manufacturing which constitute a single business segment.The company derives its entire revenue from a single customer i.e. Holding Company

31 The National Company Law Tribunal ("NCLT") had ordered for liquidation of Prag Distillery (P) Ltd. ("Prag"), wholly owned subsidiary of the Company, as a going concern in 2018-2019. A liquidator had been appointed to manage the affairs of Prag. The outstanding dues of Standard Chartered Bank and DCB Bank have been settled and no dues certificates have also been received. The impairment, if any, of the advances amounting to ₹ 2,276.34 lacs (P.Y. ₹ 2,276.28 lacs) given to Prag will be considered on completion of the liquidation process / final settlement as the case may be.

32 The Company has entered into arrangements with Tilaknagar Industries Ltd. (referred as 'Holding Company) as Tie-up Manufacturing Unit (TMU), wherein the Company will manufacture and sell beverage alcohol on behalf of the Holding Company. Under such arrangements, the Holding Company has exposure to significant risks and rewards associated with the sale of products i.e. it has the primary responsibility for providing goods to the customer, has pricing latitude and is also exposed to inventory and credit risks. Accordingly, the transactions of the Company under such arrangements have been recorded as gross revenue, excise duty and expenses in the books of the Holding Company as if they were transactions of the Holding Company. The Holding Company also presents inventory, trade receivables and trade payables under such arrangements as its own inventory, trade receivables and trade payables. The net receivables from / payable to Holding Company are recognised under other financial assets / other financial liabilities respectively.

(₹ in Lacs)

In Profit & Loss A/C	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from operations / Other Income	978.87	1,037.72
Total Income	**978.87**	**1,037.72**
Cost of materials consumed / (Increase) / decrease in Inventories	654.85	612.76
Finance costs / Other Expenses	142.86	250.25
Total expenses	**797.71**	**863.01**
Profit/(Loss)	**181.16**	**174.71**

(₹ in Lacs)

In Balance Sheet	As at March 31, 2022	As at March 31, 2021
Assets:		
Inventory	203.57	121.99
Trade Receivables	213.27	208.48
Other Assets	3.57	22.92
Liabilities:		
Trade Payables	177.20	196.09
Other Liabilities	1.70	3.29

33 The net worth of PunjabExpo Breweries Private Limited ("PunjabExpo"), has been eroded and has incurred net loss during the current year. However, the holding company is actively exploring the possibility of entering into northern markets where PunjabExpo will be one of the major sources of supply. It is also in talks with other brand owners to enter into bottling arrangements for the said brand owners. This would significantly improve the capacity utilisation and have favourable impact on the profitability of PunjabExpo. Moreover, PunjabExpo is also in the process of rationalization of its administrative overheads. In order to repose faith in Punjabexpo, during the year, TI has subscribed to rights issue of 1,60,00,000 shares of Rs 10 each of Punjabexpo thereby further improving the net worth of the company. The Board of Directors have assessed the above conditions and indicators and have come to the conclusion that no material uncertainty exists that may cast significant doubt on the PunjabExpo's ability to continue as a going concern taking into account the plans management has put in place and the other mitigating factors described above. Hence, the accounts of PunjabExpo have been prepared on a going concern basis.

PUNJABEXPO BREWERIES PRIVATE LIMITED

Notes to Financial Statements for year ended March 31, 2022

34 **Ratio Analysis**

Ratio	Numerator	Denominator	Current year	Previous Year	% Change	Reason for Variance
Current ratio (in times)	Total current assets	Total current liabilities	0.631	0.558	13.01%	
Debt-Equity ratio (in times)	Total borrowings and lease liabilities	Total equity	-0.72	-0.58	23.76%	The holding company subscribed to right issue of PunjabExpo of 1,60,00,000 equity shares amounting Rs. 16 crores during the year 2021-2022
Debt service coverage ratio (in times)	Net Profit after taxes + Depreciation and Amortization + Finance Cost	Principal repayments including interest + lease liabilities payments	-1.00	-65.08	-98.46%	The holding company subscribed to right issue of PunjabExpo of 1,60,00,000 equity shares amounting Rs. 16 crores during the year 2021-2022
Return on Equity Ratio	Profit after tax	Average total equity	97.42%	132.29%	-26.36%	The holding company subscribed to right issue of PunjabExpo of 1,60,00,000 equity shares amounting Rs. 16 crores during the year 2021-2022
Inventory turnover ratio (times)	Cost of Material consumed + Changes in Inventories	Average inventory	0.00	0.00	NA	
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	0.00	0.00	NA	
Trade payables turnover ratio (in times)	Cost of Material consumed + Changes in Inventories + Other Expenses - Inventory /Advance Provision / Advance written off	Average trade payable	7.232	6.845	5.66%	
Net capital turnover ratio (in times)	Revenue from operations	Working capital (i.e. Total current assets less Total current liabilities)	-0.044	-0.032	-36.79%	The holding company subscribed to right issue of PunjabExpo of 1,60,00,000 equity shares amounting Rs. 16 crores during the year 2021-2022
Net profit ratio (in %)	Profit after tax	Revenue from operations	-1670.60%	-1689.37%	-1.11%	
Return on capital employed (in %)	Profit before tax + finance costs	Capital employed = Tangible Net worth + Total Borrowings	478.82%	183.59%	160.81%	The holding company subscribed to right issue of PunjabExpo of 1,60,00,000 equity shares amounting Rs. 16 crores during the year 2021-2022
Return on investment (in %)	Profit after tax	Average total equity	97.42%	132.29%	-26.36%	The holding company subscribed to right issue of PunjabExpo of 1,60,00,000 equity shares amounting Rs. 16 crores during the year 2021-2022

PUNJABEXPO BREWERIES PRIVATE LIMITED

Notes to Financial Statements for the year ended March 31, 2022

35 Other Statutory Information:

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

ii) The Company does not have any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the Company.

iii) The Company does not have any transactions with the struck off Companies.

iv) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

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

vi) The Company have 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;

vii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
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.

viii) 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.

ix) The Company has not made any Loans or Advances in the nature of loans that are granted to promoters, directors and KMPs (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.

x) The company has not been declared as a wilful defaulter.

xi) The Company did not have sanctioned working capital limits during the year from any banks / lenders.

36 The company has given advances in the earlier years to fellow subsidiary, the details are given below :-

Particulars	As at March 31, 2022	As at March 31, 2021
Prag Distilleries Pvt Ltd	2,276.34	2,276.34
Total	**2,276.34**	**2,276.34**

37 Figures of previous year have been regrouped, reclassified and recast, wherever considered necessary.

As per our Report of even date annexed

For **Batliboi & Purohit**
Chartered Accountants
Firm Registration No. 101048W

For and on behalf of the Board of Directors

Paresh Chokshi
Partner
Membership No. 033597

Amit Dahanukar
Chairman & Managing Director
(DIN:00305636)

Ajit Anant Sirsat
Director
(DIN:08877654)

Place : Mumbai
Date : May 28, 2022

Varsha Vyas
Company Secretary

Anand K C
Chief Financial Officer

KESARVAL SPRINGS DISTILLERS PVT. LTD.

Regd. Office: P.O. Tilaknagar, Tal. Shrirampur, Dist. Ahmednagar, Maharashtra – 413720
Tel No: (02422) 265 092/265 123, Fax No: (02422) 265 135
CIN: U15511PN1993PTC140561

DIRECTORS' REPORT

Dear Members,

The Directors hereby present their 29th Annual Report along with the Audited Financial Statements for the financial year ended March 31, 2022.

1. FINANCIAL & OPERATIONAL REVIEW

During the year under review, no activities have been carried out by the Company and it has incurred total comprehensive loss of Rs. 1,50,504 as compared to total comprehensive loss of Rs. 46,27,209 in the previous year.

2. DIVIDEND

In view of the loss incurred by the Company during the year, the Directors have not recommended any dividend for the financial year ended March 31, 2022.

3. HOLDING COMPANY

Your Company is Wholly Owned Subsidiary of Tilaknagar Industries Ltd.

4. MERGER WITH TILAKNAGAR INDUSTRIES LTD., HOLDING COMPANY

The Directors of the Company in its Meeting held on May 28, 2022, subject to the requisite statutory and regulatory approvals/consents including the approval of Hon'ble National Company Law Tribunal considered and approved the scheme of Amalgamation with Tilaknagar Industries Ltd., the holding Company under the provisions of sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder. The appointed date is April 01, 2022.

The Company is a wholly-owned subsidiary of Tilaknagar Industries Ltd. (the Transferee Company). The Board of Directors is of the opinion that the amalgamation will enable the Transferee Company to integrate its business operations and provide impetus to its operations. The consolidation of the activities by way of an amalgamation of the Company will lead to synergies of operations, reduction in overheads including administrative, managerial and other expenditure, operational rationalization, organizational efficiency, competitive advantage and optimal utilization of resources. Further, there shall be a significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by both, the Company and the Transferee Company.

The proposed Scheme will be beneficial, advantageous and not prejudicial to the interests of the shareholders, creditors and other stakeholders of both the Companies involved.

5. DIRECTORS

At the 28th AGM of the Company held on September 29, 2021, Mr. Amit Dahanukar, who retired by rotation in the said AGM in accordance with the provisions of Section 152(6) of the Act was re-appointed as Director, liable to retire by rotation.

In accordance with the provisions of Section 152(6) of the Act, Mr. Ajit Anant Sirsat, Director of the Company is retiring by rotation at the ensuing AGM and being eligible, has offered himself for re-appointment.

The Board recommends his re-appointment in terms of the provisions of Section 152 of the Act. Information pursuant to Secretarial Standard - 1 issued by the Institute of Company Secretaries of India with respect to Directors seeking appointment/re-appointment is appended to the Notice convening the ensuing AGM.

6. NUMBER OF MEETINGS OF THE BOARD

The Board has met 4 (Four) times during the financial year 2021-22 on May 28, 2021; August 12, 2021; November 11, 2021 and February 08, 2022 and the intervening period between the two meetings did not exceed 120 days.

7. AUDITORS

In accordance with the provisions of Section 139(1) read with the Companies (Audit and Auditors) Rules, 2014, M/s. G. S. Nayak & Co. Chartered Accountants (Firm Registration No.118915W), were appointed as Statutory Auditors of the Company in the 26th AGM held on September 11, 2019 to hold office from the conclusion of the 26th AGM till the conclusion of the 31st AGM of the Company.

No frauds have been reported by the Statutory Auditors during the financial year 2021-22 pursuant to the provisions of Section 143(12) of the Act.

The Auditors' Report for the financial year ended March 31, 2022 does not contain any qualification, reservation, adverse remark or disclaimer. However the Auditors under the paragraph material uncertainty related to going concern have drawn attention to Note 20 in the standalone Ind AS financial statements that the Company has incurred net loss during the year and due to accumulated losses the net worth has been eroded. Further the current liabilities have exceeded the total assets. These events indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

Board's Response:

The Company shall be merging with and into the holding Company (Tilaknagar Industries Ltd.) as per the Composite Scheme of Amalgamation subject to the requisite statutory and regulatory approvals/consents including the approval of Hon'ble National Company Law Tribunal. Hence, the accounts are prepared on going concern basis.

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

8. DETAILS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

There are no particulars to be furnished in this Report as required under the provisions of Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014. There were no earnings and expenditure in foreign currency during the year.

9. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

There are no particulars to be furnished in this Report as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014.

10. ANNUAL RETURN

In accordance with the provisions of Section 134(3)(a) of the Act the Company has uploaded the Annual Return for the financial year ended March 31, 2022 on the website of its Holding Company i.e. Tilaknagar Industries Ltd., accessible at weblink: https://tilind.com/investors-filings-reports/

11. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The necessary disclosure as required in pursuance of the provisions of Section 134(3)(g) read with Section 186(4) of the Act has been made in the financial statements.

12. FIXED DEPOSITS

The Company has not accepted any deposits from the public and as such, no amount of principal or interest on deposits was outstanding as on the balance sheet date.

13. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the year under review, the Company has not entered into any contract or arrangement with related parties falling under the purview of Section 188(1) of the Act. Hence, disclosure in Form AOC-2 as required under Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is not applicable.

14. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Board of Directors has laid down standards, processes and procedures for implementing the internal financial controls across the organization. After considering the framework of existing internal financial controls and compliance systems; work performed by the Statutory Auditors, the Board of Directors is of the opinion that the Company's internal financial controls with reference to the financial statements were adequate and effective during the year under review.

15. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to requirements of Section 134(3)(c) of the Act and on the basis of the information furnished to them by the Statutory Auditors and Management, the Directors state that:

a. in the preparation of the annual accounts, the applicable Accounting Standards have been followed and there are no material departures;

b. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the year;

c. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. they have prepared the annual accounts on a going concern basis; and

e. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

16. RESIDUARY DISCLOSURES

i. During the year under review, provisions of Section 149(4) of the Act were not applicable to the Company. Hence, disclosure under Section 134(3)(d) of the Act is not applicable;

ii. During the year under review, provisions of Section 178(1) of the Act were not applicable to the Company. Hence, disclosure under Section 134(3)(e) the Act is not applicable;

iii. The Company has not transferred any amount to Reserves during the year under review;

iv. There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this Report. Hence, disclosure under the provisions of Section 134(3)(l) of the Act is not applicable except as mentioned in point no. 4 of this Report;

v. No activities have been carried out by the Company during the year under review. Hence, disclosure under Section 134(3)(n) of the Act is not applicable;

vi. During the year under review, provisions of Section 135 of the Act were not applicable to the Company. Hence, disclosure under Section 134(3)(o) of the Act read with Rule 8 of the Companies (CSR Policy) Rules, 2014 is not applicable;

vii. During the year under review, provisions of Section 178(2) of the Act were not applicable to the Company. Hence, disclosure under Section 134(3)(p) read with Rule 8(4) of the Companies (Accounts) Rules, 2014 is not applicable;

viii. During the year under review, the Company has not issued equity shares with differential rights as to dividend, voting or otherwise. Hence, disclosure under Rule 4(4) of the Companies (Share Capital and Debentures) Rules, 2014 is not applicable;

ix. During the year under review, there has been no change in the nature of business of the Company. Hence, disclosure under Rule 8(5)(ii) of the Companies (Accounts) Rules, 2014 is not applicable;

x. During the year under review, no company has become or ceased to be subsidiary, joint venture or associate of the Company. Hence, disclosure under Rule 8(5)(iv) of the Companies (Accounts) Rules, 2014 is not applicable;

xi. During the year under review, no significant material orders have been passed by any regulators or courts or tribunals which may impact the going concern status of the Company and its future operations. Hence, disclosure under Rule 8(5)(vii) of the Companies (Accounts) Rules, 2014 is not applicable;

xii. The Company has complied with the applicable provisions relating to the constitution of the Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 [14 of 2013] and the Company has not received any complaint of sexual harassment during the year under review;

xiii. During the year under review, the Company was not required to make and maintain cost records as specified by the Central Government under Section 148(1) of the Act;

xiv. During the year under review, no application was made or any proceeding is pending under the Insolvency and Bankruptcy Code, 2016 in respect of the Company; and

xv. During the year under review, no one time settlement was entered into by the Company.

17. ACKNOWLEDGEMENTS

The Directors wish to acknowledge and place on record their sincere appreciation for the assistance and co-operation received from all the members, bankers and other stakeholders.

For and on behalf of the Board of Directors

Amit Dahanukar
Chairman
(DIN:00305636)

Place : Mumbai
Date : May 28, 2022

G S Nayak & Co.
Chartered Accountants

611, Signature Business Park,
Postal Colony,Chembur,Mumbai 400071
Tel. : 25295181.

Independent Auditor's Report

To,
The Members of

Kesarval Springs Distillers Private Limited

Report on the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Kesarval Springs Distillers Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its losses including other comprehensive income, statement of changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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Information other than the financial statements and auditor's report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis and Board's Report including Annexures to Board's Report, but does not include the consolidated financial statements, financial statements and our auditor's report thereon.

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

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

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

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs, consolidated statement of profit and loss including other comprehensive income, statement of changes in equity and statement of cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") prescribed 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 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 the 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

611, Signature Business Park,
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Auditor's Responsibility

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, 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 controls.

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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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.

Material Uncertainty related to Going Concern

We draw attention to Note 20 in the standalone Ind AS financial statements that the Company has incurred net loss during the year and due to accumulated losses the net worth has been eroded. Further the current liabilities have exceeded the total assets. These events indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors Report) Order 2020 ("the Order") issued by Central Government of India in terms of sub section (11) of section 143 of the Act, we give in 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143 (3) of the Act, we report that:
   i. 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.
   ii. 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.
   iii. The Balance Sheet, the Statement of Profit and Loss including 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.
   iv. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act
   v. On the basis of written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

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vi. Requirements of reporting under section 143(3)(i) of the Companies Act 2013, with respect to adequacy of the internal financial controls over the financial reporting of the company and the operating effectiveness of such controls is not applicable to the company.

vii. 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:

1. The Company does not have any pending litigations which would impact its financial position;
2. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
3. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
4. (i) In our opinion, the management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds 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 entities, including foreign entities ("Intermediaries"), with the understanding, that the Intermediary shall, 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;

   (ii) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entities, including foreign entities ("Funding Parties"), with the understanding, that the company shall, 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;

   (iii) Based on audit procedures which 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 in above contain any material misstatement.

G S Nayak & Co.
Chartered Accountants

611, Signature Business Park,
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5. The company did not declare or paid dividend during the year, hence compliance with sec 123 of the Companies Act, 2013 is not applicable to the company.

6. According to information and Explanation given to us, the company, has used accounting software for maintaining its books of account which has a feature of recording audit trail facility and the same has been operated throughout the year for all transactions recorded in the software and the audit trail feature has not been tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention

For **G. S. Nayak & CO.** Chartered Accountants
Firm Registration No. 118915W

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Girija Shankar Nayak
Partner
Membership No.049582
UDIN – 22049582AJWUEP5669

Place:Mumbai
Date: May 28, 2022

G S Nayak & Co.
Chartered Accountants

611, Signature Business Park,
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Annexure A to the Independent Auditor's Report

On the standalone Ind AS financial statements of Kesarval Springs Distillers Private Limited
(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements section of our report of even date)

Report on Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Companies Act, 2013 ("the Act") of Kesarval Springs Distillers Private Limited ("the Company")

1) In our opinion and according to the information and explanations given to us the Company does not have any Property, Plant and Equipment & Intangible Assets. Accordingly, paragraph 3(i)(a), 3(i)(b) and 3(i)(c) 3(i)(d) 3(i)(e) of the Order is not applicable.

2) (a) In our opinion and according to the information and explanations given to us the Company does not have any inventories and thus paragraph 3(ii)(a) of the Order is not applicable.

   (b) During the year, the Company did not have any sanctioned working capital limits in excess of five crore rupees, in aggregate, from any banks on the basis of security of its current assets. Accordingly, paragraph 3(ii)(b) of the Order is not applicable.

3) The Company has not made investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of paragraph 3 Clause (iii), (iii)(a), (iii)(b), (iii)(c), (iii)(d), (iii)(e), (iii)(f) of the said Order are not applicable to the Company.

4) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the investments made, loans, securities and guarantee given. Accordingly, reporting under paragraph 3(iv) of the Order is not applicable.

5) The Company has not accepted any deposits during the year within the meaning of the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable.

6) We are informed that the maintenance of cost records has not been specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013.

Annexure A to Independent Auditors' Report (Continued)

7) In respect of statutory dues:

a. As per the information and explanation given to us, in our opinion the Company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities;

b. In our opinion and according to the explanation given to us, there were no undisputed amounts of Income Tax, Goods & Service Tax, Service Tax, Wealth Tax, Sales Tax, Custom Duty, Excise Duty and Cess as at 31st March 2022 for a period of six months or more from the date they became payable;

c. In our opinion and according to the explanation given to us, there are no statutory dues of Income tax wealth tax, sales tax, custom duty and excise duty which have not been deposited on account of dispute.

8) In our opinion and according to the explanation given to us, income has been properly recorded in the books of account and no transactions have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which was not recorded in the books of account. Accordingly, paragraph 3(viii) of the Order is not applicable.

9) (a) Based on our audit procedures and as per the information and explanations given by the management, the Company did not have any outstanding dues to financial institutions, banks or debenture holders during the year. Accordingly, paragraph 3(ix)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our audit procedures, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) According to the information and explanations given to us and based on our examination of the records of the Company, no term loans were obtained or utilised during the year by the Company. Accordingly, paragraph 3(ix)(c) of the Order is not applicable.

(d) In our opinion and according to the information and explanations given to us and based on the audit procedures performed by us, no funds have been raised on short term basis by the Company.

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Annexure A to Independent Auditors' Report (Continued)

(e) According to the information and explanations given to us and based on the audit procedures performed by us, the Company does not have any subsidiaries, joint ventures or associate companies. Accordingly, paragraph 3(ix)(e) of the Order is not applicable.

(f) According to the information and explanations given to us and based on the audit procedures performed by us, the Company does not have any subsidiaries, joint ventures or associate companies. Accordingly, paragraph 3(ix)(f) of the Order is not applicable.

10) (a)The company has not raised moneys by way of initial public offer or further public offer including debt instruments. Accordingly, the provisions of clause (x) of the Order are not applicable to the Company and hence not commented upon.

(b) The company has not made any preferential allotment or private placement of shares or Convertible debentures during the year. Accordingly, the provisions of clause (x) of the Order are not applicable to the Company and hence not commented upon.

11) (a) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit;

(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.

(c) As represented to us by the management, no whistle-blower complaints has been received by the company during the year.

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

13) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable Indian Accounting standards.

14) (a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.
(b) We have considered the internal audit reports of the company issued till date, for the period under audit.

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Annexure A to Independent Auditors' **Report (Continued)**

15) 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, provisions of section 192 of the Act and paragraph 3(xv) of the Order are not applicable.

16) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and based on audit procedures performed by us, the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year. Accordingly, paragraph 3(xvi)(b) of the Order is not applicable.

(c) In our opinion and according to the information and explanations given to us, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, paragraph 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations given to us, the Group (as defined the Core Investment Companies (Reserve Bank) Direction 2016) does not have any Core Investment Company ('CIC') as part of the Group. Accordingly, paragraph 3(xvi)(d) of the Order is not applicable.

17) The company has incurred cash losses in the financial year amounting to ₹ 1,50,504 and in the immediately preceding financial year amounting to ₹ 46,27,209.

18) Based upon the audit procedures performed and the information and explanations given by the management, There has been no resignation of the statutory auditors during the year. Accordingly, paragraph 3(xviii) of the Order is not applicable.

19) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, 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 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.

611, Signature Business Park,
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Annexure A to Independent Auditors' Report (Continued)

We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

20) (a) According to the information and explanations given to us and based on audit procedures performed by us, the Company was not required to spent any amount in terms of Section 135 of the Act during the year. Accordingly, second proviso to sub-section (5) of section 135 of the said Act and paragraph 3(xx)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and based on audit procedures performed by us, the Company did not have any ongoing project in terms of Section 135 of the Act during the year. Accordingly, provision of sub-section (6) of section 135 of the said Act and paragraph 3(xx)(b) of the Order is not applicable.

For **G. S. Nayak & CO.**
Chartered Accountants
Firm Registration No. 118915W

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Girija Shankar Nayak
Partner
Membership No.049582
UDIN – 22049582AJWUEP5669

Place: Mumbai
Date: May 28, 2022

KESARVAL SPRINGS DISTILLERS PVT. LTD.

Balance Sheet as at March 31, 2022

	Note No.	As at March 31, 2022	As at March 31, 2021 (₹)
I ASSETS			
Current Assets			
Financial Assets			
Trade Receivables	2	-	-
Cash and Cash Equivalents	3	1,22,627	1,23,276
		1,22,627	**1,23,276**
Total		**1,22,627**	**1,23,276**
II EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	4	30,00,000	30,00,000
Other Equity	5	(4,49,45,425)	(4,47,94,921)
		(4,19,45,425)	**(4,17,94,921)**
Current Liabilities			
Financial Liabilities			
Borrowings	6	4,19,39,537	4,18,96,037
Trade Payables	7	1,25,700	19,345
Current Tax Liabilities (Net)		-	
Other Current Liabilities	8	2,815	2,815
		4,20,68,052	**4,19,18,197**
Total		**1,22,627**	**1,23,276**
Summary of significant accounting policies	1		
The accompanying notes are an integral part of the financial statements	2-24		

As per our Report of even date annexed.

For **G S Nayak & Co**
Chartered Accountants
Firm Registration No. 118915W

For and on behalf of the Board of Directors

Girija Shankar Nayak
Partner
Membership No.049582

Amit Dahanukar
Chairman
(DIN:00305636)

Ajit Anant Sirsat
Director
(DIN:08877654)

Place : Mumbai
Date : May 28,2022

KESARVAL SPRINGS DISTILLERS PVT. LTD.

Statement of Profit and Loss for the year ended March 31, 2022

(₹)

	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
INCOME			
Other Income	9	-	-
		-	**-**
EXPENSES			
Other Expenses	10	1,50,504	17,88,861
		1,50,504	**17,88,861**
Profit / (Loss) before taxation		**(1,50,504)**	**(17,88,861)**
Tax expenses			
Current Tax		-	
Taxes - Earlier Years			28,38,348
Profit / (Loss) after taxation		**(1,50,504)**	**(46,27,209)**
Other Comprehensive Income		**-**	**-**
Total Comprehensive Income for the year		**(1,50,504)**	**(46,27,209)**
Earnings Per Share (₹) Basic & Diluted	19	**(5.02)**	**(154.24)**
Summary of significant accounting policies	1		
The accompanying notes are an integral part of the financial statements	2-24		

As per our Report of even date annexed.

For **G S Nayak & Co**
Chartered Accountants
Firm Registration No. 118915W

For and on behalf of the Board of Directors

Girija Shankar Nayak
Partner
Membership No.049582

Amit Dahanukar
Chairman
(DIN:00305636)

Ajit Anant Sirsat
Director
(DIN:08877654)

Place : Mumbai
Date : May 28,2022

KESARVAL SPRINGS DISTILLERS PVT. LTD.

Statement of Cash Flow for the year ended March 31, 2022

(₹)

		Year Ended March 31, 2022		Year Ended March 31, 2021	
A)	**Cash flow from Operating activities**				
	Profit / (Loss) before tax		**(1,50,504)**		**(17,88,861)**
	Adjustment for:				
	Expected Credit Loss / (Write Back)	-		**17,49,672**	
	Sundry balance written back	-	-		17,49,672
	Operating Profit before working capital changes		**(1,50,504)**		**(39,189)**
	Adjustment for:				
	(Decrease)/ Increase in trade payables, current liabilities, provisions and other financial liabilities	1,06,355		(61,500)	
	(Increase) / Decrease in loans and advances and other assets	-	1,06,355		(61,500)
	Direct taxes refund / (paid)		-		(28,38,348)
	Net Cash from Operating activities		**(44,149)**		**(29,39,037)**
B)	**Cash Flow from Financing activities**				
	Proceeds from borrowings (Net)	43,500		29,38,388	
	Net Cash from Financing Activities		**43,500**		**29,38,388**
	Net increase in Cash & Cash equivalents (A+B)		**(649)**		**(649)**
	Opening cash & cash equivalents		1,23,276		1,23,925
	Closing cash & cash equivalents		**1,22,627**		**1,23,276**

Notes :

(₹)

		As at March 31, 2022	As at March 31, 2021
(a)	**Cash and cash equivalents comprises of**		
	i) Balances with Banks		
	In Current Accounts	1,22,627	1,23,276
	ii) Cash on Hand	-	-
		1,22,627	**1,23,276**

(₹)

		As at April 01, 2021	Cash Flow (net)	As at March 31, 2022
(b)	**Change in liability arising from financing activities**			
	Borrowings	4,18,96,037	43,500	4,19,39,537

(c) The above standalone statement of cash flow have been prepared under the "Indirect Method" as set out in Ind AS 7, " Statement of cash flow "

(d) Figures of previous year have been regrouped, reclassified and recast, wherever considered necessary.

As per our Report of even date annexed.

For **G S Nayak & Co**
Chartered Accountants
Firm Registration No. 118915W

Girija Shankar Nayak
Partner
Membership No.049582

Place : Mumbai
Date : May 28,2022

For and on behalf of the Board of Directors

Amit Dahanukar
Chairman
(DIN:00305636)

Ajit Anant Sirsat
Director
(DIN:08877654)

KESARVAL SPRINGS DISTILLERS PVT. LTD

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

A) Equity Share Capital

1) Current reporting period

(₹)

Balance as at April 01, 2021	Changes in equity share capital due to prior period errors	Restated balance as at April 01,2021	Changes in equity share capital during the year	Balance as at March 31,2022
30,00,000	-	30,00,000	-	30,00,000

2) Previous reporting period

Balance as at April 01, 2020	Changes in equity share capital due to prior period errors	Restated balance as at April 01,2020	Changes in equity share capital during the year	Balance as at March 31,2021
30,00,000	-	30,00,000	-	30,00,000

B) Other Equity

1) Current Reporting Period

(₹)

	Reserves and Surplus			Total
	Securities Premium Account	Capital Reserve	Retained Earnings	
Balance at the beginning of the current reporting period	-	-	(4,47,94,921)	(4,47,94,921)
Changes in Accounting Policies or prior period errors	-	-	-	-
Restated balances at the beginning of the current reporting period	-	-	(4,47,94,921)	(4,47,94,921)
Total Comprehensive income for the current year	-	-	(1,50,504)	(1,50,504)
Balance at the end of the current reporting period	**-**	**-**	**(4,49,45,425)**	**(4,49,45,425)**

2) Previous Reporting Period

	Reserves and Surplus			Total
	Securities Premium Account	Capital Reserve	Retained Earnings	
Balance at the beginning of the previous reporting period		-	(4,01,67,712)	(4,01,67,712)
Changes in Accounting Policies or prior period errors	-	-		-
Restated balances at the beginning of the previous reporting period	-	-	(4,01,67,712)	(4,01,67,712)
Total Comprehensive income for the Previous year	-	-	(46,27,209)	(46,27,209)
Balance at the end of the previous reporting period	**-**	**-**	**(4,47,94,921)**	**(4,47,94,921)**

For **G S Nayak & Co**
Chartered Accountants
Firm Registration No. 118915W

For and on behalf of the Board of Directors

Girija Shankar Nayak
Partner
Membership No.049582

Amit Dahanukar
Chairman
(DIN:00305636)

Ajit Anant Sirsat
Director
(DIN:08877654)

Place : Mumbai
Date : May 28,2022

KESARVAL SPRINGS DISTILLERS PVT.LTD.

Notes to Financial Statements for the year ended March 31, 2022

1.1 General Information:

Kesarval Springs Distillers Pvt Ltd (The 'Company') is a Company domiciled in India, with its registered office situated at PO Tilaknagar, Tal Shrirampur, Dist. Ahmednagar, Maharashtra - 413720. The Company has been incorporated under the provisions of Indian Companies Act. The Company is primarily involved in manufacturing and sale of Indian Made Foreign Liquor (IMFL).

1.2 Basis of preparation

a) Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The financial statements were authorised for issue by the Company's Board of Directors on May 28, 2022.
Details of the Company's accounting policies are included in Note 1.3 below

b) Functional and presentation currency

These financial statements are presented in Indian Rupees (Rs.), which is also the Company's functional currency. All amounts have been rounded off to two decimal places to the nearest lakhs, unless otherwise indicated.

c) Basis of measurement

The financial statements have been prepared on the historical cost basis, except for certain financial assets and liabilities and defined benefit plan assets / liabilities measured at fair value.

d) Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

1) Useful life of Property, plant and equipment.
2) Useful life of Intangible Assets
3) Employee benefit plans
4) Provisions and contingent liabilities
5) Lease classification
6) Income tax

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2022 is included in the following notes:
Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

e) Measurement at fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values.
Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2 : Valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
Level 3 : Valuation techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.
When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

KESARVAL SPRINGS DISTILLERS PVT.LTD.

Notes to Financial Statements for the year ended March 31, 2022

1.3 Significant Accounting Policies

i) Property, plant and equipment

a) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

b) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

c) Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method and is recognised in the statement of profit and loss.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset	Management estimate of useful life	Useful Life as per Schedule II of the Companies Act, 2013
Factory Buildings	30	30
Plant and equipment	15	15
Furniture and Fixtures	10	10
Motor Vehicles	8	8
Office Equipments	5	5
Computers	3	3
Computer server	6	6
Electrical Installations	10	10

Depreciation method, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate. Based on internal assessment and consequent advice, the management believes that its estimate of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed off).

ii) Intangible assets

a) Acquired intangible assets

Intangible assets comprise purchased technical know-how are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

b) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

c) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method and is included in depreciation and amortisation in Statement of Profit and Loss.

Intangible assets are amortised over a period of 10 years for technical know-how and 3 years for others.

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

iii) Inventories

Inventories are measured at the lower of cost and net realisable value after provision for obsolescence where appropriate. The cost of inventories is based on the weighted average cost method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable values.

The comparison of cost and net realisable value is made on an item-by-item basis.
Scrap is valued at net realisable value.

iv) Foreign currency transactions

The Company's financial statements are presented in INR, which is also the Company's functional currency.

Transactions and balances

Monetary items are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

v) Impairment of non-financial assets

An asset is deemed impairable when recoverable value is less than its carrying cost and the difference between the two represents provisioning exigency. Recoverable value is the higher of the 'Value in Use' and fair value as reduced by cost of disposal. Test of impairment of PPE, investment in subsidiaries / associates / joint venture and goodwill are undertaken under Cash Generating Unit (CGU) concept. For Intangible Assets and Investment Properties it is undertaken in asset specific context. Test of impairment of assets are generally undertaken based on indication of impairment, if any, from external and internal sources of information. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

vi) Employee Benefits

a) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

b) Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund and Employee State Insurance scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

c) Defined Benefit Plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses are recognised in Other Comprehensive Income (OCI). The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

d) Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in profit or loss in the period in which they arise.

vii) Provisions and contingent liabilties

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assumptions of the time value of money and the risks specific to the liability. The unwinding of discount is recognized as finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

viii) Leases

As a lessee

The Company's leases primarily consist of leases of land and office premises. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the date of commencement of the lease, the Company recognizes a ROU and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and/or low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Currently, ROU assets are being amortised over a period of 3-5 years based on lease term being lower of lease term and estimated useful life of underlying assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing activities in statement of cash flows.

As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

ix) Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of those property, plant and equipment which necessarily takes a substantial period of time to get ready for their intended use are capitalised. All other borrowing costs are expensed in the period in which they incur in the statement of profit and loss.

x) Revenue Recognition

Revenue comprises revenue from contracts with customers for sale of goods. Revenue from sale of goods is inclusive of excise duties and is net of returns, trade allowances, rebates, value added taxes, Goods and Services Tax (GST) and such amounts collected on behalf of third parties.

Revenue is recognised as and when performance obligations are satisfied by transferring goods or services to the customer,as below:

a) Revenue from sale of products:

Revenue is recognised at transaction price on transfer of control, being on dispatch of goods or upon delivery to customer, in accordance with the terms of sale.

b) Revenue from manufacture and sale of products from tie-up manufacturing arrangements:

The Company has entered into arrangements with Tie-up Manufacturing Units (TMUs), where-in TMUs manufacture and sell beverage alcohol on behalf of the Company. Under such arrangements, the Company has exposure to significant risks and rewards associated with the sale of products i.e. it has the primary responsibility for providing goods to the customer, has pricing latitude and is also exposed to inventory and credit risks. Accordingly, the transactions of the TMUs under such arrangements have been recorded as gross revenue, excise duty and expenses as if they were transactions of the Company. The Company also presents inventory under such arrangements as its own inventory. The net receivables from/payable to TMUs are recognised under other financial assets/ other financial liabilities respectively.

c) Interest

Interest income is recognized using the effective interest rate method. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. Interest income is included under the head "Other income" in the statement of profit and loss.

d) Dividend

Dividend income is recognized when the Company's right to receive the payment is established, which is generally when the shareholders approve the dividend.

xi) Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

a) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

b) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used.

Deferred tax assets recognised or unrecognised are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The Company offsets, the current tax assets and liabilities (on a year on year basis) and deferred tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

xii) Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjusting for the effects of all potential dilutive ordinary shares.

xiii) Statement of Cash flow

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

xiv) Financial instruments

a) Recognition and initial measurement

The Company initially recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

b) Classification and subsequent measurement

Financial assets

Financial assets carried at amortised cost

A financial asset is subsequently 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.

Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income 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.

Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

In case, the fair value of a financial asset or financial liability, at initial recognition, differs from the transaction price, the difference between the fair value at initial recognition and the transaction price-

(i) is recognised as a gain or loss if that fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation.

(ii) is deferred and is recognised as a gain or loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability. The unamortised portion of the deferred fair value gain/loss difference as on reporting date, is disclosed under other current/non-current assets/liabilities as the case may be.

c) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

The Company assesses impairment based on expected credit losses (ECL) model at an amount equal to:-

• 12 months expected credit losses, or

• Lifetime expected credit losses

depending upon whether there has been a significant increase in credit risk since initial recognition. However, for trade receivables, the company does not track the changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognised in the statement of profit and loss.

d) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or realise the asset and settle the liability simultaneously.

xv) Recent amendments to Indian Accounting Standards:

On March 23, 2022, Ministry of Corporate Affairs ('MCA') amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 01, 2022, as below

a) Ind AS 103 – Business Combinations :

The amendment clarifies that while applying the acquisition method for recognition, the assets and liabilities taken over, in a business combination, must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. The Company does not expect the amendment to have any impact in its financial statements.

b) Ind AS 16 – Property, Plant and Equipment :

The amendment requires that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The Company does not expect the amendment to have any significant impact in its financial statements.

c) Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets:

The amendment clarifies in relation to onerous contracts that the cost of fulfilling a contract comprises the costs that relate directly to the contract which consist of incremental costs of fulfilling that contract (examples would be direct labour, materials) and an allocation of other costs that relate directly to fulfilling contracts. The Company does not expect the amendment to have any significant impact in its financial statements.

d) Ind AS 41 – Agriculture :

The amendment relates to recognition and measurement of biological assets or agricultural produce. The Company does not expect the amendment to have any impact in its financial statements.

e) Ind AS 109 – Financial Instruments :

The amendment clarifies that while determining the fees paid (net of fees received) when a borrower applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability, the borrower to include only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. The Company does not expect the amendment to have any significant impact in its financial statements.

KESARVAL SPRINGS DISTILLERS PVT.LTD.

Notes to Financial Statements for the year ended March 31, 2022

	As at March 31, 2022	As at March 31, 2021
		(₹)
2 Trade Receivables		
Other receivables		
Unsecured, considered good		
Significant Credit Risk	17,49,672	17,49,672
Credit Impaired		
	17,49,672	**17,49,672**
Less: Expected Credit Loss	17,49,672	17,49,672
	-	-

Movement in Expected Credit Loss for Trade Receivables is provided below :

Particulars	March 31, 2022	March 31, 2021
Balance at the beginning of the year	17,49,672	-
Loss allowance (net)	-	17,49,672
Write off	-	
Balance at the end of the year	**17,49,672**	**17,49,672**

Ageing Schedule 2021-2022								
	Outstanding for following periods from due date of payment							
Particulars	Unbilled	Not Due	Less than 6 months	6 months - 1 years	1-2 years	2-3 years	More than 3 years	Total Outstanding
(i) Undisputed Trade receivables – considered good	-	-	-	-	-	-	-	-
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	17,49,672.00	17,49,672.00
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	17,49,672.00	17,49,672.00
Less: Expected Credit Loss								17,49,672.00
Total								-

Ageing Schedule 2020-2021								
	Outstanding for following periods from due date of payment							
Particulars	Unbilled	Not Due	Less than 6 months	6 months - 1 years	1-2 years	2-3 years	More than 3 years	Total Outstanding
(i) Undisputed Trade receivables – considered good	-	-	-	-	-	-	-	-
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	17,49,672.00	17,49,672.00
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	17,49,672.00	17,49,672.00
Less: Expected Credit Loss								17,49,672.00
Total								-

	March 31, 2022	March 31, 2021
3 Cash and Bank Balances		
Cash and Cash Equivalents		
i) Balances with Banks	1,22,627	1,23,276
In Current Accounts		
ii) Cash on Hand	-	-
	1,22,627	**1,23,276**

(₹)

	As at March 31, 2022	As at March 31, 2021
4 Equity Share Capital		
Authorised Shares		
30,000 Equity Shares of ₹ 100/- each (P.Y. 30,000 equity shares of ₹ 100/- each)	**30,00,000**	**30,00,000**
Issued, subscribed and paid up shares		
30,000 equity shares of ₹ 100/- each fully paid up (P.Y. 30,000 equity shares of ₹ 100/- each fully paid up)	30,00,000	30,00,000
	30,00,000	**30,00,000**

a) Reconciliation of the number of shares outstanding

Number of equity shares at the beginning	30,000	30,000
Equity Shares issued during the period	-	-
Number of equity shares at the end	**30,000**	**30,000**

b) Terms / rights attached to equity shares

Each holder of equity shares is entitled to one vote per share with a right to receive per share dividend by the Company. In the event of liquidation, the equity shareholders will be entitled to receive remaining assets of the company after distribution of all preferential amounts in the proportion to the number of equity shares held by the shareholders.

c) Shares held by holding company	As at March 31, 2022	As at March 31, 2021
Tilaknagar Industries Ltd.	30,000	30,000

d) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of equity shares	As a % of total holding	No. of equity	As a % of total holding
Tilaknagar Industries Ltd.	30,000	100	30,000	100
Total	**30,000**	**100**	**30,000**	**100**

e) Disclosures of Shareholding of Promoters - Shares held by the Promoters

	As at March 31, 2022		As at March 31, 2021	
Disclosures of Shareholding of Promoters - Shares held by the Promoters	No. of equity shares	As a % of total holding	No. of equity shares	As a % of total holding
Tilaknagar Industries Ltd.	30,000	100	30,000	100
Total	**30,000**	**100**	**30,000**	**100**

(₹)

	As at March 31, 2022	As at March 31, 2021
5 Other Equity		
Retained Earnings		
Balance at the beginning of the year	(4,47,94,921)	(4,01,67,712)
Add: Profit / (Loss) after tax for the year	(1,50,504)	(46,27,209)
Balance at the end of the year	**(4,49,45,425)**	**(4,47,94,921)**

Footnote:

Retained earnings are the profits that Company has earned till date less transfers to general reserve dividends or other distributions paid to shareholders. Retained earnings is a free reserve available to the Company.

KESARVAL SPRINGS DISTILLERS PVT.LTD.

Notes to Financial Statements for the year ended March 31, 2022

	Current		
			(₹)
6 Borrowings	**As at March 31, 2022**		**As at March 31, 2021**
Unsecured loans			
From Holding Company	4,19,39,537		4,18,96,037
	4,19,39,537		**4,18,96,037**

6.1 Outstanding balance of loans received from related parties that are repayable on demand :

			March, 2022		March, 2021	
	Particulars		**Amount**	**%**	**Amount**	**%**
1	Promoters		-	0%	-	0%
2	Directors			0%		0%
3	Key Managerial Personnel		-	0%	-	0%
4	Related Party - Holding Company		4,19,39,537	100%	4,18,96,037	100%

7 Trade Payables

Trade Payables	1,25,700	19,345
	1,25,700	**19,345**

Ageing Schedule (2021-2022)

	Outstanding for following periods from due date of payments						
Particulars	**Unbilled**	**Not Due**	**Less than 1 years**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total Outstanding**
MSME							-
Others			1,25,700				1,25,700
Disputed Dues - Others							-
Disputed Dues - MSME							-
Total	-	-	**1,25,700**	-	-	-	**1,25,700**

Ageing Schedule (2020-2021)

	Outstanding for following periods from due date of payments						
Particulars	**Unbilled**	**Not Due**	**Less than 1 years**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total Outstanding**
MSME							-
Others			17,700	120	900	625	19,345
Disputed Dues - Others							-
Disputed Dues - MSME							-
Total	-	-	**17,700**	**120**	**900**	**625**	**19,345**

8 Other Liabilities

Payable towards Statutory Liabilities	2,815	2,815
	2,815	**2,815**

KESARVAL SPRINGS DISTILLERS PVT.LTD.

Notes to Financial Statements for the year ended March 31, 2022

			(₹)
		Year ended March 31, 2022	**Year ended March 31, 2021**
9	**Other Income**		
	Other Income	-	-
		-	**-**
10	**Other Expenses**		
	Legal and professional charges	1,28,155	7,700
	Auditors Remuneration [Refer Note No.18]	17,700	17,700
	Rates and taxes	4,000	13,140
	Miscellaneous expenses	649	649
	Expected Credit Loss on trade receivables	-	17,49,672
		1,50,504	**17,88,861**

KESARVAL SPRINGS DISTILLERS PVT.LTD.

Notes to Financial Statements for the year ended March 31, 2022

11 Financial Instruments - Accounting classification and fair value measurements

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

b) The following methods and assumptions were used to estimate the fair value:

1) Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilties, short term loans from banks and other financial instruments approximate their carrying amounts largely due to the short term maturities of these instruments.

2) Financial instruments with fixed and variable interest rates are evaluated by the company based on parameters such as interest rate and individual credit worthiness of the counter party. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

c) The company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2 : Valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Valuation techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows the carrying amounts and fair values of financial assets and financials liabilities, including their levels in the fair value hierarchy :

As at March 31, 2022 *(₹)*

	Carrying amount			
	FVOCI - Equity Instruments	**Financial assets - cost / amortised cost**	**Financial liabilities - cost / amortised cost**	**Total carrying amount**
Financial assets				
Trade Receivables	-	-	-	-
Cash and Cash Equivalents	-	1,22,627	-	1,22,627
	-	**1,22,627**	**-**	**1,22,627**
Financial liabilities				
Borrowings	-	-	4,19,39,537	4,19,39,537
Trade Payables	-	-	1,25,700	1,25,700
	-	**-**	**4,20,65,237**	**4,20,65,237**

The Company has not disclosed the fair values for financial instruments such as investments, trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, borrowings, trade payables and financial liabilities because their carrying amounts are a reasonable approximation of fair value.

As at March 31, 2021 *(₹)*

	Carrying amount			
	FVOCI - Equity Instruments	**Financial assets - cost / amortised cost**	**Financial liabilities - cost / amortised cost**	**Total carrying amount**
Financial assets				
Trade Receivables	-	-	-	-
Cash and Cash Equivalents	-	1,23,276	-	1,23,276
	-	**1,23,276**	**-**	**1,23,276**
Financial liabilities				
Borrowings	-	-	4,18,96,037	4,18,96,037
Trade Payables	-	-	19,345	19,345
	-	**-**	**4,19,15,382**	**4,19,15,382**

The Company has not disclosed the fair values for financial instruments such as investments, trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, borrowings, trade payables and financial liabilities because their carrying amounts are a reasonable approximation of fair value.

Notes to Financial Statements for the year ended March 31, 2022

12 Financial risk management

Objectives and policies

Risk management framework

The Company's management has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company conducts yearly risk assessment activities to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.
The Company has a system in place to ensure risk identification and ongoing periodic risk assessment is carried out. The Board of directors periodically monitors the risk assessment.

The Company has exposure to the following risks arising from financial instruments :
- Credit risk
- Liquidity risk
- Market risk
- Interest risk

a) Credit risk

Credit risk is the risk that counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The company generally doesn't have collateral.

The carrying amounts of financial assets represent the maximum credit risk exposure. The maximum exposure to credit risk at the reporting date is as follows :-

(₹)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables	-	-
Cash and cash equivalents	1,22,627	1,23,276
Total	**1,22,627**	**1,23,276**

Trade receivables

Customer credit risk is managed as per Company's established policy, procedures and control relating to customer credit risk management. Credit risk has always been managed by the Company through credit approvals, estabilishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business.

An impairment analysis is performed for all major customers at each reporting date on an individual basis. In addition, a large number of minor receivables are grouped into homogenous group and assessed for impairment collectively. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several industries and operate in largely independent markets.

(₹)

	Contractual cash flows		
	Carrying amount	**Less than one year**	**More than 1 year**
As at March 31, 2022	-	-	-
As at March 31, 2021	-	-	-

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

As at March 31, 2022 *(₹)*

	Contractual cash flows		
	Carrying amount	**Less than one year**	**More than 1 year**
Borrowings	4,19,39,537	4,19,39,537	-
Trade payables	1,25,700	1,25,700	-
	4,20,65,237	**4,20,65,237**	**-**

As at March 31, 2021 *(₹)*

	Contractual cash flows		
	Carrying amount	**Less than one year**	**More than 1 year**
Borrowings	4,18,96,037	4,18,96,037	-
Trade payables	19,345	19,345	-
	4,19,15,382	**4,19,15,382**	**-**

c) Market risk

Market risk is the risk of loss of future earnings, fair value or future cash flows arising out of change in the price of a financial instrument. These include change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowing.

The company manages market risk through evaluation and identification of risk factors with the object of governing / mitigation them accordingly to company's objectives and declared policies in specific context of impact thereof on various segments of financial instruments.

Currency risk

The Company is exposed to currency risk to the extent that there is mismatch between the currencies in which sales, purchase are denominated and the respective functional currencies of Company. The Company has export sales primarily denominated in US dollars.

d) Interest risk

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.

KESARVAL SPRINGS DISTILLERS PVT.LTD.

Notes to Financial Statements for the year ended March 31, 2022

13 Income Taxes

		As at March 31, 2022	(₹) As at March 31, 2021
a)	**Income Tax recognised in the Statement of Profit and Loss**		
	Current Tax		
	In respect of current year	-	-
	Adjustments in respect of previous years	-	-
	Deferred Tax		
	In respect of current year	-	-
	Adjustments in respect of deferred tax of previous years	-	-
b)	**Income tax expense recognised in Other Comprehensive Income**		
	Deferred tax expense on remeasurement of defined benefit plans	-	-
c)	**Applicable corporate tax rate**	26.000%	26.000%
d)	**Current Tax Liabilities**		
	Provision for Taxation (Net of Advance Tax)	-	
e)	**Current Tax Assets**		
	Advance Tax (Net of Provision for Taxation)	-	-

14 Capital Management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

The Company monitors capital based on the following ratio :-

	As at March 31, 2022	As at March 31, 2021
Net Debt	4,19,39,537	4,18,96,037
Total Equity	(4,19,45,425)	(4,17,94,921)
Debt to Equity Ratio	Nil	Nil

KESARVAL SPRINGS DISTILLERS PVT.LTD.

Notes to Financial Statements for the year ended March 31, 2022

15 There is no contingent liability as on March 31, 2022.

16 Estimated amount of contracts remaining to be executed on capital accounts and not provided for is ₹ Nil (P.Y. ₹ Nil).

17 Related Party Disclosures:

The disclosures pertaining to the related parties as required by Ind AS 24 "Related Party Disclosure" issued by the Institute of Chartered Accountants of India, as applicable, are as under:

a) Holding Company :Tilaknagar Industries Ltd.

List of Fellow Subsidiary Companies
: Prag Distillery (P) Ltd.
: Vahni Distilleries Private Limited
: PunjabExpo Breweries Private Limited
: Mykingdom Ventures Pvt. Ltd.
: Studd Projects P. Ltd.
: Srirampur Grains Private Limited
: Shivprabha Sugars Ltd.

b) Key Managerial Personnel
: Mr. Amit Dahanukar - Chairman
: Mr Ajit Anant Sirsat- Director
: Mrs. Shivani Amit Dahanukar - Non Executive Director
: Mr Shankar Pawar- Director

(₹)

Nature of Transaction (excluding reimbursements)	Parties refered in (a) above	
	2021-22	**2020-21**
Net Loans & Advances taken (given)		
Tilaknagar Industries Ltd.	43,500	29,38,388
Total	**43,500**	**29,38,388**
Outstanding Payable		
Tilaknagar Industries Ltd.	4,19,39,537	4,18,96,037
Total	**4,19,39,537**	**4,18,96,037**

(₹)

	As at March 31, 2022	**As at March 31, 2021**
18 Auditor's remuneration charged to accounts:		
Audit fees	17,700	17,700
	17,700	**17,700**

	As at March 31, 2022	**As at March 31, 2021**
19 Earnings per share:		
Profit / (Loss) After Tax	(1,50,504)	(46,27,209)
Weighted average number of shares	30,000	30,000
Basic & Diluted Earnings Per Share	(5.02)	(154.24)
Face Value per Equity Share	100.00	100.00

20 The Company's net worth has eroded. However, the Company shall be merging with and into the holding Company (TI) as per the composite scheme of amalgamation as mentioned in note No 21 below. Hence, the accounts are prepared on going concern basis.

21 The Directors of the Company in its Meeting held on May 28, 2022, considered and approved the scheme of Amalgamation with Tilaknagar Industries Ltd., the holding Company under the provisions of sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder.

The Scheme, inter alia, provides for amalgamation by way of absorption and vesting of four wholly-owned subsidiaries of the Company, viz. (i) Kesarval Spring Distillers Private Limited ("KSDPL"); (ii) Mykingdom Ventures Private Limited ("MVPL"); (iii) Shrirampur Grains Private Limited ("SGPL"); and (iv) Studd Projects Private Limited ("SPPL") [hereinafter collectively referred to as the "Transferor Companies" and individually referred to as the "Transferor Company"] with and into TI.

The "appointed date" as per the scheme is the 1st day of April, 2022 or such other date as may be approved by the Honourable National Company Law Tribunal(s), for the purposes of this Scheme. The Scheme as aforesaid shall be subject to necessary approvals by the Shareholders, Creditors, Jurisdictional Bench of National Company Law Tribunal ("NCLT") and such other statutory and regulatory approvals as may be required.

KESARVAL SPRINGS DISTILLERS PVT.LTD.

Notes to Financial Statements for year ended March 31, 2022

22 Ratio Analysis

Ratio	Numerator	Denominator	Current year	Previous Year	% Change	Reason for Variance
Current ratio (in times)	Total current assets	Total current liabilities	0.003	0.003	-0.881%	
Debt-Equity ratio (in times)	Total borrowings and lease liabilities	Total equity	NA*	NA*	0.000%	
Debt service coverage ratio (in times)	Net Profit after taxes + Depreciation and Amortization + Finance Cost	Principal repayments including interest + lease liabilities payments	NA*	NA*	0.000%	
Return on Equity Ratio	Profit after tax	Average total equity	NA*	NA*	0.000%	
Inventory turnover ratio (times)	Cost of Material consumed + Changes in Inventories	Average inventory	NA*	NA*	0.000%	
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	NA*	NA*	0.000%	
Trade payables turnover ratio (in times)	Cost of Material consumed + Changes in Inventories + Other Expenses - Inventory /Advance Provision / Advance written off	Average trade payable	NA*	NA*	0.000%	
Net capital turnover ratio (in times)	Revenue from operations	Working capital (i.e. Total current assets less Total current liabilities)	NA*	NA*	0.000%	
Net profit ratio (in %)	Profit after tax	Revenue from operations	NA*	NA*	0.000%	
Return on capital employed (in %)	Profit before tax + finance costs	Capital employed = Tangible Net worth + Total Borrowings	NA*	NA*	0.000%	
Return on investment (in %)	Profit after tax	Average total equity	NA*	NA*	0.000%	

Note:

*** The Company does not have any operational income during the year hence these ratios are not applicable.**

KESARVAL SPRINGS DISTILLERS PVT.LTD.

Notes to Financial Statements for the year ended March 31, 2022

23 Other Statutory Information:

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

ii) The Company does not have any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the Company.

iii) The Company does not have any transactions with the struck off Companies.

iv) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

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

vi) The Company have 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;

vii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
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.

viii) 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.

ix) The Company has not made any Loans or Advances in the nature of loans that 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.

x) The company has not been declared as a wilful defaulter.

xi) The Company did not have sanctioned working capital limits during the year from any banks / lenders.

24 Figures of previous year have been regrouped, reclassified and recast, wherever considered necessary.

As per our Report of even date annexed.

For **G S Nayak & Co**
Chartered Accountants
Firm Registration No. 118915W

For and on behalf of the Board of Directors

Girija Shankar Nayak
Partner
Membership No.049582

Amit Dahanukar
Chairman
(DIN:00305636)

Ajit Anant Sirsat
Director
(DIN:08877654)

Place : Mumbai
Date : May 28,2022

MYKINGDOM VENTURES PVT. LTD.

Regd. Office: P.O. Tilaknagar, Tal. Shrirampur, Dist. Ahmednagar, Maharashtra – 413 720
Tel No: (02422) 265 092/265 123, Fax No: (02422) 265 135
CIN No: [U74900PN2008PTC143964]

DIRECTORS' REPORT

Dear Members,

The Directors hereby present their 14th Annual Report along with the Audited Financial Statements for the financial year ended March 31, 2022.

1. FINANCIAL & OPERATIONAL REVIEW

During the year under review, no activities have been carried out by the Company and it has incurred total comprehensive loss of Rs. 1,00,058 during the year as compared to total comprehensive loss of Rs. 52,939 in the previous year.

2. DIVIDEND

In view of the loss incurred by the Company during the year, the Directors have not recommended any dividend for the financial year ended March 31, 2022.

3. HOLDING COMPANY

Your Company is Wholly Owned Subsidiary of Tilaknagar Industries Ltd.

4. MERGER WITH TILAKNAGAR INDUSTRIES LTD., HOLDING COMPANY

The Directors of the Company in its Meeting held on May 28, 2022, subject to the requisite statutory and regulatory approvals/consents including the approval of Hon'ble National Company Law Tribunal considered and approved the scheme of Amalgamation with Tilaknagar Industries Ltd., the holding Company under the provisions of sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder. The appointed date is April 01, 2022.

The Company is a wholly-owned subsidiary of Tilaknagar Industries Ltd. (the Transferee Company). The Board of Directors is of the opinion that the amalgamation will enable the Transferee Company to integrate its business operations and provide impetus to its operations. The consolidation of the activities by way of an amalgamation of the Company will lead to synergies of operations, reduction in overheads including administrative, managerial and other expenditure, operational rationalization, organizational efficiency, competitive advantage and optimal utilization of resources. Further, there shall be a significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by both, the Company and the Transferee Company.

The proposed Scheme will be beneficial, advantageous and not prejudicial to the interests of the shareholders, creditors and other stakeholders of both the Companies involved.

5. DIRECTORS

At the 13th AGM of the Company held on September 29, 2021, Mr. Amit Dahanukar, who retired by rotation in the said AGM in accordance with the provisions of Section 152(6) of the Act was re-appointed as Director, liable to retire by rotation.

In accordance with the provisions of Section 152(6) of the Act Mr. Ajit Sirsat, Director of the Company is retiring by rotation at the ensuing AGM and being eligible, has offered himself for re-appointment.

The Board recommends his re-appointment in terms of the provisions of Section 152 of the Act. Information pursuant to Secretarial Standard - 1 issued by the Institute of Company Secretaries of India with respect to Director seeking re-appointment is appended to the Notice convening the ensuing AGM.

6. NUMBER OF MEETINGS OF THE BOARD

The Board has met 4 (four) times during the financial year 2021-22 on May 28, 2021; August 12, 2021; November 11, 2021 and February 08, 2022 and the intervening period between the two meetings did not exceed 120 days.

7. AUDITORS

In accordance with the provisions of Section 139(1) read with the Companies (Audit and Auditors) Rules, 2014, M/s. G. S. Nayak & Co. Chartered Accountants (Firm Registration No.118915W), were appointed as Statutory Auditors of the Company in the 11th AGM held on September 11, 2019 to hold office from the conclusion of the 11th AGM till the conclusion of the 16th AGM of the Company.

No frauds have been reported by the Statutory Auditors during the financial year 2021-22 pursuant to the provisions of Section 143(12) of the Act.

The Auditors' Report for the financial year ended March 31, 2022 does not contain any qualification, reservation, adverse remark or disclaimer. However the Auditors under the paragraph material uncertainty related to going concern have drawn attention to Note 19 in the standalone Ind AS financial statements that the Company has incurred net loss during the year and due to accumulated losses the net worth has been eroded. Further the current liabilities have exceeded the total assets. These events indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

Board's Response:

The Company shall be merging with and into the holding Company (Tilaknagar Industries Ltd.) as per the Composite Scheme of Amalgamation subject to the requisite statutory and regulatory approvals/consents including the approval of Hon'ble National Company Law Tribunal. Hence, the accounts are prepared on going concern basis.

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

8. DETAILS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

There are no particulars to be furnished in this Report as required under the provisions of Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014. There were no earnings and expenditure in foreign currency during the year.

9. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

There are no particulars to be furnished in this Report as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014.

10. ANNUAL RETURN

In accordance with the provisions of Section 134(3)(a) of the Act the Company has uploaded the Annual Return for the financial year ended March 31, 2022 on the website of its Holding Company i.e. Tilaknagar Industries Ltd., accessible at weblink: https://tilind.com/investors-filings-reports/

11. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the year under review, the Company has neither given any loan or made any investment, nor given any guarantee or provided any security falling under the purview of Section 186 of the Act. Hence, disclosure under Section 134(3)(g) of the Act is not applicable.

12. FIXED DEPOSITS

The Company has not accepted any deposits from the public and as such, no amount of principal or interest on deposits was outstanding as on the balance sheet date.

13. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the year under review, the Company has not entered into any contract or arrangement with related parties falling under the purview of Section 188(1) of the Act. Hence, disclosure in Form AOC-2 as required under Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is not applicable.

14. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Board of Directors has laid down standards, processes and procedures for implementing the internal financial controls across the organization. After considering the framework of existing internal financial controls and compliance systems; work performed by the Statutory Auditors, the Board of Directors is of the opinion that the Company's internal financial controls with reference to the financial statements were adequate and effective during the financial year under review.

15. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to requirements of Section 134(3)(c) of the Act and on the basis of the information furnished to them by the Statutory Auditors and Management, the Directors state that:

a. in the preparation of the annual accounts, the applicable Accounting Standards have been followed and there are no material departures;

b. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the year;

c. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. they have prepared the annual accounts on a going concern basis; and

e. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

16. RESIDUARY DISCLOSURES

i. During the year under review, provisions of Section 149(4) of the Act were not applicable to the Company. Hence, disclosure under Section 134(3)(d) of the Act is not applicable;

ii. During the year under review, provisions of Section 178(1) of the Act were not applicable to the Company. Hence, disclosure under Section 134(3)(e) the Act is not applicable;

iii. In view of the loss incurred by the Company during the year under review, no amount is proposed to be carried to reserves;

iv. There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this Report. Hence, disclosure under the provisions of Section 134(3)(l) of the Act is not applicable except as disclosed in point no.4 of this Report;

v. No activities have been carried out by the Company during the year under review. Hence, disclosure under Section 134(3)(n) of the Act is not applicable;

vi. During the year under review, provisions of Section 135 of the Act were not applicable to the Company. Hence, disclosure under Section 134(3)(o) of the Act read with Rule 8 of the Companies (CSR Policy) Rules, 2014 is not applicable;

vii. During the year under review, provisions of Section 178(2) of the Act were not applicable to the Company. Hence, disclosure under Section 134(3)(p) read with Rule 8(4) of the Companies (Accounts) Rules, 2014 is not applicable;

viii. During the year under review, the Company has not issued equity shares with differential rights as to dividend, voting or otherwise. Hence, disclosure under Rule 4(4) of the Companies (Share Capital and Debentures) Rules, 2014 is not applicable;

ix. During the year under review, there has been no change in the nature of business of the Company. Hence, disclosure under Rule 8(5)(ii) of the Companies (Accounts) Rules, 2014 is not applicable;

x. During the year under review, no company has become or ceased to be subsidiary, joint venture or associate of the Company. Hence, disclosure under Rule 8(5)(iv) of the Companies (Accounts) Rules, 2014 is not applicable;

xi. During the year under review, no significant material orders have been passed by any regulators or courts or tribunals which may impact the going concern status of the Company and its future operations. Hence, disclosure under Rule 8(5)(vii) of the Companies (Accounts) Rules, 2014 is not applicable;

xii. The Company has complied with the applicable provisions relating to the constitution of the Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 [14 of 2013] and the Company has not received any complaint of sexual harassment during the year under review;

xiii. During the year under review, the Company was not required to make and maintain cost records as specified by the Central Government under Section 148(1) of the Act;

xiv. During the year under review, no application was made or any proceeding is pending under the Insolvency and Bankruptcy Code, 2016 in respect of the Company; and

xv. During the year under review, no one time settlement was entered into by the Company.

17. ACKNOWLEDGEMENTS

The Directors wish to acknowledge and place on record their sincere appreciation for the assistance and co-operation received from all the members, bankers and other stakeholders.

For and on behalf of the Board of Directors

Amit Dahanukar
Chairman
(DIN:00305636)

Place : Mumbai
Date : May 28, 2022

G S Nayak & Co.
Chartered Accountants

611, Signature Business Park,
Postal Colony,Chembur,Mumbai 400071
Tel. : 25295181.

Independent Auditor's Report

To,
The Members of
Mykingdom Ventures Private Limited

Report on the Standalone Ind AS Financial Statements

Opinion
We have audited the accompanying standalone Ind AS financial statements of Mykingdom Ventures Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its losses including other comprehensive income, statement of changes in equity and its cash flows for the year ended on that date.

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

611, Signature Business Park,
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Information other than the financial statements and auditor's report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis and Board's Report including Annexures to Board's Report, but does not include the consolidated financial statements, financial statements and our auditor's report thereon.

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

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

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

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs, consolidated statement of profit and loss including other comprehensive income, statement of changes in equity and statement of cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") prescribed 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 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 the 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

611, Signature Business Park,
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Auditor's Responsibility

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, 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 controls.

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

Material Uncertainty related to Going Concern

We draw attention to Note 19 in the standalone Ind AS financial statements that the Company has incurred net loss during the year and due to accumulated losses the net worth has been eroded. Further the current liabilities have exceeded the total assets. These events indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

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

2. As required by Section 143 (3) of the Act, we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   c) The Balance Sheet, the Statement of Profit and Loss including 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 Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

G S Nayak & Co.
Chartered Accountants

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e) On the basis of written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

f) Requirements of reporting under section 143(3)(i) of the Companies Act 2013, with respect to adequacy of the internal financial controls over the financial reporting of the company and the operating effectiveness of such controls is not applicable to the company.

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

   i. The Company does not have any pending litigations which would impact its financial position;

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

   iv. (i) In our opinion, the management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds 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 entities, including foreign entities ("Intermediaries"), with the understanding, that the Intermediary shall, 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;

   (ii) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entities, including foreign entities ("Funding Parties"), with the understanding, that the company shall, 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;

   (iii) Based on audit procedures which 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 in above contain any material misstatement.

v. The company did not declare or paid dividend during the year, hence compliance with sec 123 of the Companies Act, 2013 is not applicable to the company.

vi. According to information and Explanation given to us, the company, has used accounting software for maintaining its books of account which has a feature of recording audit trail facility and the same has been operated throughout the year for all transactions recorded in the software and the audit trail feature has not been tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention.

For **G. S. Nayak & Co.**
Chartered Accountants
Firm Registration No. 118915W

Girija Shankar Nayak
Partner
Membership No.049582
UDIN 22049582AJWVRRE8944

Place: Mumbai
Date: May 28, 2022

611, Signature Business Park,
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Annexure A to the Independent Auditor's Report

On the standalone Ind AS financial statements of Mykingdom Ventures Private Limited
(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements section of our report of even date)

Report on Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Companies Act, 2013 ("the Act") of Mykingdom Ventures Private Limited ("the Company")

1) In our opinion and according to the information and explanations given to us the Company does not have any Property, Plant and Equipment & Intangible Assets. Accordingly, paragraph 3(i)(a), 3(i)(b) and 3(i)(c) 3(i)(d) 3(i)(e) of the Order is not applicable.

2) (a) In our opinion and according to the information and explanations given to us the Company does not have any inventories and thus paragraph 3(ii)(a) of the Order is not applicable.

   (b) During the year, the Company did not have any sanctioned working capital limits in excess of five crore rupees, in aggregate, from any banks on the basis of security of its current assets. Accordingly, paragraph 3(ii)(b) of the Order is not applicable.

3) The Company has not made investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of paragraph 3 Clause (iii), (iii)(a), (iii)(b), (iii)(c), (iii)(d), (iii)(e), (iii)(f) of the said Order are not applicable to the Company.

4) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the investments made, loans, securities and guarantee given. Accordingly, reporting under paragraph 3(iv) of the Order is not applicable.

5) The Company has not accepted any deposits during the year within the meaning of the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable.

6) We are informed that the maintenance of cost records has not been specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013.

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7) In respect of statutory dues:

a. As per the information and explanation given to us, in our opinion the Company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities;

b. In our opinion and according to the explanation given to us, there were no undisputed amounts of Income Tax, Goods & Service Tax, Service Tax, Wealth Tax, Sales Tax, Custom Duty, Excise Duty and Cess as at 31st March 2022 for a period of six months or more from the date they became payable;

c. In our opinion and according to the explanation given to us, there are no statutory dues of Income tax wealth tax, sales tax, custom duty and excise duty which have not been deposited on account of dispute.

8) In our opinion and according to the explanation given to us, income has been properly recorded in the books of account and no transactions have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which was not recorded in the books of account. Accordingly, paragraph 3(viii) of the Order is not applicable.

9) (a) Based on our audit procedures and as per the information and explanations given by the management, the Company did not have any outstanding dues to financial institutions, banks or debenture holders during the year. Accordingly, paragraph 3(ix)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our audit procedures, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) According to the information and explanations given to us and based on our examination of the records of the Company, no term loans were obtained or utilised during the year by the Company. Accordingly, paragraph 3(ix)(c) of the Order is not applicable.

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(d) In our opinion and according to the information and explanations given to us and based on the audit procedures performed by us, no funds have been raised on short term basis by the Company.

(e) According to the information and explanations given to us and based on the audit procedures performed by us, the Company does not have any subsidiaries, joint ventures or associate companies. Accordingly, paragraph 3(ix)(e) of the Order is not applicable.

(f) According to the information and explanations given to us and based on the audit procedures performed by us, the Company does not have any subsidiaries, joint ventures or associate companies. Accordingly, paragraph 3(ix)(f) of the Order is not applicable.

10) (a)The company has not raised moneys by way of initial public offer or further public offer including debt instruments. Accordingly, the provisions of clause (x) of the Order are not applicable to the Company and hence not commented upon.

(b) The company has not made any preferential allotment or private placement of shares or Convertible debentures during the year. Accordingly, the provisions of clause (x) of the Order are not applicable to the Company and hence not commented upon.

11) (a) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit;

(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.

(c) As represented to us by the management, no whistle-blower complaints has been received by the company during the year.

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

13) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable Indian Accounting standards.

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14) (a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the company issued till date, for the period under audit.

15) 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.

16) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and based on audit procedures performed by us, the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year. Accordingly, paragraph 3(xvi)(b) of the Order is not applicable.

(c) In our opinion and according to the information and explanations given to us, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, paragraph 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations given to us, the Group (as defined the Core Investment Companies (Reserve Bank) Direction 2016) does not have any Core Investment Company ('CIC') as part of the Group. Accordingly, paragraph 3(xvi)(d) of the Order is not applicable.

17) The company has incurred cash losses in the financial year amounting to ₹ 1,00,058 and in the immediately preceding financial year amounting to ₹ 52,939.

18) Based upon the audit procedures performed and the information and explanations given by the management, There has been no resignation of the statutory auditors during the year. Accordingly, paragraph 3(xviii) of the Order is not applicable.

19) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence

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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 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.

20) (a) According to the information and explanations given to us and based on audit procedures performed by us, the Company was not required to spent any amount in terms of Section 135 of the Act during the year. Accordingly, second proviso to sub-section (5) of section 135 of the said Act and paragraph 3(xx)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and based on audit procedures performed by us, the Company did not have any ongoing project in terms of Section 135 of the Act during the year. Accordingly, provision of sub-section (6) of section 135 of the said Act and paragraph 3(xx)(b) of the Order is not applicable.

For **G. S. Nayak & Co.**
Chartered Accountants
Firm Registration No. 118915W

Girija Shankar Nayak
Partner
Membership No.049582
UDIN 22049582AJWVRRE8944

Place: Mumbai
Date: May 28, 2022

MYKINGDOM VENTURES PVT.LTD.

BALANCE SHEET AS AT MARCH 31, 2022

	Note No.	As at March 31, 2022	As at March 31, 2021
I ASSETS			
Current Assets			
Financial Assets			
Cash and Cash Equivalents	2	1,40,874	1,40,874
Total		**1,40,874**	**1,40,874**
II EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	3	1,00,000	1,00,000
Other Equity	4	(9,03,913)	(8,03,855)
		(8,03,913)	**(7,03,855)**
Liabilities			
Current Liabilities			
Financial Liabilities			
Borrowings	5	9,19,551	8,22,047
Trade Payables	6	17,700	17,700
Other Current Liabilities	7	7,536	4,982
		9,44,787	**8,44,729**
Total		**1,40,874**	**1,40,874**
Summary of significant accounting policies	1		
The accompanying notes are an integral part of the financial statements	2-24		

As per our Report of even date annexed.

For **G S Nayak & Co**
Chartered Accountants
Firm Registration No. 118915W

For and on behalf of the Board of Directors

Girija Shankar Nayak
Partner
Membership No.049582

Amit Dahanukar
Chairman
(DIN:00305636)

Ajit Anant Sirsat
Director
(DIN:08877654)

Place : Mumbai
Date : May 28, 2022

MYKINGDOM VENTURES PVT. LTD.

STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED MARCH 31, 2022

	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
INCOME			
Other Income	8	-	40,264
Total Income		**-**	**40,264**
EXPENSES			
Finance Cost	9	75,358	66,403
Other Expenses	10	24,700	26,800
Total expenses		**1,00,058**	**93,203**
Profit / (Loss) before tax		**(1,00,058)**	**(52,939)**
Tax expenses			
Less : Tax expense			
1) Current Tax		-	-
2) Taxes for earlier years		-	-
3) Deferred Tax		-	-
Total Tax Expense		**-**	**-**
Profit / (Loss) after tax		**(1,00,058)**	**(52,939)**
Other Comprehensive Income		**-**	**-**
Total Other Comprehensive Income		**(1,00,058)**	**(52,939)**
Earnings Per Share (₹) Basic & Diluted	18	**(10.01)**	**(5.29)**
Summary of significant accounting policies	1		
The accompanying notes are an integral part of the financial statements	2-24		

As per our Report of even date annexed.

For **G S Nayak & Co**
Chartered Accountants
Firm Registration No. 118915W

For and on behalf of the Board of Directors

Girija Shankar Nayak
Partner
Membership No.049582

Amit Dahanukar
Chairman
(DIN:00305636)

Ajit Anant Sirsat
Director
(DIN:08877654)

Place : Mumbai
Date : May 28, 2022

MYKINGDOM VENTURES PVT.LTD.

Statement of Cash Flow for the year ended March 31, 2022

(₹)

			Year Ended March 31, 2022	Year Ended March 31, 2021
A)	**Cash flow from Operating activities**			
	Profit / (Loss) before tax		**(1,00,058)**	**(52,939)**
	Finance Cost		75,358	66,403
	Operating Profit before working capital changes		**(24,700)**	**13,464**
	Adjustment for:			
	(Decrease)/ Increase in current liabilities, and other financial liabilities		2,554	(41,200)
	Net Cash from Operating activities		**(22,146)**	**(27,736)**
B)	**Cash Flow from Investing activities**			
	Purchase of investments		-	-
	Sale of investments		-	-
			-	-
C)	**Cash Flow from Financing activities**			
	Proceeds from borrowings (Net)		97,504	94,152
	Finance Cost Paid		(75,358)	(66,403)
	Net Cash from Financing Activities		**22,146**	**27,749**
	Net increase in Cash & Cash equivalents(A+B+C)		**-**	**13**
	Opening cash & cash equivalents		1,40,874	1,40,861
	Closing cash & cash equivalents		**1,40,874**	**1,40,874**

Notes :

(₹)

		As at March 31, 2022	As at March 31, 2021
(a)	**Cash and cash equivalents comprises of**		
	Balance with Banks in Current Accounts	1,40,874	1,40,874
		1,40,874	**1,40,874**

		As at April 1, 2021	Cash Flow (net)	Non Cash Flow(Net)	As at March 31, 2022
(b)	**Change in liability arising from financing activities**				
	Borrowings	8,22,047	22,146	75,358	9,19,551

(c) The above standalone statement of cash flow have been prepared under the "Indirect Method" as set out in Ind AS 7, " Statement of cash flow "

(d) Figures of previous year have been regrouped, reclassified and recast, wherever considered necessary.

As per our Report of even date annexed.

For **G S Nayak & Co**
Chartered Accountants
Firm Registration No. 118915W

For and on behalf of the Board of Directors

Girija Shankar Nayak
Partner
Membership No.049582

Amit Dahanukar
Chairman
(DIN:00305636)

Ajit Anant Sirsat
Director
(DIN:08877654)

Place : Mumbai
Date : May 28, 2022

MYKINGDOM VENTURES PVT. LTD.

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

(₹)

A) Equity Share Capital

1) Current reporting period

Balance as at April 01, 2021	Changes in equity share capital due to prior period errors	Restated balance as at April 01,2021	Changes in equity share capital during the year	Balance as at March 31,2022
1,00,000	-	1,00,000	-	1,00,000

2) Previous reporting period

Balance as at April 01, 2020	Changes in equity share capital due to prior period errors	Restated balance as at April 01,2020	Changes in equity share capital during the year	Balance as at March 31,2021
1,00,000	-	1,00,000	-	1,00,000

B) Other Equity

1) Current Reporting Period

(₹)

	Reserves and Surplus			Total
	Securities Premium Account	Capital Reserve	Retained Earnings	
Balance at the beginning of the current reporting period	**-**	**-**	**(8,03,855)**	**(8,03,855)**
Changes in Accounting Policies or prior period errors	-	-	-	-
Restated balances at the beginning of the current reporting period	-	-	(8,03,855)	(8,03,855)
Total Comprehensive income for the current year	-	-	(1,00,058)	(1,00,058)
Balance at the end of the current reporting period	**-**	**-**	**(9,03,913)**	**(9,03,913)**

2) Previous Reporting Period

	Reserves and Surplus			Total
	Securities Premium Account	Capital Reserve	Retained Earnings	
Balance at the beginning of the previous reporting period		-	(7,50,916)	(7,50,916)
Changes in Accounting Policies or prior period errors	-	-		-
Restated balances at the beginning of the previous reporting period	-	-	(7,50,916)	(7,50,916)
Total Comprehensive income for the Previous year	-	-	(52,939)	(52,939)
Balance at the end of the previous reporting period	**-**	**-**	**(8,03,855)**	**(8,03,855)**

For **G S Nayak & Co**
Chartered Accountants
Firm Registration No. 118915W

For and on behalf of the Board of Directors

Girija Shankar Nayak
Partner
Membership No.049582

Amit Dahanukar
Chairman
(DIN:00305636)

Ajit Anant Sirsat
Director
(DIN:08877654)

Place : Mumbai
Date : May 28, 2022

MYKINGDOM VENTURES PVT. LTD.

Notes to Financial Statements for the year ended March 31, 2022

1.1 General Information:

Mykingdom Ventures Pvt Ltd. (The ‘Company’) is a Company domiciled in India, with its registered office situated at PO Tilaknagar, Tal Shrirampur, Dist. Ahmednagar, Maharashtra - 413720. The Company has been incorporated under the provisions of Indian Companies Act.

1.2 Basis of preparation

a) Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the ‘Act’) and other relevant provisions of the Act.

The financial statements were authorised for issue by the Company’s Board of Directors on May 28, 2022.

Details of the Company’s accounting policies are included in sub note 1.3 below.

b) Functional and presentation currency

These financial statements are presented in Indian Rupees (Rs.), which is also the Company’s functional currency.

c) Basis of measurement

The financial statements have been prepared on the historical cost basis, except for certain financial assets and liabilities and defined benefit plan assets / liabilities measured at fair value.

d) Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

1) Provisions and contingent liabilities
2) Income tax

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2022 is included in the following notes:

Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

e) Measurement at fair values

A number of the Company’s accounting policies and disclosures require the measurement of fair values, for both financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2 : Valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Valuation techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

1.3 Significant Accounting Policies

i) Revenue Recognition

Revenue comprises revenue from contracts with customers for sale of goods. Revenue from sale of goods is inclusive of excise duties and is net of returns, trade allowances, rebates, value added taxes, Goods and Services Tax (GST) and such amounts collected on behalf of third parties.

Revenue is recognised as and when performance obligations are satisfied by transferring goods or services to the customer,as below:

Notes to Financial Statements for the year ended March 31, 2022

a) Revenue from sale of products:
Revenue is recognised at transaction price on transfer of control, being on dispatch of goods or upon delivery to customer, in accordance with the terms of sale.

b) Revenue from manufacture and sale of products from tie-up manufacturing arrangements:
The Company has entered into arrangements with Tie-up Manufacturing Units (TMUs), where-in TMUs manufacture and sell beverage alcohol on behalf of the Company. Under such arrangements, the Company has exposure to significant risks and rewards associated with the sale of products i.e. it has the primary responsibility for providing goods to the customer, has pricing latitude and is also exposed to inventory and credit risks. Accordingly, the transactions of the TMUs under such arrangements have been recorded as gross revenue, excise duty and expenses as if they were transactions of the Company. The Company also presents inventory under such arrangements as its own inventory. The net receivables from/payable to TMUs are recognised under other financial assets/ other financial liabilities respectively.

c) Interest
Interest income is recognized using the effective interest rate method. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. Interest income is included under the head “Other income” in the statement of profit and loss.

d) Dividend
Dividend income is recognized when the Company’s right to receive the payment is established, which is generally when the shareholders approve the dividend.

ii) Provisions and contingent liabilties
A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assumptions of the time value of money and the risks specific to the liability. The unwinding of discount is recognized as finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

iii) Income tax
Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

a) Current tax
Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

b) Deferred tax
Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used.

Deferred tax assets recognised or unrecognised are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.
Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The Company offsets, the current tax assets and liabilities (on a year on year basis) and deferred tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

iv) Earnings per share
The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjusting for the effects of all potential dilutive ordinary shares.

Notes to Financial Statements for the year ended March 31, 2022

v) Statement of Cash flow

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

vi) Financial instruments

a) Recognition and initial measurement

The Company initially recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

b) Classification and subsequent measurement

Financial assets

Financial assets carried at amortised cost

A financial asset is subsequently 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.

Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income 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.

Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

In case, the fair value of a financial asset or financial liability, at initial recognition, differs from the transaction price, the difference between the fair value at initial recognition and the transaction price -

(i) is recognised as a gain or loss if that fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation.

(ii) is deferred and is recognised as a gain or loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability. The unamortised portion of the deferred fair value gain/loss difference as on reporting date, is disclosed under other current/non-current assets/liabilities as the case may be.

c) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

The Company assesses impairment based on expected credit losses (ECL) model at an amount equal to:-

• 12 months expected credit losses, or
• Lifetime expected credit losses

depending upon whether there has been a significant increase in credit risk since initial recognition. However, for trade receivables, the company does not track the changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognised in the statement of profit and loss.

d) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or realise the asset and settle the liability simultaneously.

vii) Recent amendments to Indian Accounting Standards:

On March 23, 2022, Ministry of Corporate Affairs ('MCA') amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 01, 2022, as below

a) Ind AS 103 - Business Combinations:

The amendment clarifies that while applying the acquisition method for recognition, the assets and liabilities taken over, in a business combination, must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. The Company does not expect the amendment to have any impact in its financial statements.

b) Ind AS 16 – Property, Plant and Equipment :

The amendment requires that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The Company does not expect the amendment to have any significant impact in its financial statements.

c) Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets :

The amendment clarifies in relation to onerous contracts that the cost of fulfilling a contract comprises the costs that relate directly to the contract which consist of incremental costs of fulfilling that contract (examples would be direct labour, materials) and an allocation of other costs that relate directly to fulfilling contracts. The Company does not expect the amendment to have any significant impact in its financial statements.

d) Ind AS 41 – Agriculture:

The amendment relates to recognition and measurement of biological assets or agricultural produce. The Company does not expect the amendment to have any impact in its financial statements.

e) Ind AS 109 – Financial Instruments :

The amendment clarifies that while determining the fees paid (net of fees received) when a borrower applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability, the borrower to include only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. The Company does not expect the amendment to have any significant impact in its financial statements.

MYKINGDOM VENTURES PVT. LTD.

Notes to Financial Statements for the year ended March 31, 2022

		(₹)
	Current	
	As at March 31, 2022	**As at March 31, 2021**
2 Cash and Bank Balances		
Cash and Cash equivalents		
Balance with Banks in Current Account	1,40,874	1,40,874
	1,40,874	**1,40,874**

MYKINGDOM VENTURES PVT.LTD.

Notes to Financial Statements for the year ended March 31, 2022

		As at March 31, 2022	As at March 31, 2021
3	**Equity Share Capital**		
	Authorised Shares		
	2,50,000 equity shares of ₹ 10/- each (P.Y. 2,50,000 equity shares of ₹ 10/- each)	**25,00,000**	**25,00,000**
	Issued, subscribed and paid up shares		
	10,000 equity shares of ₹ 10/- each fully paid up (P.Y. 10,000 equity shares of ₹ 10/- each fully paid up)	1,00,000	1,00,000
		1,00,000	**1,00,000**
	a) Reconciliation of the number of shares outstanding		
	Number of equity shares at the beginning	10,000	10,000
	Equity shares issued during the period	-	-
	Number of equity shares at the end	**10,000**	**10,000**

b) Terms / rights attached to equity shares

Each holder of equity share is entitled to one vote per share with a right to receive per share dividend by the Company, when declared. In the event of liquidation, the equity shareholders will be entitled to receive remaining assets of the Company after distribution of all preferential amounts in the proportion to the number of equity shares held by them.

c) Shares held by holding company

	As at March 31, 2022	As at March 31, 2021
Tilaknagar Industries Ltd.	10,000	10,000

d) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of equity shares	As a % of total holding	No. of equity shares	As a % of total holding
Tilaknagar Industries Ltd.	10,000	100	10,000	100
Total	**10,000**	**100**	**10,000**	**100**

e)

Disclosures of Shareholding of Promoters - Shares held by the Promoters	As at March 31, 2022		As at March 31, 2021	
	No. of equity shares	As a % of total holding	No. of equity shares	As a % of total holding
Tilaknagar Industries Ltd.	10,000	100	10,000	100
Total	**10,000**	**100**	**10,000**	**100**

		As at March 31, 2022	As at March 31, 2021
4	**Other Equity**		
	Retained Earnings		
	Balance at the beginning of the year	(8,03,855)	(7,50,916)
	Add: Profit / (Loss) after tax for the year	(1,00,058)	(52,939)
	Balance at the end of the year	**(9,03,913)**	**(8,03,855)**

Footnote:

Retained earnings are the profits that Company has earned till date less transfers to general reserve dividends or other distributions paid to shareholders. Retained earnings is a free reserve available to the Company.

MYKINGDOM VENTURES PVT.LTD.

Notes to Financial Statements for the year ended March 31, 2022

	Current	
		(₹)
	As at March 31, 2022	As at March 31, 2021
5 Borrowings		
Unsecured Loan		
From Holding Company	9,19,551	8,22,047
	9,19,551	**8,22,047**

5.1 Outstanding balance of loans received from related parties that are repayable on demand :

	Particulars	March, 2022 Amount	%	March, 2021 Amount	%
1	Promoters	-	0.00%	-	0.00%
2	Directors		0.00%		0.00%
3	Key Managerial Personnel	-	0.00%	-	0.00%
4	Related Party - Holding Company	9,19,551	100.00%	8,22,047	100.00%

6 Trade Payables		
Other Payables	17,700	17,700
	17,700	**17,700**

Ageing Schedule (2021-2022)

Particulars	Outstanding for following periods from due date of payments						
	Unbilled	Not Due	Less than 1 years	1-2 years	2-3 years	More than 3 years	Total Outstanding
MSME							-
Others			17,700				17,700
Disputed Dues - Others							-
Disputed Dues - MSME							-
Total	-	-	17,700	-	-	-	17,700

Ageing Schedule (2020-2021)

Particulars	Outstanding for following periods from due date of payments						
	Unbilled	Not Due	Less than 1 years	1-2 years	2-3 years	More than 3 years	Total Outstanding
MSME							-
Others			17,700				17,700
Disputed Dues - Others							-
Disputed Dues - MSME							-
Total	-	-	17,700	-	-	-	17,700

7 Other Liabilities		
Payable towards Statutory Liabilities	7,536	4,982
	7,536	**4,982**

MYKINGDOM VENTURES PVT.LTD.

Notes to Financial Statements for the year ended March 31, 2022

			(₹)
		Year ended March 31, 2022	**Year ended March 31, 2021**
8	**Other Income**		
	Sundry balance written back	-	40,264
		-	**40,264**
9	**Finance Cost**		
	Interest on Borrowings	75,358	66,403
		75,358	**66,403**
10	**Other Expenses**		
	Auditors Remuneration [Refer Note No.17]	17,700	17,700
	Rates and taxes	7,000	7,000
	Legal and professional charges	-	2,100
		24,700	**26,800**

MYKINGDOM VENTURES PVT.LTD.

Notes to Financial Statements for the year ended March 31, 2022

11 Financial Instruments - Accounting classification and fair value measurements

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

b) The following methods and assumptions were used to estimate the fair value:

1) Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilties, short term loans from banks and other financial instruments approximate their carrying amounts largely due to the short term maturities of these instruments.

2) Financial instruments with fixed and variable interest rates are evaluated by the company based on parameters such as interest rate and individual credit worthiness of the counter party. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

c) The company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : Valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Valuation techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows the carrying amounts and fair values of financial assets and financials liabilities, including their levels in the fair value hierarchy :

As at March 31, 2022 (₹)

	Carrying amount			
	FVOCI - Equity Instruments	**Financial assets - cost / amortised cost**	**Financial liabilities - cost / amortised cost**	**Total carrying amount**
Financial assets				
Cash and Cash Equivalents	-	1,40,874	-	1,40,874
	-	**1,40,874**	**-**	**1,40,874**
Financial liabilities				
Borrowings	-	-	9,19,551	9,19,551
Trade Payable	-	-	17,700	17,700
	-	**-**	**9,37,251**	**9,37,251**

The Company has not disclosed the fair values for financial instruments such as investments, trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, borrowings, trade payables and financial liabilities because their carrying amounts are a reasonable approximation of fair value.

As at March 31, 2021 (₹)

	Carrying amount			
	FVOCI - Equity Instruments	**Financial assets - cost / amortised cost**	**Financial liabilities - cost / amortised cost**	**Total carrying amount**
Financial assets				
Cash and Cash Equivalents	-	1,40,874	-	1,40,874
	-	**1,40,874**	**-**	**1,40,874**
Financial liabilities				
Borrowings	-	-	8,22,047	8,22,047
Trade Payable	-	-	17,700	17,700
	-	**-**	**8,39,747**	**8,39,747**

The Company has not disclosed the fair values for financial instruments such as investments, trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, borrowings, trade payables and financial liabilities because their carrying amounts are a reasonable approximation of fair value.

Notes to Financial Statements for the year ended March 31, 2022

12 Financial risk management

Objectives and policies

Risk management framework

The Company’s management has overall responsibility for the establishment and oversight of the Company’s risk management framework.

The Company conducts yearly risk assessment activities to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management systems are reviewed regularly to reflect changes in market conditions and the Company’s activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company has exposure to the following risks arising from financial instruments :
- Credit risk
- Liquidity risk
- Market risk
- Interest risk

a) Credit risk

Credit risk is the risk that counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The company generally doesn't have collateral.

The carrying amounts of financial assets represent the maximum credit risk exposure. The maximum exposure to credit risk at the reporting date is as follows :-

(₹)

Particulars	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents	1,40,874	1,40,874
Total	**1,40,874**	**1,40,874**

Trade receivables

Customer credit risk is managed as per Company’s established policy, procedures and control relating to customer credit risk management. Credit risk has always been managed by the Company through credit approvals, estabilishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business.

An impairment analysis is performed for all major customers at each reporting date on an individual basis. In addition, a large number of minor receivables are grouped into homogenous group and assessed for impairment collectively. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several industries and operate in largely independent markets.

Bank balances and deposits with banks

Credit risk from balances with banks is managed by the company's finance department as per Company's policy. Investment of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company’s Board of directors. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty’s potential failure to make payments.

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company’s approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company’s reputation.

Notes to Financial Statements for the year ended March 31, 2022

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

As at March 31, 2022 *(₹)*

	Contractual cash flows		
	Carrying amount	**Less than one year**	**More than 1 year**
Borrowings	9,19,551	9,19,551	-
Trade Payable	17,700	17,700	-
	9,37,251	**9,37,251**	**-**

As at March 31, 2021 *(₹)*

	Contractual cash flows		
	Carrying amount	**Less than one year**	**More than 1 year**
Borrowings	8,22,047	8,22,047	-
Trade Payable	17,700	17,700	-
	8,39,747	**8,39,747**	**-**

c) Market risk

Market risk is the risk of loss of future earnings, fair value or future cash flows arising out of change in the price of a financial instrument. These include change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowing.

The company manages market risk through evaluation and identification of risk factors with the object of governing / mitigation them accordingly to company's objectives and declared policies in specific context of impact thereof on various segments of financial instruments.

Currency risk

The Company is exposed to currency risk to the extent that there is mismatch between the currencies in which sales, purchase are denominated and the respective functional currencies of Company.

d) Interest risk

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.

13 Income Taxes

		As at March 31, 2022	As at March 31, 2021
			(₹)
a)	**Income Tax recognised in the Statement of Profit and Loss**		
	Current Tax		
	In respect of current year	-	-
	Adjustments in respect of previous years	-	-
	Deferred Tax		
	In respect of current year	-	-
	Adjustments in respect of deferred tax of previous years	-	-
b)	**Income tax expense recognised in Other Comprehensive Income**		
	Deferred tax expense on remeasurement of defined benefit plans	-	-
c)	**Applicable corporate tax rate**	26.00%	26.00%
d)	**Current Tax Liabilities**		
	Provision for Taxation (Net of Advance Tax)	-	-
e)	**Current Tax Assets**		
	Advance Tax (Net of Provision for Taxation)	-	-

14 Capital Management *(₹)*

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

The Company monitors capital based on the following ratio :-

	As at March 31, 2022	As at March 31, 2021
Net Debt	9,19,551	8,22,047
Total Equity	(8,03,913)	(7,03,855)
Debt to Equity Ratio	NIL	NIL

MYKINGDOM VENTURES PVT.LTD.

Notes to Financial Statements for the year ended March 31, 2022

15 No amounts is payable to any enterprise as defined under the Micro, Small Enterprises Development Act, 2006 and hence disclosures relating to Micro and Small Enterprises have not been made.

16 Related Party Disclosures:

The disclosures pertaining to the related parties as required by Ind AS 24 "Related Party Disclosure" issued by the Institute of Chartered Accountants of India, as applicable, are as under:

a) Holding Company :Tilaknagar Industries Ltd.

List of Fellow Subsidiary Companies
: Prag Distillery (P) Ltd.
: Vahni Distilleries Private Limited
: PunjabExpo Breweries Private Limited
: Kesarval Springs Distillers Pvt. Ltd.
: Studd Projects P. Ltd.
: Srirampur Grains Private Limited
: Shivprabha Sugars Ltd.

b) Key Managerial Personnel
: Mr. Amit Dahanukar - Chairman
: Mr. Ajit Anant Sirsat - Director
: Mrs. Shivani Amit Dahanukar - Non Executive Director
: Mr. Shankar Pawar - Director

(₹)

Nature of Transaction	Parties refered in (a) above	
	2021-22	**2020-21**
Other Expenses		
Tilaknagar Industries Ltd.	75,358	66,403
Total	**75,358**	**66,403**
Net Loans & Advances taken (given)		
Tilaknagar Industries Ltd.	97,504	94,152
Total	**97,504**	**94,152**
Outstanding Payable		
Tilaknagar Industries Ltd.	9,19,551	8,22,047
Total	**9,19,551**	**8,22,047**

	As at March 31, 2022	**As at March 31, 2021**
17 Auditor's remuneration charged to accounts:		
Audit Fees	17,700	17,700
	17,700	**17,700**

	As at March 31, 2022	**As at March 31, 2021**
18 Earnings Per Share (EPS)		
Profit/ (Loss) After Tax	(1,00,058)	(52,939)
Weighted average number of shares	10,000	10,000
Basic & Diluted Earnings Per Share	(10.01)	(5.29)
Face Value per Equity Share	10	10

19 The Company's net worth has eroded. However, the Company shall be merging with and into the holding Company (TI) as per the composite scheme of amalgamation as mentioned in note No 21 below. Hence, the accounts are prepared on going concern basis.

20 There is no contingent liability as on March 31, 2022.

21 The Directors of the Company in its Meeting held on May 28, 2022, considered and approved the scheme of Amalgamation with Tilaknagar Industries Ltd., the holding Company under the provisions of sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder.

TILAKNAGAR INDUSTRIES LTD.

Notes to Financial Statements for year ended March 31, 2022

22 **Ration Analysis**

Ratio	Numerator	Denominator	Current year	Previous Year	% Change	Reason for Variance
Current ratio (in times)	Total current assets	Total current liabilities	0.149	0.167	-10.591%	
Debt-Equity ratio (in times)	Total borrowings and lease liabilities	Total equity	NA*	NA*	0.000%	
Debt service coverage ratio (in times)	Net Profit after taxes + Depreciation and Amortization + Finance Cost	Principal repayments including interest + lease liabilities payments	NA*	NA*	0.000%	
Return on Equity Ratio	Profit after tax	Average total equity	NA*	NA*	0.000%	
Inventory turnover ratio (times)	Cost of Material consumed + Changes in Inventories	Average inventory	NA*	NA*	0.000%	
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	NA*	NA*	0.000%	
Trade payables turnover ratio (in times)	Cost of Material consumed + Changes in Inventories + Other Expenses - Inventory /Advance Provision / Advance written off	Average trade payable	NA*	NA*	0.000%	
Net capital turnover ratio (in times)	Revenue from operations	Working capital (i.e. Total current assets less Total current liabilities)	NA*	NA*	0.000%	
Net profit ratio (in %)	Profit after tax	Revenue from operations	NA*	NA*	0.000%	
Return on capital employed (in %)	Profit before tax + finance costs	Capital employed = Tangible Net worth + Total Borrowings	NA*	NA*	0.000%	
Return on investment (in %)	Profit after tax	Average total equity	NA*	NA*	0.000%	

Note:

*** The Company does not have any operational income during the year hence these ratios are not applicable.**

MYKINGDOM VENTURES PVT.LTD.

Notes to Financial Statements for the year ended March 31, 2022

23 Other Statutory Information:

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

ii) The Company does not have any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the Company.

iii) The Company does not have any transactions with the struck off Companies.

iv) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

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

vi) The Company have 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;

vii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

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.

viii) 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

ix) The Company has not made any Loans or Advances in the nature of loans that 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

x) The company has not been declared as a wilful defaulter

xi) The Company did not have sanctioned working capital limits during the year from any banks / lenders.

24 Figures of previous year have been regrouped, reclassified and recast, wherever considered necessary.

As per our Report of even date annexed

For G S Nayak & Co *Chartered Accountants* Firm Registration No. 118915W	For and on behalf of the Board of Directors

Girija Shankar Nayak *Partner* Membership No.049582	**Amit Dahanukar** *Chairman* (DIN:00305636)	**Ajit Anant Sirsat** *Director* (DIN:08877654)

Place : Mumbai
Date : May 28, 2022

STUDD PROJECTS P. LTD.

Regd. Office: P.O. Tilaknagar, Tal. Shrirampur, Dist. Ahmednagar, Maharashtra – 413 720
Tel No: (02422) 265 032/265 123, Fax No: (02422) 265 135
CIN No: [U45202PN2008PTC144178]

DIRECTORS' REPORT

Dear Members,

The Directors hereby present their 14th Annual Report along with the Audited Financial Statements for the financial year ended March 31, 2022.

1. FINANCIAL & OPERATIONAL REVIEW

During the year under review, no activities have been carried out by the Company and it has incurred total comprehensive loss of Rs. 1,57,020 during the year as compared to total comprehensive loss of Rs. 1,46,951 in the previous year.

2. DIVIDEND

In view of the loss incurred by the Company during the year, the Directors have not recommended any dividend for the financial year ended March 31, 2022.

3. HOLDING COMPANY

Your Company is Wholly Owned Subsidiary of Tilaknagar Industries Ltd.

4. MERGER WITH TILAKNAGAR INDUSTRIES LTD., HOLDING COMPANY

The Directors of the Company at its Meeting held on May 28, 2022, subject to the requisite statutory and regulatory approvals/consents including the approval of Hon'ble National Company Law Tribunal considered and approved the scheme of Amalgamation with Tilaknagar Industries Ltd., the holding Company under the provisions of sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder. The appointed date is April 01, 2022.

The Company is a wholly-owned subsidiary of Tilaknagar Industries Ltd. (the Transferee Company). The Board of Directors is of the opinion that the amalgamation will enable the Transferee Company to integrate its business operations and provide impetus to its operations. The consolidation of the activities by way of an amalgamation of the Company will lead to synergies of operations, reduction in overheads including administrative, managerial and other expenditure, operational rationalization, organizational efficiency, competitive advantage and optimal utilization of resources. Further, there shall be a significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by both, the Company and the Transferee Company.

The proposed Scheme will be beneficial, advantageous and not prejudicial to the interests of the shareholders, creditors and other stakeholders of both the Companies involved.

5. DIRECTORS

At the 13th AGM of the Company held on September 29, 2021, Mr. Amit Dahanukar, who retired by rotation in the said AGM in accordance with the provisions of Section 152(6) of the Act was re-appointed as Director, liable to retire by rotation.

In accordance with the provisions of Section 152(6) of the Act Mr. Ajit Anant Sirsat, Director of the Company is retiring by rotation at the ensuing AGM and being eligible, has offered himself for re-appointment.

The Board recommends his re-appointment in terms of the provisions of Section 152 of the Act. Information pursuant to Secretarial Standard - 1 issued by the Institute of Company Secretaries of India with respect to Director seeking re-appointment is appended to the Notice convening the ensuing AGM.

6. NUMBER OF MEETINGS OF THE BOARD

The Board has met 4 (four) times during the financial year 2021-22 on May 28, 2021; August 12, 2021; November 11, 2021 and February 08, 2022 and the intervening period between the two meetings did not exceed 120 days.

7. AUDITORS

In accordance with the provisions of Section 139(1) read with the Companies (Audit and Auditors) Rules, 2014, M/s. G. S. Nayak & Co. Chartered Accountants (Firm Registration No.118915W), were appointed as Statutory Auditors of the Company in the 11th AGM held on September 11, 2019 to hold office from the conclusion of the 11th AGM till the conclusion of the 16th AGM of the Company.

No frauds have been reported by the Statutory Auditors during the financial year 2021-22 pursuant to the provisions of Section 143(12) of the Act.

The Auditors' Report for the financial year ended March 31, 2022 does not contain any qualification, reservation, adverse remark or disclaimer. However the Auditors under the paragraph material uncertainty related to going concern have drawn attention to Note 18 in the standalone Ind AS financial statements that the Company has incurred net loss during the year and due to accumulated losses the net worth has been eroded. Further the current liabilities have exceeded the total assets. These events indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

Board's Response:

The Company shall be merging with and into the holding Company (Tilaknagar Industries Ltd.) as per the Composite Scheme of Amalgamation subject to the requisite statutory and regulatory approvals/consents including the approval of Hon'ble National Company Law Tribunal. Hence, the accounts are prepared on going concern basis.

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

8. DETAILS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

There are no particulars to be furnished in this Report as required under the provisions of Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014. There were no earnings and expenditure in foreign currency during the year.

9. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

There are no particulars to be furnished in this Report as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014.

10. ANNUAL RETURN

In accordance with the provisions of Section 134(3)(a) of the Act the Company has uploaded the Annual Return for the financial year ended March 31, 2022 on the website of its Holding Company i.e. Tilaknagar Industries Ltd., accessible at weblink: https://tilind.com/investors-filings-reports/

11. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

There are no particulars to be furnished in this Report as required under Section 134(3)(g) read with Section 186(4) of the Act.

12. FIXED DEPOSITS

The Company has not accepted any deposits from the public and as such, no amount of principal or interest on deposits was outstanding as on the balance sheet date.

13. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the year under review, the Company has not entered into any contract or arrangement with related parties falling under the purview of Section 188(1) of the Act. Hence, disclosure in Form AOC-2 as required under Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is not applicable.

14. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Board of Directors has laid down standards, processes and procedures for implementing the internal financial controls across the organization. After considering the framework of existing internal financial controls and compliance systems; work performed by the Statutory Auditors, the Board of Directors is of the opinion that the Company's internal financial controls with reference to the financial statements were adequate and effective during the year under review.

15. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to requirements of Section 134(3)(c) of the Act and on the basis of the information furnished to them by the Statutory Auditors and Management, the Directors state that:

a. in the preparation of the annual accounts, the applicable Accounting Standards have been followed and there are no material departures;

b. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the year;

c. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. they have prepared the annual accounts on a going concern basis; and

e. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

16. RESIDUARY DISCLOSURES

i. During the year under review, provisions of Section 149(4) of the Act were not applicable to the Company. Hence, disclosure under Section 134(3)(d) of the Act is not applicable;

ii. During the year under review, provisions of Section 178(1) of the Act were not applicable to the Company. Hence, disclosure under Section 134(3)(e) the Act is not applicable;

iii. In view of the loss incurred by the Company during the year under review, no amount is proposed to be carried to reserves;

iv. There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this Report. Hence, disclosure under the provisions of Section 134(3)(l) of the Act is not applicable except as mentioned in point no. 4 of this Report;

v. No activities have been carried out by the Company during the year under review. Hence, disclosure under Section 134(3)(n) of the Act is not applicable;

vi. During the year under review, provisions of Section 135 of the Act were not applicable to the Company. Hence, disclosure under Section 134(3)(o) of the Act read with Rule 8 of the Companies (CSR Policy) Rules, 2014 is not applicable;

vii. During the year under review, provisions of Section 178(2) of the Act were not applicable to the Company. Hence, disclosure under Section 134(3)(p) read with Rule 8(4) of the Companies (Accounts) Rules, 2014 is not applicable;

viii. During the year under review, the Company has not issued equity shares with differential rights as to dividend, voting or otherwise. Hence, disclosure under Rule 4(4) of the Companies (Share Capital and Debentures) Rules, 2014 is not applicable;

ix. During the year under review, there has been no change in the nature of business of the Company. Hence, disclosure under Rule 8(5)(ii) of the Companies (Accounts) Rules, 2014 is not applicable;

x. During the year under review, no company has become or ceased to be subsidiary, joint venture or associate of the Company. Hence, disclosure under Rule 8(5)(iv) of the Companies (Accounts) Rules, 2014 is not applicable;

xi. During the year under review, no significant material orders have been passed by any regulators or courts or tribunals which may impact the going concern status of the Company and its future operations. Hence, disclosure under Rule 8(5)(vii) of the Companies (Accounts) Rules, 2014 is not applicable;

xii. The Company has complied with the applicable provisions relating to the constitution of the Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 [14 of 2013] and the Company has not received any complaint of sexual harassment during the year under review;

xiii. During the year under review, the Company was not required to make and maintain cost records as specified by the Central Government under Section 148(1) of the Act;

xiv. During the year under review, no application was made or any proceeding is pending under the Insolvency and Bankruptcy Code, 2016 in respect of the Company; and

xv. During the year under review, no one time settlement was entered into by the Company.

17. ACKNOWLEDGEMENTS

The Directors wish to acknowledge and place on record their sincere appreciation for the assistance and co-operation received from all the members, bankers and other stakeholders.

For and on behalf of the Board of Directors

Amit Dahanukar
Chairman
(DIN:00305636)

Place : Mumbai
Date : May 28, 2022

G S Nayak & Co.
Chartered Accountants

611, Signature Business Park,
Postal Colony,Chembur,Mumbai 400071
Tel. : 25295181.

Independent Auditor's Report

To,
The Members of

Studd Projects Private Limited

Report on the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Studd Projects Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its losses including other comprehensive income, statement of changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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Information other than the financial statements and auditor's report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis and Board's Report including Annexures to Board's Report, but does not include the consolidated financial statements, financial statements and our auditor's report thereon.

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

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

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

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs, consolidated statement of profit and loss including other comprehensive income, statement of changes in equity and statement of cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") prescribed 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 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 the 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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Auditor's Responsibility

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, 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 controls.

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

Material Uncertainty related to Going Concern

We draw attention to Note 18 in the standalone Ind AS financial statements that the Company has incurred net loss during the year and due to accumulated losses the net worth has been eroded. Further the current liabilities have exceeded the total assets. These events indicate that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors Report) Order 2020 (“the Order”) issued by Central Government of India in terms of sub section (11) of section 143 of the Act, we give in ‘Annexure A’, a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143 (3) of the Act, we report that:
    i. 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.
    ii. 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.
    iii. The Balance Sheet, the Statement of Profit and Loss including 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.
    iv. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

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v. On the basis of written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

vi. Requirements of reporting under section 143(3)(i) of the Companies Act 2013, with respect to adequacy of the internal financial controls over the financial reporting of the company and the operating effectiveness of such controls is not applicable to the company.

vii. 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:

1) The Company does not have any pending litigations which would impact its financial position;
2) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
3) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
4) (i) In our opinion, the management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds 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 entities, including foreign entities ("Intermediaries"), with the understanding, that the Intermediary shall, 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;

   (ii) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entities, including foreign entities ("Funding Parties"), with the understanding, that the company shall, 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;

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Tel. : 25295181.

(iii) Based on audit procedures which 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 in above contain any material misstatement

5) The company did not declare or paid dividend during the year, hence compliance with sec 123 of the Companies Act, 2013 is not applicable to the company.

6) According to information and Explanation given to us, the company, has used accounting software for maintaining its books of account which has a feature of recording audit trail facility and the same has been operated throughout the year for all transactions recorded in the software and the audit trail feature has not been tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention.

For **G. S. Nayak & CO.**
Chartered Accountants
Firm Registration No. 118915W

Girija Shankar Nayak
Partner
Membership No.049582
UDIN 22049582AJWWWE6114

Place: Mumbai
Date: May 28, 2022

G S Nayak & Co.
Chartered Accountants

611, Signature Business Park,
Postal Colony,Chembur,Mumbai 400071
Tel. : 25295181.

Annexure A to the Independent Auditor's Report

On the standalone Ind AS financial statements of Studd Projects Private Limited

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements section of our report of even date)

Report on Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Companies Act, 2013 ("the Act") of Studd Projects Private Limited ("the Company")

1) In our opinion and according to the information and explanations given to us the Company does not have any Property, Plant and Equipment & Intangible Assets. Accordingly, paragraph 3(i)(a), 3(i)(b) and 3(i)(c) 3(i)(d) 3(i)(e) of the Order is not applicable

2) (a) In our opinion and according to the information and explanations given to us the Company does not have any inventories and thus paragraph 3(ii)(a) of the Order is not applicable.

   (b) During the year, the Company did not have any sanctioned working capital limits in excess of five crore rupees, in aggregate, from any banks on the basis of security of its current assets. Accordingly, paragraph 3(ii)(b) of the Order is not applicable.

3) The Company has not made investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of paragraph 3 Clause (iii), (iii)(a), (iii)(b), (iii)(c), (iii)(d), (iii)(e), (iii)(f) of the said Order are not applicable to the Company.

4) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the investments made, loans, securities and guarantee given. Accordingly, reporting under paragraph 3(iv) of the Order is not applicable.

5) The Company has not accepted any deposits during the year within the meaning of the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable.

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6) We are informed that the maintenance of cost records has not been specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013.

7) In respect of statutory dues:

a. As per the information and explanation given to us, in our opinion the Company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities;

b. In our opinion and according to the explanation given to us, there were no undisputed amounts of Income Tax, Goods & Service Tax, Service Tax, Wealth Tax, Sales Tax, Custom Duty, Excise Duty and Cess as at 31st March 2022 for a period of six months or more from the date they became payable;

c. In our opinion and according to the explanation given to us, there are no statutory dues of Income tax wealth tax, sales tax, custom duty and excise duty which have not been deposited on account of dispute.

8) In our opinion and according to the explanation given to us, income has been properly recorded in the books of account and no transactions have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which was not recorded in the books of account. Accordingly, paragraph 3(viii) of the Order is not applicable.

9) (a) Based on our audit procedures and as per the information and explanations given by the management, the Company did not have any outstanding dues to financial institutions, banks or debenture holders during the year. Accordingly, paragraph 3(ix)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our audit procedures, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) According to the information and explanations given to us and based on our examination of the records of the Company, no term loans were obtained or utilised during the year by the Company. Accordingly, paragraph 3(ix)(c) of the Order is not applicable.

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(d) In our opinion and according to the information and explanations given to us and based on the audit procedures performed by us, no funds have been raised on short term basis by the Company.

(e) According to the information and explanations given to us and based on the audit procedures performed by us, the Company does not have any subsidiaries, joint ventures or associate companies. Accordingly, paragraph 3(ix)(e) of the Order is not applicable.

(f) According to the information and explanations given to us and based on the audit procedures performed by us, the Company does not have any subsidiaries, joint ventures or associate companies. Accordingly, paragraph 3(ix)(f) of the Order is not applicable.

10) (a)The company has not raised moneys by way of initial public offer or further public offer including debt instruments. Accordingly, the provisions of clause (x) of the Order are not applicable to the Company and hence not commented upon.

(b) The company has not made any preferential allotment or private placement of shares or Convertible debentures during the year. Accordingly, the provisions of clause (x) of the Order are not applicable to the Company and hence not commented upon.

11) (a) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit;

(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.

(c) As represented to us by the management, no whistle-blower complaints has been received by the company during the year.

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

13) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable Indian Accounting standards.

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14) (a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the company issued till date, for the period under audit.

15) 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.

16) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and based on audit procedures performed by us, the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year. Accordingly, paragraph 3(xvi)(b) of the Order is not applicable.

(c) In our opinion and according to the information and explanations given to us, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, paragraph 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations given to us, the Group (as defined the Core Investment Companies (Reserve Bank) Direction 2016) does not have any Core Investment Company ('CIC') as part of the Group. Accordingly, paragraph 3(xvi)(d) of the Order is not applicable.

17) The company has incurred cash losses in the financial year amounting to ₹ 1,57,020 and in the immediately preceding financial year amounting to ₹ 1,46,951.

18) Based upon the audit procedures performed and the information and explanations given by the management, There has been no resignation of the statutory auditors during the year. Accordingly, paragraph 3(xviii) of the Order is not applicable.

19) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, 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

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that any material uncertainty exists as on the date of the audit report 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.

20) (a) According to the information and explanations given to us and based on audit procedures performed by us, the Company was not required to spent any amount in terms of Section 135 of the Act during the year. Accordingly, second proviso to sub-section (5) of section 135 of the said Act and paragraph 3(xx)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and based on audit procedures performed by us, the Company did not have any ongoing project in terms of Section 135 of the Act during the year. Accordingly, provision of sub-section (6) of section 135 of the said Act and paragraph 3(xx)(b) of the Order is not applicable.

For G. S. Nayak & CO.
Chartered Accountants
Firm Registration No. 118915W

Girija Shankar Nayak
Partner
Membership No.049582
UDIN 22049582AJWWWE6114

Place: Mumbai
Date: May 28, 2022

STUDD PROJECTS P. LTD.

BALANCE SHEET AS AT MARCH 31, 2022

		Note No.	As at March 31, 2022	(₹) As at March 31, 2021
I	**ASSETS**			
	Current Assets			
	Financial Assets			
	Cash and Cash Equivalents	2	1,97,206	1,97,206
	Total		**1,97,206**	**1,97,206**
II	**EQUITY AND LIABILITIES**			
	Equity			
	Equity Share Capital	3	1,00,000	1,00,000
	Other Equity	4	(15,99,670)	(14,42,650)
			(14,99,670)	**(13,42,650)**
	Liabilities			
	Current Liabilities			
	Financial Liabilities			
	Borrowings	5	16,71,254	15,18,724
	Trade Payables	6	11,800	11,800
	Other Current Liabilities	7	13,822	9,332
			16,96,876	**15,39,856**
	Total		**1,97,206**	**1,97,206**
	Summary of significant accounting policies	1		
	The accompanying notes are an integral part of the financial statements	2-23		

As per our Report of even date annexed.

For **G S Nayak & Co**
Chartered Accountants
Firm Registration No. 118915W

For and on behalf of the Board of Directors

Girija Shankar Nayak
Partner
Membership No.049582

Amit Dahanukar
Chairman
(DIN:00305636)

Ajit Anant Sirsat
Director
(DIN:08877654)

Place : Mumbai
Date : May 28, 2022

STUDD PROJECTS P. LTD.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

	Note No.	Year ended March 31, 2022	(₹) Year ended March 31, 2021
INCOME			
		-	-
Total Income		**-**	**-**
EXPENSES			
Finance Cost	8	1,38,220	1,24,433
Other Expenses	9	18,800	22,518
Total expenses		**1,57,020**	**1,46,951**
Profit / (Loss) before tax		**(1,57,020)**	**(1,46,951)**
Tax expenses			
Less : Tax expense			
1) Current Tax		-	-
2) Taxes for earlier years		-	
3) Deferred Tax		-	-
Total Tax Expense		**-**	**-**
Profit / (Loss) after tax		**(1,57,020)**	**(1,46,951)**
Other Comprehensive Income		-	-
Total Other Comprehensive Income		**(1,57,020)**	**(1,46,951)**
Earnings Per Share (₹) Basic & Diluted	17	**(15.70)**	**(14.70)**
Summary of significant accounting policies	1		
The accompanying notes are an integral part of the financial statements	2-23		

As per our Report of even date annexed.

For **G S Nayak & Co**
Chartered Accountants
Firm Registration No. 118915W

For and on behalf of the Board of Directors

Girija Shankar Nayak
Partner
Membership No.049582

Amit Dahanukar
Chairman
(DIN:00305636)

Ajit Anant Sirsat
Director
(DIN:08877654)

Place : Mumbai
Date : May 28, 2022

STUDD PROJECTS P. LTD.

Statement of Cash Flow for the year ended March 31, 2022

(₹)

			Year Ended March 31, 2022	Year Ended March 31, 2021
A)	**Cash flow from Operating activities**			
	Profit / (Loss) before tax		(1,57,020)	(1,46,951)
	Finance Cost		1,38,220	1,24,433
	Operating Profit before working capital changes		**(18,800)**	**(22,518)**
	Adjustment for:			
	(Decrease)/ Increase in current liabilities, and other financial liabilities		4,490	(1,949)
	Direct taxes refund / (paid)		-	-
	Net Cash from Operating activities		**(14,310)**	**(24,467)**
B)	**Cash Flow from Investing activities**			
	Purchase of investments		-	-
	Sale of investments		-	-
			-	**-**
C)	**Cash Flow from Financing activities**			
	Proceeds from borrowings (Net)		1,52,530	1,48,782
	Finance Cost Paid		(1,38,220)	(1,24,433)
	Net Cash from Financing Activities		**14,310**	**24,349**
	Net increase in Cash & Cash equivalents(A+B+C)		**-**	**(118)**
	Opening cash & cash equivalents		1,97,206	1,97,324
	Closing cash & cash equivalents		**1,97,206**	**1,97,206**

Notes :

		As at March 31, 2022	As at March 31, 2021
(a)	**Cash and cash equivalents comprises of**		
	Balance with Bank in Current Account	1,97,206	1,97,206
		1,97,206	**1,97,206**

		As at 01 April, 2021	Cash Flow (net)	Non-cash changes	As at March 31, 2022
(b)	**Change in liability arising from financing activities**				
	Borrowings	15,18,724	14,310	1,38,220	16,71,254

(c) The above standalone statement of cash flow have been prepared under the "Indirect Method" as set out in Ind AS 7, " Statement of cash flow "

(d) Figures of previous year have been regrouped, reclassified and recast, wherever considered necessary.

As per our Report of even date annexed.

For **G S Nayak & Co**
Chartered Accountants
Firm Registration No. 118915W

For and on behalf of the Board of Directors

Girija Shankar Nayak
Partner
Membership No.049582

Amit Dahanukar
Chairman
(DIN:00305636)

Ajit Anant Sirsat
Director
(DIN:08877654)

Place : Mumbai
Date : May 28, 2022

STUDD PROJECTS P. LTD.

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

A) Equity Share Capital

1) Current reporting period

Balance as at April 01, 2021	Changes in equity share capital due to prior period errors	Restated balance as at April 01,2021	Cha equi capit th
1,00,000	-	1,00,000	

2) Previous reporting period

Balance as at April 01, 2020	Changes in equity share capital due to prior period errors	Restated balance as at April 01,2020	Cha equi capit th
1,00,000	-	1,00,000	

B) Other Equity

1) Current Reporting Period *(₹)*

	Reserves and Surplus			Total
	Securities Premium Account	Capital Reserve	Retained Earnings	
Balance at the beginning of the current reporting period	-	-	(14,42,650.00)	(14,42,650.00)
Changes in Accounting Policies or prior period errors	-	-	-	-
Restated balances at the beginning of the current reporting period	-	-	(14,42,650.00)	(14,42,650.00)
Total Comprehensive income for the current year	-	-	(1,57,020.00)	(1,57,020.00)
Balance at the end of the current reporting period	**-**	**-**	**(15,99,670.00)**	**(15,99,670.00)**

2) Previous Reporting Period

	Reserves and Surplus			Total
	Securities Premium Account	Capital Reserve	Retained Earnings	
Balance at the beginning of the previous reporting period		-	(12,95,699.00)	(12,95,699.00)
Changes in Accounting Policies or prior period errors	-	-		-
Restated balances at the beginning of the previous reporting period	-	-	(12,95,699.00)	(12,95,699.00)
Total Comprehensive income for the Previous year	-	-	(1,46,951.00)	(1,46,951.00)
Balance at the end of the previous reporting period	**-**	**-**	**(14,42,650.00)**	**(14,42,650.00)**

For **G S Nayak & Co**
Chartered Accountants
Firm Registration No. 118915W

For and on behalf of the Board of Directors

Girija Shankar Nayak
Partner
Membership No.049582

Amit Dahanukar
Chairman
(DIN:00305636)

Ajit Anant Sirsat
Director
(DIN:08877654)

Place : Mumbai
Date : May 28, 2022

STUDD PROJECTS P. LTD.

Notes to Financial Statements for year ended March 31, 2022

1.1 General Information:

Studd Projects P.Ltd (The 'Company') is a Company domiciled in India, with its registered office situated at PO Tilaknagar, Tal Shrirampur, Dist. Ahmednagar, Maharashtra - 413720. The Company has been incorporated under the provisions of Indian Companies Act.

1.2 Basis of preparation

a) Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The financial statements were authorised for issue by the Company's Board of Directors on May 28, 2022.

Details of the Company's accounting policies are included in sub note 1.3 below.

b) Functional and presentation currency

These financial statements are presented in Indian Rupees (Rs.), which is also the Company's functional currency.

c) Basis of measurement

The financial statements have been prepared on the historical cost basis, except for certain financial assets and liabilities and defined benefit plan assets / liabilities measured at fair value.

d) Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

1) Provisions and contingent liabilities
2) Income tax

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2022 is included in the following notes:

Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

e) Measurement at fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : Valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Valuation techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

1.3 Significant Accounting Policies

i) Revenue Recognition

Revenue comprises revenue from contracts with customers for sale of goods. Revenue from sale of goods is inclusive of excise duties and is net of returns, trade allowances, rebates, value added taxes, Goods and Services Tax (GST) and such amounts collected on behalf of third parties.

Revenue is recognised as and when performance obligations are satisfied by transferring goods or services to the customer,as below:

a) Revenue from sale of products:

Revenue is recognised at transaction price on transfer of control, being on dispatch of goods or upon delivery to customer, in accordance with the terms of sale.

b) Revenue from manufacture and sale of products from tie-up manufacturing arrangements:

The Company has entered into arrangements with Tie-up Manufacturing Units (TMUs), where-in TMUs manufacture and sell beverage alcohol on behalf of the Company. Under such arrangements, the Company has exposure to significant risks and rewards associated with the sale of products i.e. it has the primary responsibility for providing goods to the customer, has pricing latitude and is also exposed to inventory and credit risks. Accordingly, the transactions of the TMUs under such arrangements have been recorded as gross revenue, excise duty and expenses as if they were transactions of the Company. The Company also presents inventory under such arrangements as its own inventory. The net receivables from/payable to TMUs are recognised under other financial assets/ other financial liabilities respectively.

c) Interest

Interest income is recognized using the effective interest rate method. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. Interest income is included under the head “Other income” in the statement of profit and loss.

d) Dividend

Dividend income is recognized when the Company’s right to receive the payment is established, which is generally when the shareholders approve the dividend.

ii) Provisions and contingent liabilties

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assumptions of the time value of money and the risks specific to the liability. The unwinding of discount is recognized as finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

iii) Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

a) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

b) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used.

Deferred tax assets recognised or unrecognised are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The Company offsets, the current tax assets and liabilities (on a year on year basis) and deferred tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

iv) Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjusting for the effects of all potential dilutive ordinary shares.

v) Statement of Cash flow

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

vi) Financial instruments

a) Recognition and initial measurement

The Company initially recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

b) Classification and subsequent measurement

Financial assets

Financial assets carried at amortised cost

A financial asset is subsequently 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.

Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income 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.

Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

In case, the fair value of a financial asset or financial liability, at initial recognition, differs from the transaction price, the difference between the fair value at initial recognition and the transaction price -

(i) is recognised as a gain or loss if that fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation.

(ii) is deferred and is recognised as a gain or loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability. The unamortised portion of the deferred fair value gain/loss difference as on reporting date, is disclosed under other current/non-current assets/liabilities as the case may be.

c) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

The Company assesses impairment based on expected credit losses (ECL) model at an amount equal to:-

• 12 months expected credit losses, or

• Lifetime expected credit losses

depending upon whether there has been a significant increase in credit risk since initial recognition. However, for trade receivables, the company does not track the changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognised in the statement of profit and loss.

d) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or realise the asset and settle the liability simultaneously.

vii) Recent amendments to Indian Accounting Standards:

On March 23, 2022, Ministry of Corporate Affairs (‘MCA’) amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 01, 2022, as below

a) Ind AS 103 - Business Combinations:

The amendment clarifies that while applying the acquisition method for recognition, the assets and liabilities taken over, in a business combination, must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. The Company does not expect the amendment to have any impact in its financial statements.

b) Ind AS 16 – Property, Plant and Equipment :

The amendment requires that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The Company does not expect the amendment to have any significant impact in its financial statements.

c) Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets:

The amendment clarifies in relation to onerous contracts that the cost of fulfilling a contract comprises the costs that relate directly to the contract which consist of incremental costs of fulfilling that contract (examples would be direct labour, materials) and an allocation of other costs that relate directly to fulfilling contracts. The Company does not expect the amendment to have any significant impact in its financial statements.

d) Ind AS 41 – Agriculture:

The amendment relates to recognition and measurement of biological assets or agricultural produce. The Company does not expect the amendment to have any impact in its financial statements.

e) Ind AS 109 – Financial Instruments :

The amendment clarifies that while determining the fees paid (net of fees received) when a borrower applies the ‘10 percent’ test of Ind AS 109 in assessing whether to derecognise a financial liability, the borrower to include only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other‘s behalf. The Company does not expect the amendment to have any significant impact in its financial statements.

STUDD PROJECTS P. LTD.

Notes to Financial Statements for year ended March 31, 2022

	Current	
		(₹)
	As at March 31, 2022	**As at March 31, 2021**
2 Cash and Cash Equivalents		
Balance with Bank in Current Account	1,97,206	1,97,206
	1,97,206	**1,97,206**

STUDD PROJECTS P. LTD.

Notes to Financial Statements for year ended March 31, 2022

	As at March 31, 2022	As at March 31, 2021
3 Equity Share Capital		
Authorised Shares		
2,50,000 equity shares of ₹ 10/- each (P.Y. 2,50,000 equity shares of ₹ 10/- each)	**25,00,000**	**25,00,000**
Issued, subscribed and paid up shares		
10,000 equity shares of ₹ 10/- each fully paid up (P.Y. 10,000 equity shares of ₹ 10/- each fully paid up)	#REF!	1,00,000
	#REF!	**1,00,000**

a) Reconciliation of the number of shares outstanding

Number of equity shares at the beginning	10,000	10,000
Equity shares issued during the period	-	-
Number of equity shares at the end	**10,000**	**10,000**

b) Terms / rights attached to equity shares

Each holder of equity share is entitled to one vote per share with a right to receive per share dividend by the Company, when declared. In the event of liquidation, the equity shareholders will be entitled to receive remaining assets of the Company after distribution of all preferential amounts in the proportion to the number of equity shares held by them.

c) Shares held by holding company	**As at March 31, 2022**	**As at March 31, 2021**
Tilaknagar Industries Ltd.	#REF!	10,000

d) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	**As at March 31, 2022**		**As at March 31, 2021**	
	No. of equity shares	**As a % of total holding**	**No. of equity shares**	**As a % of total holding**
Tilaknagar Industries Ltd.	10,000	100	10,000	100
Total	**10,000**	**100**	**10,000**	**100**

	As at March 31, 2022		**As at March 31, 2021**	
e) **Disclosures of Shareholding of Promoters - Shares held by the Promoters**	**No. of equity shares**	**As a % of total holding**	**No. of equity shares**	**As a % of total holding**
Tilaknagar Industries Ltd.	10,000	100	10,000	100
Total	**10,000**	**100**	**10,000**	**100**

	As at March 31, 2022	As at March 31, 2021
4 Other Equity		
Retained Earnings		
Balance at the beginning of the year	(14,42,650)	(12,95,699)
Add: Profit / (Loss) after tax for the year	(1,57,020)	(1,46,951)
Balance at the end of the year	**(15,99,670)**	**(14,42,650)**

Footnote:

Retained earnings are the profits that Company has earned till date less transfers to general reserve dividends or other distributions paid to shareholders. Retained earnings is a free reserve available to the Company.

STUDD PROJECTS P. LTD.

Notes to Financial Statements for year ended March 31, 2022

(₹)

	As at March 31, 2022	As at March 31, 2021
5 Borrowings		
Unsecured Loan		
From Holding Company	16,71,254	15,18,724
	16,71,254	**15,18,724**

5.1 Outstanding balance of loans received from related parties that are repayable on demand :

		March, 2022		March, 2021	
	Particulars	**Amount**	**%**	**Amount**	**%**
1	Promoters	-	0.00%	-	0.00%
2	Directors	-	0.00%	-	0.00%
3	Key Managerial Personnel	-	0.00%	-	0.00%
4	Related Party - Holding Company	16,71,254	100.00%	15,18,724	100.00%

6 Trade Payables

Other Payables	11,800	11,800
	11,800	**11,800**

Ageing Schedule (2021-2022)

	Outstanding for following periods from due date of payments						
Particulars	**Unbilled**	**Not Due**	**Less than 1 years**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total Outstanding**
MSME	-	-	-	-	-	-	-
Others	-	-	11,800				11,800
Disputed Dues - Others	-	-	-	-	-	-	-
Disputed Dues - MSME	-	-	-	-	-	-	-
Total	**-**	**-**	**11,800**	**-**	**-**	**-**	**11,800**

Ageing Schedule (2020-2021)

	Outstanding for following periods from due date of payments						
Particulars	**Unbilled**	**Not Due**	**Less than 1 years**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total Outstanding**
MSME	-	-	-	-	-	-	-
Others	-	-	11,800				11,800
Disputed Dues - Others	-	-	-	-	-	-	-
Disputed Dues - MSME	-	-	-	-	-	-	-
Total	**-**	**-**	**11,800**	**-**	**-**	**-**	**11,800**

7 Other Liabilities

Payable towards Statutory Liabilities	13,822	9,332
OUTSTANDING LIABLITIES	-	
	13,822	**9,332**

STUDD PROJECTS P. LTD.

Notes to Financial Statements for year ended March 31, 2022

		Year ended March 31, 2022	Year ended March 31, 2021
8	**Finance Cost**		
	Interest on Borrowings	1,38,220	1,24,433
		1,38,220	**1,24,433**
9	**Other Expenses**		
	Auditors Remuneration [Refer Note No.16]	11,800	11,800
	Rates and taxes	7,000	8,500
	Legal and professional charges	-	2,100
	Miscelleneous Expenses	-	118
		18,800	**22,518**

STUDD PROJECTS P. LTD.

Notes to Financial Statements for year ended March 31, 2022

10 Financial Instruments - Accounting classification and fair value measurements

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

b) The following methods and assumptions were used to estimate the fair value:

1) Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilties, short term loans from banks and other financial instruments approximate their carrying amounts largely due to the short term maturities of these instruments.

2) Financial instruments with fixed and variable interest rates are evaluated by the company based on parameters such as interest rate and individual credit worthiness of the counter party. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

c) The company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : Valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Valuation techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows the carrying amounts and fair values of financial assets and financials liabilities, including their levels in the fair value hierarchy :

As at March 31, 2022 *(₹)*

	Carrying amount			
	FVOCI - Equity Instruments	Financial assets - cost / amortised cost	Financial liabilities - cost / amortised cost	Total carrying amount
Financial assets				
Cash and Cash Equivalents	-	1,97,206	-	1,97,206
	-	**1,97,206**	**-**	**1,97,206**
Financial liabilities				
Borrowings	-	-	16,71,254	16,71,254
	-	**-**	**16,71,254**	**16,71,254**

The Company has not disclosed the fair values for financial instruments such as investments, trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, borrowings, trade payables and financial liabilities because their carrying amounts are a reasonable approximation of fair value.

As at March 31, 2021 *(₹)*

	Carrying amount			
	FVOCI - Equity Instruments	Financial assets - cost / amortised cost	Financial liabilities - cost / amortised cost	Total carrying amount
Financial assets				
Cash and Cash Equivalents	-	1,97,206	-	1,97,206
	-	**1,97,206**	**-**	**1,97,206**
Financial liabilities				
Borrowings	-	-	15,18,724	15,18,724
	-	**-**	**15,18,724**	**15,18,724**

The Company has not disclosed the fair values for financial instruments such as investments, trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, borrowings, trade payables and financial liabilities because their carrying amounts are a reasonable approximation of fair value.

STUDD PROJECTS P. LTD.

Notes to Financial Statements for year ended March 31, 2022

11 Financial risk management

Objectives and policies

Risk management framework

The Company's management has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company conducts yearly risk assessment activities to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company has a system in place to ensure risk identification and ongoing periodic risk assessment is carried out. The Board of directors periodically monitors the risk assessment.

The Company has exposure to the following risks arising from financial instruments :
- Credit risk
- Liquidity risk
- Market risk
- Interest risk

a) Credit risk

Credit risk is the risk that counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The company generally doesn't have collateral.

The carrying amounts of financial assets represent the maximum credit risk exposure. The maximum exposure to credit risk at the reporting date is as follows :-

(₹)

Particulars	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents	1,97,206	1,97,206
Total	**1,97,206**	**1,97,206**

Trade receivables

Customer credit risk is managed as per Company's established policy, procedures and control relating to customer credit risk management. Credit risk has always been managed by the Company through credit approvals, estabilishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business.

An impairment analysis is performed for all major customers at each reporting date on an individual basis. In addition, a large number of minor receivables are grouped into homogenous group and assessed for impairment collectively. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several industries and operate in largely independent markets.

Bank balances and deposits with banks

Credit risk from balances with banks is managed by the company's finance department as per Company's policy. Investment of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Board of directors. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

As at March 31, 2022 *(₹)*

		Contractual cash flows	
	Carrying amount	**Less than one year**	**More than 1 year**
Borrowings	16,71,254	16,71,254	-
Trade Payable	11,800	11,800	-
	16,83,054	**16,83,054**	**-**

As at March 31, 2021 *(₹)*

		Contractual cash flows	
	Carrying amount	**Less than one year**	**More than 1 year**
Borrowings	15,18,724	15,18,724	-
Trade Payable	11,800	11,800	-
	15,30,524	**15,30,524**	**-**

c) Market risk

Market risk is the risk of loss of future earnings, fair value or future cash flows arising out of change in the price of a financial instrument. These include change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowing.

The company manages market risk through evaluation and identification of risk factors with the object of governing / mitigation them accordingly to company's objectives and declared policies in specific context of impact thereof on various segments of financial instruments.

Currency risk

The Company is exposed to currency risk to the extent that there is mismatch between the currencies in which sales, purchase are denominated and the respective functional currencies of Company.

d) Interest risk

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.

Notes to Financial Statements for year ended March 31, 2022

12 Income Taxes

	As at March 31, 2022	As at March 31, 2021
		(₹)
a) Income Tax recognised in the Statement of Profit and Loss		
Current Tax		
In respect of current year	-	-
Adjustments in respect of previous years	-	-
Deferred Tax		
In respect of current year	-	-
Adjustments in respect of deferred tax of previous years	-	-
b) Income tax expense recognised in Other Comprehensive Income		
Deferred tax expense on remeasurement of defined benefit plans	-	-
c) Applicable corporate tax rate	26.00%	26.00%
d) Current Tax Liabilities		
Provision for Taxation (Net of Advance Tax)	-	-
e) Current Tax Assets		
Advance Tax (Net of Provision for Taxation)	-	-

13 Capital Management

(₹)

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

The Company monitors capital based on the following ratio :-

	As at March 31, 2022	As at March 31, 2021
Net Debt	16,71,254	15,18,724
Total Equity	(14,99,670)	(13,42,650)
Debt to Equity Ratio	NIL	NIL

STUDD PROJECTS P. LTD.

Notes to Financial Statements for year ended March 31, 2022

14 No amounts is payable to any enterprise as defined under the Micro, Small Enterprises Development Act, 2006 and hence disclosures relating to Micro and Small Enterprises have not been made.

15 Related Party Disclosures:
The disclosures pertaining to the related parties as required by Ind AS 24 "Related Party Disclosure" issued by the Institute of Chartered Accountants of India, as applicable, are as under:

a) Holding Company :Tilaknagar Industries Ltd.

List of Fellow Subsidiary Companies
: Prag Distillery (P) Ltd.
: Vahni Distilleries Private Limited
: PunjabExpo Breweries Private Limited
: Kesarval Springs Distillers Pvt. Ltd.
: Mykingdom Ventures Pvt. Ltd.
: Srirampur Grains Private Limited
: Shivprabha Sugars Ltd.

b) Key Managerial Personnel
: Mr. Amit Dahanukar - Chairman
: Mr. Ajit Anant Sirsat - Director
: Mrs. Shivani Amit Dahanukar - Non Executive Director
: Mr. Shankar Pawar - Director

Nature of Transaction	Parties refered in (a) above	
	2021-22	2020-21
Interest Expense		
Tilaknagar Industries Ltd.	1,38,220	1,24,433
Total	**1,38,220**	**1,24,433**
Net Loans & Advances taken		
Tilaknagar Industries Ltd.	1,52,530	1,48,782
Total	**1,52,530**	**1,48,782**
Outstanding Payable		
Tilaknagar Industries Ltd.	16,71,254	15,18,724
Total	**16,71,254**	**15,18,724**

16 Auditor's remuneration charged to accounts:	**As at March 31, 2022**	**As at March 31, 2021**
Audit Fees	11,800	11,800
	11,800	**11,800**

17 Earnings Per Share (EPS)	**As at March 31, 2022**	**As at March 31, 2021**
Profit /(Loss) After Tax	(1,57,020)	(1,46,951)
Weighted average number of shares	10,000	10,000
Basic & Diluted Earnings Per Share	(15.70)	(14.70)
Face Value per Equity Share	10	10

18 The Company's net worth has eroded. However, the Company shall be merging with and into the holding Company (TI) as per the composite scheme of amalgamation as mentioned in note No 20 below. Hence, the accounts are prepared on going concern basis.

19 There is no contingent liability as on March 31, 2022.

20 The Directors of the Company in its Meeting held on May 28, 2022, considered and approved the scheme of Amalgamation with Tilaknagar Industries Ltd., the holding Company under the provisions of sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder.

The Scheme, inter alia, provides for amalgamation by way of absorption and vesting of four wholly-owned subsidiaries of the Company, viz. (i) Kesarval Spring Distillers Private Limited ("KSDPL"); (ii) Mykingdom Ventures Private Limited ("MVPL"); (iii) Shrirampur Grains Private Limited ("SGPL"); and (iv) Studd Projects Private Limited ("SPPL") [hereinafter collectively referred to as the "Transferor Companies" and individually referred to as the "Transferor Company"] with and into TI.

The "appointed date" as per the scheme is the 1st day of April, 2022 or such other date as may be approved by the Honourable National Company Law Tribunal(s), for the purposes of this Scheme. The Scheme as aforesaid shall be subject to necessary approvals by the Shareholders, Creditors, Jurisdictional Bench of National Company Law Tribunal ("NCLT") and such other statutory and regulatory approvals as may be required.

STUDD PROJECTS P. LTD.

Notes to Financial Statements for year ended March 31, 2022

21 **Ratio Analysis**

Ratio	Numerator	Denominator	Current year	Previous Year	% Change	Reason for Variance
Current ratio (in times)	Total current assets	Total current liabilities	0.116	0.128	-9.253%	
Debt-Equity ratio (in times)	Total borrowings and lease liabilities	Total equity	NA	NA	0.000%	
Debt service coverage ratio (in times)	Net Profit after taxes + Depreciation and Amortization + Finance Cost	Principal repayments including interest + lease liabilities payments	NA	NA	0.000%	
Return on Equity Ratio	Profit after tax	Average total equity	NA*	NA*	0.000%	
Inventory turnover ratio (times)	Cost of Material consumed + Changes in Inventories	Average inventory	NA*	NA*	0.000%	
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	NA*	NA*	0.000%	
Trade payables turnover ratio (in times)	Cost of Material consumed + Changes in Inventories + Other Expenses - Inventory /Advance Provision / Advance written off	Average trade payable	NA*	NA*	0.000%	
Net capital turnover ratio (in times)	Revenue from operations	Working capital (i.e. Total current assets less Total current liabilities)	NA*	NA*	0.000%	
Net profit ratio (in %)	Profit after tax	Revenue from operations	NA*	NA*	0.000%	
Return on capital employed (in %)	Profit before tax + finance costs	Capital employed = Tangible Net worth + Total Borrowings	NA*	NA*	0.000%	
Return on investment (in %)	Profit after tax	Average total equity	NA*	NA*	0.000%	

Note:

*** The Company does not have any operational income during the year hence these ratios are not applicable.**

22 Other Statutory Information:

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

ii) The Company does not have any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the Company.

iii) The Company does not have any transactions with the struck off Companies.

iv) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

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

vi) The Company have 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;

vii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

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

viii) 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

ix) The Company has not made any Loans or Advances in the nature of loans that 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.

x) The company has not been declared as a wilful defaulter.

xi) The Company did not have sanctioned working capital limits during the year from any banks / lenders.

23 Figures of previous year have been regrouped, reclassified and recast, wherever considered necessary.

As per our Report of even date annexed

For G S Nayak & Co	For and on behalf of the Board of Directors
Chartered Accountants	
Firm Registration No. 118915W	

Girija Shankar Nayak	**Amit Dahanukar**	**Ajit Anant Sirsat**
Partner	*Chairman*	*Director*
Membership No.049582	(DIN:00305636)	(DIN:08877654)

Place : Mumbai

Date : May 28, 2022

SRIRAMPUR GRAINS PRIVATE LIMITED

Regd. Office: P.O. Tilaknagar, Tal. Shrirampur, Dist. Ahmednagar, Maharashtra – 413 720
Tel No: (02422) 265 032/265 123, Fax No: (02422) 265 135
CIN No: [U01300PN2008PTC144177]

DIRECTORS' REPORT

Dear Members,

The Directors hereby present their 14th Annual Report along with the Audited Financial Statements for the financial year ended March 31, 2022.

1. FINANCIAL & OPERATIONAL REVIEW

During the year under review, no activities have been carried out by the Company and it has incurred total comprehensive loss of Rs. 2,54,052 during the year as compared to total comprehensive loss of Rs. 2,35,876 in the previous year.

2. DIVIDEND

In view of the loss incurred by the Company during the year, the Directors have not recommended any dividend for the financial year ended March 31, 2022.

3. HOLDING COMPANY

Your Company is wholly owned subsidiary of Tilaknagar Industries Ltd.

4. MERGER WITH TILAKNAGAR INDUSTRIES LTD., HOLDING COMPANY

The Directors of the Company at its Meeting held on May 28, 2022, subject to the requisite statutory and regulatory approvals/consents including the approval of Hon'ble National Company Law Tribunal considered and approved the scheme of Amalgamation with Tilaknagar Industries Ltd., the holding Company under the provisions of sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder. The appointed date is April 01, 2022.

The Company is a wholly-owned subsidiary of Tilaknagar Industries Ltd. (the Transferee Company). The Board of Directors is of the opinion that the amalgamation will enable the Transferee Company to integrate its business operations and provide impetus to its operations. The consolidation of the activities by way of an amalgamation of the Company will lead to synergies of operations, reduction in overheads including administrative, managerial and other expenditure, operational rationalization, organizational efficiency, competitive advantage and optimal utilization of resources. Further, there shall be a significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by both, the Company and the Transferee Company.

The proposed Scheme will be beneficial, advantageous and not prejudicial to the interests of the shareholders, creditors and other stakeholders of both the Companies involved.

5. DIRECTORS

At the 13th AGM of the Company held on September 29, 2021, Mr. Amit Dahanukar, who retired by rotation in the said AGM in accordance with the provisions of Section 152(6) of the Act was re-appointed as Director, liable to retire by rotation.

In accordance with the provisions of Section 152(6) of the Act Mr. Ajit Anant Sirsat, Director of the Company is retiring by rotation at the ensuing AGM and being eligible, has offered himself for re-appointment.

The Board recommends his re-appointment in terms of the provisions of Section 152 of the Act. Information pursuant to Secretarial Standard - 1 issued by the Institute of Company

Secretaries of India with respect to Director re-appointment is appended to the Notice convening the ensuing AGM.

6. NUMBER OF MEETINGS OF THE BOARD

The Board has met 4 (four) times during the financial year 2021-22 on May 28, 2021; August 12, 2021; November 11, 2021 and February 08, 2022 and the intervening period between the two meetings did not exceed 120 days.

7. AUDITORS

In accordance with the provisions of Section 139(1) read with the Companies (Audit and Auditors) Rules, 2014, M/s. G. S. Nayak & Co. Chartered Accountants (Firm Registration No.118915W), were appointed as Statutory Auditors of the Company in the 11th AGM held on September 11, 2019 to hold office from the conclusion of the 11th AGM till the conclusion of the 16th AGM of the Company.

No frauds have been reported by the Statutory Auditors during the financial year 2021-22 pursuant to the provisions of Section 143(12) of the Act.

The Auditors' Report for the financial year ended March 31, 2022 does not contain any qualification, reservation, adverse remark or disclaimer. However the Auditors under the paragraph material uncertainty related to going concern have drawn attention to Note 18 in the standalone Ind AS financial statements that the Company has incurred net loss during the year and due to accumulated losses the net worth has been eroded. Further the current liabilities have exceeded the total assets. These events indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

Board's Response:

The Company shall be merging with and into the holding Company (Tilaknagar Industries Ltd.) as per the Composite Scheme of Amalgamation subject to the requisite statutory and regulatory approvals/consents including the approval of Hon'ble National Company Law Tribunal. Hence, the accounts are prepared on going concern basis.

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

8. DETAILS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

There are no particulars to be furnished in this Report as required under the provisions of Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014. There were no earnings and expenditure in foreign currency during the year.

9. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

There are no particulars to be furnished in this Report as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014.

10. ANNUAL RETURN

In accordance with the provisions of Section 134(3)(a) of the Companies Act, 2013, the Company has uploaded the Annual Return for the financial year ended March 31, 2022 on the website of its Holding Company i.e. Tilaknagar Industries Ltd., accessible at weblink : https://tilind.com/investors-filings-reports/

11. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

There are no particulars to be furnished in this Report as required under Section 134(3)(g) read with Section 186(4) of the Act.

12. FIXED DEPOSITS

The Company has not accepted any deposits from the public and as such, no amount of principal or interest on deposits was outstanding as on the balance sheet date.

13. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the year under review, the Company has not entered into any contract or arrangement with related parties falling under the purview of Section 188(1) of the Act. Hence, disclosure in Form AOC-2 as required under Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is not applicable.

14. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Board of Directors has laid down standards, processes and procedures for implementing the internal financial controls across the organization. After considering the framework of existing internal financial controls and compliance systems; work performed by the Statutory Auditors, the Board of Directors is of the opinion that the Company's internal financial controls with reference to the financial statements were adequate and effective during the year under review.

15. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to requirements of Section 134(3)(c) of the Act and on the basis of the information furnished to them by the Statutory Auditors and Management, the Directors state that:

a. in the preparation of the annual accounts, the applicable Accounting Standards have been followed and there are no material departures;

b. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the year;

c. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. they have prepared the annual accounts on a going concern basis; and

e. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

16. RESIDUARY DISCLOSURES

i. During the year under review, provisions of Section 149(4) of the Act were not applicable to the Company. Hence, disclosure under Section 134(3)(d) of the Act is not applicable;

ii. During the year under review, provisions of Section 178(1) of the Act were not applicable to the Company. Hence, disclosure under Section 134(3)(e) the Act is not applicable;

iii. In view of the loss incurred by the Company during the year under review, no amount is proposed to be carried to reserves;

iv. There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this Report. Hence, disclosure under the provisions of Section 134(3)(l) of the Act is not applicable except as disclosed in point no. 4 of the this report;

v. No activities have been carried out by the Company during the year under review. Hence, disclosure under Section 134(3)(n) of the Act is not applicable;

vi. During the year under review, provisions of Section 135 of the Act were not applicable to the Company. Hence, disclosure under Section 134(3)(o) of the Act read with Rule 8 of the Companies (CSR Policy) Rules, 2014 is not applicable;

vii. During the year under review, provisions of Section 178(2) of the Act were not applicable to the Company. Hence, disclosure under Section 134(3)(p) read with Rule 8(4) of the Companies (Accounts) Rules, 2014 is not applicable;

viii. During the year under review, the Company has not issued equity shares with differential rights as to dividend, voting or otherwise. Hence, disclosure under Rule 4(4) of the Companies (Share Capital and Debentures) Rules, 2014 is not applicable;

ix. During the year under review, there has been no change in the nature of business of the Company. Hence, disclosure under Rule 8(5)(ii) of the Companies (Accounts) Rules, 2014 is not applicable;

x. During the year under review, no company has become or ceased to be subsidiary, joint venture or associate of the Company. Hence, disclosure under Rule 8(5)(iv) of the Companies (Accounts) Rules, 2014 is not applicable;

xi. During the year under review, no significant material orders have been passed by any regulators or courts or tribunals which may impact the going concern status of the Company and its future operations. Hence, disclosure under Rule 8(5)(vii) of the Companies (Accounts) Rules, 2014 is not applicable;

xii. The Company has complied with the applicable provisions relating to the constitution of the Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 [14 of 2013] and the Company has not received any complaint of sexual harassment during the year under review;

xiii. During the year under review, the Company was not required to make and maintain cost records as specified by the Central Government under Section 148(1) of the Act;

xiv. During the year under review, no application was made or any proceeding is pending under the Insolvency and Bankruptcy Code, 2016 in respect of the Company; and

xv. During the year under review, no one time settlement was entered into by the Company.

17. ACKNOWLEDGEMENTS

The Directors wish to acknowledge and place on record their sincere appreciation for the assistance and co-operation received from all the members, bankers and other stakeholders.

For and on behalf of the Board of Directors

Amit Dahanukar
Chairman
(DIN:00305636)

Place : Mumbai
Date : May 28, 2022

611, Signature Business Park,
Postal Colony,Chembur,Mumbai 400071
Tel. : 25295181.

Independent Auditor's Report

To,
The Members of

Srirampur Grains Private Limited

Report on the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Srirampur Grains Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its losses including other comprehensive income, statement of changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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Information other than the financial statements and auditor's report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis and Board's Report including Annexures to Board's Report, but does not include the consolidated financial statements, financial statements and our auditor's report thereon.

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

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

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

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs, consolidated statement of profit and loss including other comprehensive income, statement of changes in equity and statement of cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") prescribed 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 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 the 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

611, Signature Business Park,
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Auditor's Responsibility

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, 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 controls.

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

Material Uncertainty related to Going Concern

We draw attention to Note 18 in the standalone Ind AS financial statements that the Company has incurred net loss during the year and due to accumulated losses the net worth has been eroded. Further the current liabilities have exceeded the total assets. These events indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors Report) Order 2020 ("the Order") issued by Central Government of India in terms of sub section (11) of section 143 of the Act, we give in 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143 (3) of the Act, we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   c) The Balance Sheet, the Statement of Profit and Loss including 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 Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

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e) On the basis of written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

f) Requirements of reporting under section 143(3)(i) of the Companies Act 2013, with respect to adequacy of the internal financial controls over the financial reporting of the company and the operating effectiveness of such controls is not applicable to the company.

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

1) The Company does not have any pending litigations which would impact its financial position;
2) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
3) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
4) (i) In our opinion, the management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds 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 entities, including foreign entities ("Intermediaries"), with the understanding, that the Intermediary shall, 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;

   (ii) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entities, including foreign entities ("Funding Parties"), with the understanding, that the company shall, 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;

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(iii) Based on audit procedures which 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 in above contain any material misstatement.

5) The company did not declare or paid dividend during the year, hence compliance with sec 123 of the Companies Act, 2013 is not applicable to the company.

6) According to information and Explanation given to us, the company, has used accounting software for maintaining its books of account which has a feature of recording audit trail facility and the same has been operated throughout the year for all transactions recorded in the software and the audit trail feature has not been tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention.

For **G. S. Nayak & CO.**
Chartered Accountants
Firm Registration No. 118915W

Girija Shankar Nayak
Partner
Membership No.049582
UDIN 22049582AJWXJH9329

Place: Mumbai
Date: May 28, 2022

G S Nayak & Co.
Chartered Accountants

611, Signature Business Park,
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Tel. : 25295181.

Annexure A to the Independent Auditor's Report

On the standalone Ind AS financial statements of Srirampur Grains Private Limited

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements section of our report of even date)

Report on Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Companies Act, 2013 ("the Act") of Srirampur Grains Private Limited ("the Company")

1) In our opinion and according to the information and explanations given to us the Company does not have any Property, Plant and Equipment & Intangible Assets. Accordingly, paragraph 3(i)(a), 3(i)(b) and 3(i)(c) 3(i)(d) 3(i)(e) of the Order is not applicable.

2) (a) In our opinion and according to the information and explanations given to us the Company does not have any inventories and thus paragraph 3(ii)(a) of the Order is not applicable.

   (b) During the year, the Company did not have any sanctioned working capital limits in excess of five crore rupees, in aggregate, from any banks on the basis of security of its current assets. Accordingly, paragraph 3(ii)(b) of the Order is not applicable.

3) The Company has not made investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of paragraph 3 Clause (iii), (iii)(a), (iii)(b), (iii)(c), (iii)(d), (iii)(e), (iii)(f) of the said Order are not applicable to the Company.

4) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the investments made, loans, securities and guarantee given. Accordingly, reporting under paragraph 3(iv) of the Order is not applicable.

5) The Company has not accepted any deposits during the year within the meaning of the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable.

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6) We are informed that the maintenance of cost records has not been specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013.

7) In respect of statutory dues:
a. As per the information and explanation given to us, in our opinion the Company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities;

b. In our opinion and according to the explanation given to us, there were no undisputed amounts of Income Tax, Goods & Service Tax, Service Tax, Wealth Tax, Sales Tax, Custom Duty, Excise Duty and Cess as at 31st March 2022 for a period of six months or more from the date they became payable;

c. In our opinion and according to the explanation given to us, there are no statutory dues of Income tax wealth tax, sales tax, custom duty and excise duty which have not been deposited on account of dispute.

8) In our opinion and according to the explanation given to us, income has been properly recorded in the books of account and no transactions have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which was not recorded in the books of account. Accordingly, paragraph 3(viii) of the Order is not applicable

9) (a) Based on our audit procedures and as per the information and explanations given by the management, the Company did not have any outstanding dues to financial institutions, banks or debenture holders during the year. Accordingly, paragraph 3(ix)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our audit procedures, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) According to the information and explanations given to us and based on our examination of the records of the Company, no term loans were obtained or utilised during the year by the Company. Accordingly, paragraph 3(ix)(c) of the Order is not applicable.

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(d) In our opinion and according to the information and explanations given to us and based on the audit procedures performed by us, no funds have been raised on short term basis by the Company.

(e) According to the information and explanations given to us and based on the audit procedures performed by us, the Company does not have any subsidiaries, joint ventures or associate companies. Accordingly, paragraph 3(ix)(e) of the Order is not applicable.

(f) According to the information and explanations given to us and based on the audit procedures performed by us, the Company does not have any subsidiaries, joint ventures or associate companies. Accordingly, paragraph 3(ix)(f) of the Order is not applicable.

10) (a)The company has not raised moneys by way of initial public offer or further public offer including debt instruments. Accordingly, the provisions of clause (x) of the Order are not applicable to the Company and hence not commented upon.

(b) The company has not made any preferential allotment or private placement of shares or Convertible debentures during the year. Accordingly, the provisions of clause (x) of the Order are not applicable to the Company and hence not commented upon.

11) (a) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit;

(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.

(c) As represented to us by the management, no whistle-blower complaints has been received by the company during the year.

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

13) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable Indian Accounting standards.

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14) (a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the company issued till date, for the period under audit.

15) 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.

16) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and based on audit procedures performed by us, the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year. Accordingly, paragraph 3(xvi)(b) of the Order is not applicable.

(c) In our opinion and according to the information and explanations given to us, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, paragraph 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations given to us, the Group (as defined the Core Investment Companies (Reserve Bank) Direction 2016) does not have any Core Investment Company (‘CIC’) as part of the Group. Accordingly, paragraph 3(xvi)(d) of the Order is not applicable.

17) The company has incurred cash losses in the financial year amounting to ₹ 2,54,052 and in the immediately preceding financial year amounting to ₹ 2,35,876.

18) Based upon the audit procedures performed and the information and explanations given by the management, There has been no resignation of the statutory auditors during the year. Accordingly, paragraph 3(xviii) of the Order is not applicable.

19) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of

financial liabilities, other information accompanying the financial statements, 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 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.

20) (a) According to the information and explanations given to us and based on audit procedures performed by us, the Company was not required to spent any amount in terms of Section 135 of the Act during the year. Accordingly, second proviso to sub-section (5) of section 135 of the said Act and paragraph 3(xx)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and based on audit procedures performed by us, the Company did not have any ongoing project in terms of Section 135 of the Act during the year. Accordingly, provision of sub-section (6) of section 135 of the said Act and paragraph 3(xx)(b) of the Order is not applicable.

For **G. S. Nayak & CO.**
Chartered Accountants
Firm Registration No. 118915W

Girija Shankar Nayak
Partner
Membership No.049582
UDIN 22049582AJWXJH9329

Place: Mumbai
Date: May 28, 2022

SRIRAMPUR GRAINS PVT.LTD

BALANCE SHEET AS AT MARCH 31, 2022

		Note No.	As at March 31, 2022	(₹) As at March 31, 2021	
I	**ASSETS**				
	Current Assets				
	Financial Assets				
	Cash and Cash Equivalents	2	1,06,523	1,06,523	-
			1,06,523	**1,06,523**	
	Total		**1,06,523**	**1,06,523**	
II	**EQUITY AND LIABILITIES**				
	Equity				
	Equity Share Capital	3	1,00,000	1,00,000	
	Other Equity	4	(27,42,236)	(24,88,184)	
			(26,42,236)	**(23,88,184)**	
	Liabilities				
	Current Liabilities				
	Financial Liabilities				
	Borrowings	5	27,02,814	24,56,011	
	Trade Payables	6	23,600	23,600	
	Other Current Liabilities	7	22,345	15,096	
			27,48,759	**24,94,707**	
	Total		**1,06,523**	**1,06,523**	

Summary of significant accounting policies 1

The accompanying notes are an integral part of the financial statements 2-23

As per our Report of even date annexed.

For G S Nayak & Co
Chartered Accountants
Firm Registration No. 118915W

For and on behalf of the Board of Directors

Girija Shankar Nayak
Partner
Membership No.049582

Amit Dahanukar
Chairman
(DIN:00305636)

Ajit Anant Sirsat
Director
(DIN:08877654)

Place : Mumbai
Date : May 28, 2022

SRIRAMPUR GRAINS PVT.LTD

STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED MARCH 31, 2022

(₹)

	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
INCOME			
Other Income		-	-
		-	**-**
EXPENSES			
Finance Cost	8	2,23,452	2,01,276
Other Expenses	9	30,600	34,600
		2,54,052	**2,35,876**
Profit / (Loss) before tax		**(2,54,052)**	**(2,35,876)**
Less : Tax expense			
1) Current Tax		-	-
2) Taxes for earlier years		-	-
3) Deferred Tax		-	-
Total Tax Expense		**-**	**-**
Profit / (Loss) after tax		**(2,54,052)**	**(2,35,876)**
Other Comprehensive Income		-	-
Total Other Comprehensive Income		**(2,54,052)**	**(2,35,876)**
Earnings Per Share (₹) Basic & Diluted	17	(25.41)	(23.59)
Summary of significant accounting policies	1		
The accompanying notes are an integral part of the financial statements	2-23		

As per our Report of even date annexed.

For G S Nayak & Co
Chartered Accountants
Firm Registration No. 118915W

For and on behalf of the Board of Directors

Girija Shankar Nayak
Partner
Membership No.049582

Amit Dahanukar
Chairman
(DIN:00305636)

Ajit Anant Sirsat
Director
(DIN:08877654)

Place : Mumbai
Date : May 28, 2022

SRIRAMPUR GRAINS PVT.LTD

Statement of Cash Flow for the year ended March 31, 2022

(₹)

		Year Ended March 31, 2022	Year Ended March 31, 2021
A) Cash flow from Operating activities			
Profit / (Loss) before tax		(2,54,052)	(2,35,876)
Finance Cost		2,23,452	2,01,276
Operating Profit before working capital changes		**(30,600)**	**(34,600)**
Adjustment for:			
(Decrease)/ Increase in current liabilities, and other financial liabilities		7,249	(3,191)
Net Cash from Operating activities		**(23,351)**	**(37,791)**
B) Cash Flow from Financing activities			
Proceeds from borrowings (Net)		2,46,803	2,39,067
Finance Cost Paid		(2,23,452)	(2,01,276)
Net Cash from Financing Activities		**23,351**	**37,791**
Net increase in Cash & Cash equivalents(A+B)		-	-
Opening cash & cash equivalents		1,06,523	1,06,523
Closing cash & cash equivalents		**1,06,523**	**1,06,523**

Notes :

(a) Cash and cash equivalents comprises of	**As at March 31, 2022**	**As at March 31, 2021**
Balance with Banks in Current Accounts	1,06,523	1,06,523
	1,06,523	**1,06,523**
	-	

(b) Change in liability arising from financing activities	**As at April 01, 2021**	**Cash Flow (net)**	**Non Cash Change**	**As at March 31, 2022**
Borrowings	24,56,011	23,351	2,23,452	27,02,814

(c) The above standalone statement of cash flow have been prepared under the "Indirect Method" as set out in Ind AS 7, " Statement of cash flow "

(d) Figures of previous year have been regrouped, reclassified and recast, wherever considered necessary.

As per our Report of even date annexed.

For G S Nayak & Co
Chartered Accountants
Firm Registration No. 118915W

For and on behalf of the Board of Directors

Girija Shankar Nayak
Partner
Membership No.049582

Amit Dahanukar
Chairman
(DIN:00305636)

Ajit Anant Sirsat
Director
(DIN:08877654)

Place : Mumbai
Date : May 28, 2022

SRIRAMPUR GRAINS PVT LTD.

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

A) Equity Share Capital

1) Current reporting period

Balance as at April 01, 2021	Changes in equity share capital due to prior period errors	Restated balance as at April 01,2021	Changes in equity share capital during the year	Balance as at March 31,2022
1,00,000.00	-	1,00,000.00	-	1,00,000.00

2) Previous reporting period

Balance as at April 01, 2020	Changes in equity share capital due to prior period errors	Restated balance as at April 01,2020	Changes in equity share capital during the year	Balance as at March 31,2021
1,00,000.00	-	1,00,000.00	-	1,00,000.00

B) Other Equity

1) Current Reporting Period *(₹)*

	Reserves and Surplus			Total
	Securities Premium Account	Capital Reserve	Retained Earnings	
Balance at the beginning of the current reporting period	-	-	**(24,88,184.00)**	**(24,88,184.00)**
Changes in Accounting Policies or prior period errors	-	-	-	-
Restated balances at the beginning of the current reporting period	-	-	(24,88,184.00)	(24,88,184.00)
Total Comprehensive income for the current year	-	-	(2,54,052.00)	(2,54,052.00)
Balance at the end of the current reporting period	-	-	**(27,42,236.00)**	**(27,42,236.00)**

2) Previous Reporting Period

	Reserves and Surplus			Total
	Securities Premium Account	Capital Reserve	Retained Earnings	
Balance at the beginning of the previous reporting period		-	(22,52,308.00)	(22,52,308.00)
Changes in Accounting Policies or prior period errors	-	-		-
Restated balances at the beginning of the previous reporting period	-	-	(22,52,308.00)	(22,52,308.00)
Total Comprehensive income for the Previous year	-	-	(2,35,876.00)	(2,35,876.00)
Balance at the end of the previous reporting period	-	-	**(24,88,184.00)**	**(24,88,184.00)**

As per our Report of even date annexed.

For G S Nayak & Co
Chartered Accountants
Firm Registration No. 118915W

For and on behalf of the Board of Directors

Girija Shankar Nayak
Partner
Membership No.049582

Amit Dahanukar
Chairman
(DIN:00305636)

Ajit Anant Sirsat
Director
(DIN:08877654)

Place : Mumbai
Date : May 28, 2022

SRIRAMPUR GRAINS PVT LTD.

Notes to Financial Statements for year ended March 31, 2022

1.1 General Information:

Srirampur Grains Pvt Ltd (The 'Company') is a Company domiciled in India, with its registered office situated at PO Tilaknagar, Tal Shrirampur, Dist. Ahmednagar, Maharashtra - 413720. The Company has been incorporated under the provisions of Indian Companies Act.

1.2 Basis of preparation

a) Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The financial statements were authorised for issue by the Company's Board of Directors on May 28, 2022.
Details of the Company's accounting policies are included in sub note 1.3 below.

b) Functional and presentation currency

These financial statements are presented in Indian Rupees (Rs.), which is also the Company's functional currency.

c) Basis of measurement

The financial statements have been prepared on the historical cost basis, except for certain financial assets and liabilities and defined benefit plan assets / liabilities measured at fair value.

d) Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

1) Provisions and contingent liabilities
2) Income tax

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2022 is included in the following notes:

Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

e) Measurement at fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values.
Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2 : Valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Valuation techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.
The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Notes to Financial Statements for year ended March 31, 2022

1.3 Significant Accounting Policies

i) Revenue Recognition

Revenue comprises revenue from contracts with customers for sale of goods. Revenue from sale of goods is inclusive of excise duties and is net of returns, trade allowances, rebates, value added taxes, Goods and Services Tax (GST) and such amounts collected on behalf of third parties.

Revenue is recognised as and when performance obligations are satisfied by transferring goods or services to the customer,as below:

a) Revenue from sale of products:

Revenue is recognised at transaction price on transfer of control, being on dispatch of goods or upon delivery to customer, in accordance with the terms of sale.

b) Revenue from manufacture and sale of products from tie-up manufacturing arrangements:

The Company has entered into arrangements with Tie-up Manufacturing Units (TMUs), where-in TMUs manufacture and sell beverage alcohol on behalf of the Company. Under such arrangements, the Company has exposure to significant risks and rewards associated with the sale of products i.e. it has the primary responsibility for providing goods to the customer, has pricing latitude and is also exposed to inventory and credit risks. Accordingly, the transactions of the TMUs under such arrangements have been recorded as gross revenue, excise duty and expenses as if they were transactions of the Company. The Company also presents inventory under such arrangements as its own inventory. The net receivables from/payable to TMUs are recognised under other financial assets/ other financial liabilities respectively.

c) Interest

Interest income is recognized using the effective interest rate method. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. Interest income is included under the head “Other income” in the statement of profit and loss.

d) Dividend

Dividend income is recognized when the Company’s right to receive the payment is established, which is generally when the shareholders approve the dividend.

ii) Provisions and contingent liabilties

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assumptions of the time value of money and the risks specific to the liability. The unwinding of discount is recognized as finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

iii) Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

a) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Notes to Financial Statements for year ended March 31, 2022

b) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used.

Deferred tax assets recognised or unrecognised are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The Company offsets, the current tax assets and liabilities (on a year on year basis) and deferred tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

iv) Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjusting for the effects of all potential dilutive ordinary shares.

v) Statement of Cash flow

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

vi) Financial instruments

a) Recognition and initial measurement

The Company initially recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

b) Classification and subsequent measurement

Financial assets

Financial assets carried at amortised cost

A financial asset is subsequently 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.

Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income 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.

Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

In case, the fair value of a financial asset or financial liability, at initial recognition, differs from the transaction price, the difference between the fair value at initial recognition and the transaction price -

(i) is recognised as a gain or loss if that fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation.

(ii) is deferred and is recognised as a gain or loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability. The unamortised portion of the deferred fair value gain/loss difference as on reporting date, is disclosed under other current/non-current assets/liabilities as the case may be.

c) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

The Company assesses impairment based on expected credit losses (ECL) model at an amount equal to:-

• 12 months expected credit losses, or

• Lifetime expected credit losses

depending upon whether there has been a significant increase in credit risk since initial recognition. However, for trade receivables, the company does not track the changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognised in the statement of profit and loss.

d) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or realise the asset and settle the liability simultaneously.

vii) Recent amendments to Indian Accounting Standards:

On March 23, 2022, Ministry of Corporate Affairs (‘MCA’) amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 01, 2022, as below

a) Ind AS 103 - Business Combinations:

The amendment clarifies that while applying the acquisition method for recognition, the assets and liabilities taken over, in a business combination, must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. The Company does not expect the amendment to have any impact in its financial statements.

b) Ind AS 16 – Property, Plant and Equipment :

The amendment requires that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The Company does not expect the amendment to have any significant impact in its financial statements.

c) Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets :

The amendment clarifies in relation to onerous contracts that the cost of fulfilling a contract comprises the costs that relate directly to the contract which consist of incremental costs of fulfilling that contract (examples would be direct labour, materials) and an allocation of other costs that relate directly to fulfilling contracts. The Company does not expect the amendment to have any significant impact in its financial statements.

d) Ind AS 41 – Agriculture:

The amendment relates to recognition and measurement of biological assets or agricultural produce. The Company does not expect the amendment to have any impact in its financial statements.

e) Ind AS 109 – Financial Instruments :

The amendment clarifies that while determining the fees paid (net of fees received) when a borrower applies the ‘10 percent’ test of Ind AS 109 in assessing whether to derecognise a financial liability, the borrower to include only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other‘s behalf. The Company does not expect the amendment to have any significant impact in its financial statements.

SRIRAMPUR GRAINS PVT.LTD

Notes to Financial Statements for year ended March 31, 2022

		(₹)
	Current	
	As at March 31, 2022	**As at March 31, 2021**
2 Cash and Bank Balances		
Cash and Cash Equivalents		
Balance with Banks in Current Account	1,06,523	1,06,523
	1,06,523	**1,06,523**

SRIRAMPUR GRAINS PVT.LTD

Notes to Financial Statements for year ended March 31, 2022

	As at March 31, 2022	(₹) As at March 31, 2021
3 Equity Share Capital		
Authorised Shares		
2,50,000 equity shares of ₹ 10/- each (P.Y. 2,50,000 equity shares of ₹ 10/- each)	**25,00,000**	**25,00,000**
Issued, subscribed and paid up shares		
10,000 equity shares of ₹ 10/- each fully paid up (P.Y.10,000 equity shares of ₹ 10/- each fully paid up)	1,00,000	1,00,000
	1,00,000	**1,00,000**

a) Reconciliation of the number of shares outstanding

Number of equity shares at the beginning	10,000	10,000
Equity shares issued during the period	-	-
Number of equity shares at the end	**10,000**	**10,000**

b) Terms / rights attached to equity shares

Each holder of equity share is entitled to one vote per share with a right to receive per share dividend by the Company, when declared. In the event of liquidation, the equity shareholders will be entitled to receive remaining assets of the Company after distribution of all preferential amounts in the proportion to the number of equity shares held by them.

c) Shares held by holding company

Tilaknagar Industries Ltd.	10,000	10,000

d) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of equity shares	As a % of total holding	No. of equity	As a % of total holding
Tilaknagar Industries Ltd.	10,000	100	10,000	100
Total	**10,000**	**100**	**10,000**	**100**

e)	As at March 31, 2022		As at March 31, 2021	
Disclosures of Shareholding of Promoters - Shares held by the Promoters	No. of equity shares	As a % of total holding	No. of equity shares	As a % of total holding
Tilaknagar Industries Ltd.	10,000	100	10,000	100
Total	**10,000**	**100**	**10,000**	**100**

	As at March 31, 2022	As at March 31, 2021
4 Other Equity		
Retained Earnings		
Balance at the beginning of the year	(24,88,184)	(22,52,308)
Add: Profit / (Loss) after tax for the year	(2,54,052)	(2,35,876)
Balance at the end of the year	**(27,42,236)**	**(24,88,184)**

Footnote:

Retained earnings are the profits that Company has earned till date less transfers to general reserve dividends or other distributions paid to shareholders. Retained earnings is a free reserve available to the Company.

SRIRAMPUR GRAINS PVT.LTD

Notes to Financial Statements for year ended March 31, 2022

(₹)

	Current	
	As at March 31, 2022	**As at March 31, 2021**
5 Borrowings		
Unsecured Loan		
From Holding Company	27,02,814	24,56,011
	27,02,814	**24,56,011**

5.1 Outstanding balance of loans received from related parties that are repayable on demand :

		March, 2022		March, 2021	
	Particulars	**Amount**	**%**	**Amount**	**%**
1	Promoters	-	0.00%	-	0.00%
2	Directors		0.00%		0.00%
3	Key Managerial Personnel	-	0.00%	-	0.00%
4	Related Party - Holding Company	27,02,814	100.00%	24,56,011	100.00%

6 Trade Payables		
Other Payables	23,600	23,600
	23,600	**23,600**

Ageing Schedule (2021-2022)

	Outstanding for following periods from due date of payments						
Particulars	**Unbilled**	**Not Due**	**Less than 1 years**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total Outstanding**
MSME	-	-	-	-	-	-	-
Others	-	-	23,600				23,600
Disputed Dues - Others	-	-	-	-	-	-	-
Disputed Dues - MSME	-	-	-	-	-	-	-
Total	**-**	**-**	**23,600**	**-**	**-**	**-**	**23,600**

Ageing Schedule (2020-2021)

	Outstanding for following periods from due date of payments						
Particulars	**Unbilled**	**Not Due**	**Less than 1 years**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total Outstanding**
MSME	-	-	-	-	-	-	-
Others	-	-	23,600				23,600
Disputed Dues - Others	-	-	-	-	-	-	-
Disputed Dues - MSME	-	-	-	-	-	-	-
Total	**-**	**-**	**23,600**	**-**	**-**	**-**	**23,600**

7 Other Liabilities		
Payable towards Statutory Liabilities	22,345	15,096
OUTSTANDING LIABLITIES	-	
	22,345	**15,096**

SRIRAMPUR GRAINS PVT.LTD

Notes to Financial Statements for year ended March 31, 2022

		Year ended March 31, 2022	(₹) Year ended March 31, 2021
8	**Finance Cost**		
	Interest on Borrowings	2,23,452	2,01,276
		2,23,452	**2,01,276**
9	**Other Expenses**		
	Auditors Remuneration [Refer Note No.16]	23,600	23,600
	Rates and taxes	7,000	8,900
	Legal and professional charges	-	2,100
		30,600	**34,600**

Notes to Financial Statements for year ended March 31, 2022

10 Financial Instruments - Accounting classification and fair value measurements

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

b) The following methods and assumptions were used to estimate the fair value:

1) Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilties, short term loans from banks and other financial instruments approximate their carrying amounts largely due to the short term maturities of these instruments.

2) Financial instruments with fixed and variable interest rates are evaluated by the company based on parameters such as interest rate and individual credit worthiness of the counter party. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

c) The company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : Valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Valuation techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows the carrying amounts and fair values of financial assets and financials liabilities, including their levels in the fair value hierarchy :

As at March 31, 2022 *(₹)*

	Carrying amount			
	FVOCI - Equity Instruments	**Financial assets - cost / amortised cost**	**Financial liabilities - cost / amortised cost**	**Total carrying amount**
Financial assets				
Cash and Cash Equivalents	-	1,06,523	-	1,06,523
	-	**1,06,523**	**-**	**1,06,523**
Financial liabilities				
Borrowings	-	-	27,02,814	27,02,814
	-	**-**	**27,02,814**	**27,02,814**

The Company has not disclosed the fair values for financial instruments such as investments, trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, borrowings, trade payables and financial liabilities because their carrying amounts are a reasonable approximation of fair value.

As at March 31, 2021 *(₹)*

	Carrying amount			
	FVOCI - Equity Instruments	**Financial assets - cost / amortised cost**	**Financial liabilities - cost / amortised cost**	**Total carrying amount**
Financial assets				
Cash and Cash Equivalents	-	1,06,523	-	1,06,523
	-	**1,06,523**	**-**	**1,06,523**
Financial liabilities				
Borrowings	-	-	24,56,011	24,56,011
	-	**-**	**24,56,011**	**24,56,011**

The Company has not disclosed the fair values for financial instruments such as investments, trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, borrowings, trade payables and financial liabilities because their carrying amounts are a reasonable approximation of fair value.

Notes to Financial Statements for year ended March 31, 2022

11 Financial risk management

Objectives and policies

Risk management framework

The Company's management has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company conducts yearly risk assessment activities to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company has a system in place to ensure risk identification and ongoing periodic risk assessment is carried out. The Board of directors periodically monitors the risk assessment.

The Company has exposure to the following risks arising from financial instruments :
- Credit risk
- Liquidity risk
- Market risk
- Interest risk

a) Credit risk

Credit risk is the risk that counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The company generally doesn't have collateral.

The carrying amounts of financial assets represent the maximum credit risk exposure. The maximum exposure to credit risk at the reporting date is as follows :-

(₹)

Particulars	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents	1,06,523	1,06,523
Total	**1,06,523**	**1,06,523**

Trade receivables

Customer credit risk is managed as per Company's established policy, procedures and control relating to customer credit risk management. Credit risk has always been managed by the Company through credit approvals, estabilishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business.

An impairment analysis is performed for all major customers at each reporting date on an individual basis. In addition, a large number of minor receivables are grouped into homogenous group and assessed for impairment collectively. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several industries and operate in largely independent markets.

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Notes to Financial Statements for year ended March 31, 2022

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

As at March 31, 2022 *(₹)*

	Contractual cash flows		
	Carrying amount	Less than one year	More than 1 year
Borrowings	27,02,814	27,02,814	-
Trade Payable	23,600	23,600	
	27,26,414	**27,26,414**	**-**

As at March 31, 2021 *(₹)*

	Contractual cash flows		
	Carrying amount	Less than one year	More than 1 year
Borrowings	24,56,011	24,56,011	-
Trade Payable	23,600	23,600	-
	24,79,611	**24,79,611**	**-**

c) Market risk

Market risk is the risk of loss of future earnings, fair value or future cash flows arising out of change in the price of a financial instrument. These include change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowing.

The company manages market risk through evaluation and identification of risk factors with the object of governing / mitigation them accordingly to company's objectives and declared policies in specific context of impact thereof on various segments of financial instruments.

Currency risk

The Company is exposed to currency risk to the extent that there is mismatch between the currencies in which sales, purchase are denominated and the respective functional currencies of Company.

d) Interest risk

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.

SRIRAMPUR GRAINS PVT.LTD

Notes to Financial Statements for year ended March 31, 2022

			(₹)
12	**Income Taxes**	**As at March 31, 2022**	**As at March 31, 2021**
a)	**Income Tax recognised in the Statement of Profit and Loss**		
	Current Tax		
	In respect of current year	-	-
	Adjustments in respect of previous years	-	-
	Deferred Tax		
	In respect of current year	-	-
	Adjustments in respect of deferred tax of previous years	-	-
b)	**Income tax expense recognised in Other Comprehensive Income**		
	Deferred tax expense on remeasurement of defined benefit plans	-	-
c)	**Applicable corporate tax rate**	26.00%	26.00%
d)	**Current Tax Liabilities**		
	Provision for Taxation (Net of Advance Tax)	-	-
e)	**Current Tax Assets**		
	Advance Tax (Net of Provision for Taxation)	-	-

13 Capital Management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

The Company monitors capital based on the following ratio :-

	As at March 31, 2022	**As at March 31, 2021**
Net Debt	27,02,814	24,56,011
Total Equity	(26,42,236)	(23,88,184)
Debt to Equity Ratio	NIL	NIL

SRIRAMPUR GRAINS PVT.LTD

Notes to Financial Statements for year ended March 31, 2022

14 No amounts is payable to any enterprise as defined under the Micro, Small Enterprises Development Act, 2006 and hence disclosures relating to Micro and Small Enterprises have not been made.

15 Related Party Disclosures:
The disclosures pertaining to the related parties as required by Ind AS 24 "Related Party Disclosure" issued by the Institute of Chartered Accountants of India, as applicable, are as under:

a) Holding Company :Tilaknagar Industries Ltd.

List of Fellow Subsidiary Companies
: Prag Distillery (P) Ltd.
: Vahni Distilleries Private Limited
: PunjabExpo Breweries Private Limited
: Kesarval Springs Distillers Pvt. Ltd.
: Mykingdom Ventures Pvt. Ltd.
: Studd Projects P. Ltd.
: Shivprabha Sugars Ltd.

b) Key Managerial Personnel
: Mr. Amit Dahanukar - Chairman
: Mr Ajit Anant Sirsat - Director
: Mrs. Shivani Amit Dahanukar - Non Executive Director
: Mr. Shankar Pawar - Director

(₹)

Nature of Transaction	**Parties refered in (a) above**	
	2021-22	**2020-21**
Interest Expense		
Tilaknagar Industries Ltd.	2,23,452	2,01,276
Total	**2,23,452**	**2,01,276**
Net Loans & Advances taken (given)		
Tilaknagar Industries Ltd.	2,46,803	2,39,067
Total	**2,46,803**	**2,39,067**
Outstanding Payable		
Tilaknagar Industries Ltd.	27,02,814	24,56,011
Total	**27,02,814**	**24,56,011**

16 Auditor's remuneration charged to accounts:	**As at March 31, 2022**	**As at March 31, 2021**
Audit Fees	23,600	23,600
	23,600	**23,600**

17 Earnings Per Share (EPS)	**As at March 31, 2022**	**As at March 31, 2021**
Profit /(Loss) After Tax	(2,54,052)	(2,35,876)
Weighted average number of shares	10,000	10,000
Basic & Diluted Earnings Per Share	(25.41)	(23.59)
Face Value per Equity Share	10	10

18 The Company's net worth has eroded. However, the Company shall be merging with and into the holding Company (TI) as per the composite scheme of amalgamation as mentioned in note No 20 below. Hence, the accounts are prepared on going concern basis.

19 There is no contingent liability as on March 31, 2022

20 The Directors of the Company in its Meeting held on May 28, 2022, considered and approved the scheme of Amalgamation with Tilaknagar Industries Ltd., the holding Company under the provisions of sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder.

The Scheme, inter alia, provides for amalgamation by way of absorption and vesting of four wholly-owned subsidiaries of the Company, viz. (i) Kesarval Spring Distillers Private Limited ("KSDPL"); (ii) Mykingdom Ventures Private Limited ("MVPL"); (iii) Shrirampur Grains Private Limited ("SGPL"); and (iv) Studd Projects Private Limited ("SPPL") [hereinafter collectively referred to as the "Transferor Companies" and individually referred to as the "Transferor Company"] with and into TI.

The "appointed date" as per the scheme is the 1st day of April, 2022 or such other date as may be approved by the Honourable National Company Law Tribunal(s), for the purposes of this Scheme. The Scheme as aforesaid shall be subject to necessary approvals by the Shareholders, Creditors, Jurisdictional Bench of National Company Law Tribunal ("NCLT") and such other statutory and regulatory approvals as may be required.

TILAKNAGAR INDUSTRIES LTD.

SRIRAMPUR GRAINS PVT.LTD

21 **Ratio Analysis**

Ratio	Numerator	Denominator	Current year	Previous Year	% Change	Reason for Variance
Current ratio (in times)	Total current assets	Total current liabilities	0.039	0.043	-9.242%	
Debt-Equity ratio (in times)	Total borrowings and lease liabilities	Total equity	NA*	NA*	0.000%	
Debt service coverage ratio (in times)	Net Profit after taxes + Depreciation and Amortization + Finance Cost	Principal repayments including interest + lease liabilities payments	NA*	NA*	0.000%	
Return on Equity Ratio	Profit after tax	Average total equity	NA*	NA*	0.000%	
Inventory turnover ratio (times)	Cost of Material consumed + Changes in Invent	Average inventory	NA*	NA*	0.000%	
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	NA*	NA*	0.000%	
Trade payables turnover ratio (in times)	Cost of Material consumed + Changes in Inventories + Other Expenses - Inventory /Advance Provision / Advance written off	Average trade payable	NA*	NA*	0.000%	
Net capital turnover ratio (in times)	Revenue from operations	Working capital (i.e. Total current assets less Total current liabilities)	NA*	NA*	0.000%	
Net profit ratio (in %)	Profit after tax	Revenue from operations	NA*	NA*	0.000%	
Return on capital employed (in %)	Profit before tax + finance costs	Capital employed = Tangible Net worth + Total Borrowings	NA*	NA*	0.000%	
Return on investment (in %)	Profit after tax	Average total equity	NA*	NA*	0.000%	

*** The Company does not have any operational income during the year hence these ratios are not applicable.**

SRIRAMPUR GRAINS PVT.LTD

Notes to Financial Statements for year ended March 31, 2022

22 **Other Statutory Information:**

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

ii) The Company does not have any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the Company.

iii) The Company does not have any transactions with the struck off Companies.

iv) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

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

vi) The Company have 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;

vii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

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

viii) 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

ix) The Company has not made any Loans or Advances in the nature of loans that 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

x) The company has not been declared as a wilful defaulter.

xi) The company did not have sanctioned working limits from any banks / lenders during the year .

23 Figures of previous year have been regrouped, reclassified and recast, wherever considered necessary.

For G S Nayak & Co
Chartered Accountants
Firm Registration No. 118915W

For and on behalf of the Board of Directors

Girija Shankar Nayak
Partner
Membership No.049582

Amit Dahanukar
Chairman
(DIN:00305636)

Ajit Anant Sirsat
Director
(DIN:08877654)

Place : Mumbai
Date : May 28, 2022

SHIVPRABHA SUGARS LTD.

Regd Office: P.O. Tilaknagar, Tal. Shrirampur, Dist. Ahmednagar, Maharashtra – 413 720
Tel No: (02422) 265 032/265 123, Fax No: (02422) 265 135
CIN No: [U15424PN2006PLC129391]

DIRECTORS' REPORT

Dear Members,

The Directors hereby present their 16th Annual Report along with the Audited Financial Statements for the financial year ended March 31, 2022.

1. FINANCIAL & OPERATIONAL REVIEW

During the year under review, no activities have been carried out by the Company and it has incurred total comprehensive loss of Rs. 53,595 during the year as compared to total comprehensive loss of Rs. 54,770 in the previous year.

2. DIVIDEND

In view of the loss incurred by the Company during the year, the Directors have not recommended any dividend for the financial year ended March 31, 2022.

3. HOLDING COMPANY

Your Company is subsidiary of Tilaknagar Industries Ltd.

4. DIRECTORS

At the 15th AGM of the Company held on September 29, 2021, Mr. Amit Dahanukar, who retired by rotation in the said AGM in accordance with the provisions of Section 152(6) of the Act was re-appointed as Director, liable to retire by rotation.

The Board regretfully report the sad demise of Mr. Shivaji Baburao Disle, Non-Executive Director, on December 23, 2021. The Board further expresses its heartfelt condolence and places on record its gratitude for the contribution made by Mr. Disle during his tenure as Director of the Company.

In accordance with the provisions of Section 152(6) of the Act, Mrs. Shivani Amit Dahanukar, Director of the Company is retiring by rotation at the ensuing AGM and being eligible, has offered herself for re-appointment.

The Board recommends her re-appointment in terms of the provisions of Section 152 of the Act. Information pursuant to Secretarial Standard - 1 issued by the Institute of Company Secretaries of India with respect to Director seeking re-appointment is appended to the Notice convening the ensuing AGM.

5. NUMBER OF MEETINGS OF THE BOARD

The Board has met 4 (Four) times during the financial year 2021-22 on May 28, 2021; August 12, 2021; November 11, 2021 and February 08, 2022 and the intervening period between the two meetings did not exceed 120 days.

6. AUDITORS

In accordance with the provisions of Section 139(1) read with the Companies (Audit and Auditors) Rules, 2014, M/s. G. S. Nayak & Co. Chartered Accountants (Firm Registration No.118915W), were appointed as Statutory Auditors of the Company in the 13th AGM held on September 11, 2019 to hold office from the conclusion of the 13th AGM till the conclusion of the 18th AGM of the Company.

No frauds have been reported by the Statutory Auditors during the financial year 2021-22 pursuant to the provisions of Section 143(12) of the Act.

The Auditors' Report for the financial year ended March 31, 2022 does not contain any qualification, reservation, adverse remark or disclaimer. However the Auditors under the paragraph material uncertainty related to going concern have drawn attention to Note 19 in the standalone Ind AS financial statements that the Company has incurred net loss during the year and due to accumulated losses the net worth has been eroded. Further the current liabilities have exceeded the total assets. These events indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

Board's Response:

The Company is actively considering various alternatives like merging with fellow subsidiaries or with external entities and reviving of business in allied activities. Hence, the accounts are prepared on going concern basis.

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

7. DETAILS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

There are no particulars to be furnished in this Report as required under the provisions of Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014. There were no earnings and expenditure in foreign currency during the year.

8. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

There are no particulars to be furnished in this Report as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014.

9. ANNUAL RETURN

In accordance with the provisions of Section 134(3)(a) of the Act the Company has uploaded the Annual Return for the financial year ended March 31, 2022 on the website of its Holding Company i.e. Tilaknagar Industries Ltd., accessible at weblink: https://tilind.com/investors-filings-reports/

10. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the year under review, the Company has neither given any loan or made any investment, nor given any guarantee or provided any security falling under the purview of Section 186 of the Act. Hence, disclosure under Section 134(3)(g) of the Act is not applicable.

11. FIXED DEPOSITS

The Company has not accepted any deposits from the public and as such, no amount of principal or interest on deposits was outstanding as on the balance sheet date.

12. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the year under review, the Company has not entered into any contract or arrangement with related parties falling under the purview of Section 188(1) of the Act. Hence, disclosure in Form AOC-2 as required under Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is not applicable.

13. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Board of Directors has laid down standards, processes and procedures for implementing the internal financial controls across the organization. After considering the framework of existing internal financial controls and compliance systems; work performed by the Statutory Auditors, the Board of Directors is of the opinion that the Company's internal financial controls with reference to the financial statements were adequate and effective during the financial year under review.

14. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to requirements of Section 134(3)(c) of the Act and on the basis of the information furnished to them by the Statutory Auditors and Management, the Directors state that:

a. in the preparation of the annual accounts, the applicable Accounting Standards have been followed and there are no material departures;

b. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the year;

c. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. they have prepared the annual accounts on a going concern basis and;

e. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

15. RESIDUARY DISCLOSURES

i. During the year under review, provisions of Section 149(4) of the Act were not applicable to the Company. Hence, disclosure under Section 134(3)(d) of the Act is not applicable;

ii. During the year under review, provisions of Section 178(1) of the Act were not applicable to the Company. Hence, disclosure under Section 134(3)(e) the Act is not applicable;

iii. In view of the loss incurred by the Company during the year under review, no amount is proposed to be carried to reserves;

iv. There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this Report. Hence, disclosure under the provisions of Section 134(3)(l) of the Act is not applicable;

v. No activities have been carried out by the Company during the year under review. Hence, disclosure under Section 134(3)(n) of the Act is not applicable;

vi. During the year under review, provisions of Section 135 of the Act were not applicable to the Company. Hence, disclosure under Section 134(3)(o) of the Act read with Rule 8 of the Companies (CSR Policy) Rules, 2014 is not applicable;

vii. During the year under review, provisions of Section 178(2) of the Act were not applicable to the Company. Hence, disclosure under Section 134(3)(p) read with Rule 8(4) of the Companies (Accounts) Rules, 2014 is not applicable;

viii. During the year under review, the Company has not issued equity shares with differential rights as to dividend, voting or otherwise. Hence, disclosure under Rule 4(4) of the Companies (Share Capital and Debentures) Rules, 2014 is not applicable;

ix. During the year under review, there has been no change in the nature of business of the Company. Hence, disclosure under Rule 8(5)(ii) of the Companies (Accounts) Rules, 2014 is not applicable;

x. During the year under review, no company has become or ceased to be subsidiary, joint venture or associate of the Company. Hence, disclosure under Rule 8(5)(iv) of the Companies (Accounts) Rules, 2014 is not applicable;

xi. During the year under review, no significant material orders have been passed by any regulators or courts or tribunals which may impact the going concern status of the Company and its future operations. Hence, disclosure under Rule 8(5)(vii) of the Companies (Accounts) Rules, 2014 is not applicable;

xii. The Company has complied with the applicable provisions relating to the constitution of the Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 [14 of 2013] and the Company has not received any complaint of sexual harassment during the year under review;

xiii. During the year under review, the Company was not required to make and maintain cost records as specified by the Central Government under Section 148(1) of the Act;

xiv. During the year under review, no application was made or any proceeding is pending under the Insolvency and Bankruptcy Code, 2016 in respect of the Company; and

xv. During the year under review, no one time settlement was entered into by the Company.

16. ACKNOWLEDGEMENTS

The Directors wish to acknowledge and place on record their sincere appreciation for the assistance and co-operation received from all the members, bankers and other stakeholders.

For and on behalf of the Board of Directors

Amit Dahanukar
Chairman
(DIN:00305636)

Place : Mumbai
Date : May 28, 2022

G S Nayak & Co.
Chartered Accountants

611, Signature Business Park,
Postal Colony,Chembur,Mumbai 400071
Tel. : 25295181.

Independent Auditor's Report

To,
The Members of

Shivprabha Sugars Limited

Report on the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Shivprabha Sugars Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its losses including other comprehensive income, statement of changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

611, Signature Business Park,
Postal Colony,Chembur,Mumbai 400071
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Information other than the financial statements and auditor's report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis and Board's Report including Annexures to Board's Report, but does not include the consolidated financial statements, financial statements and our auditor's report thereon.

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

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

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

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs, consolidated statement of profit and loss including other comprehensive income, statement of changes in equity and statement of cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") prescribed 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 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 the 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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Auditor's Responsibility

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, 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 controls.

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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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.

Material Uncertainty related to Going Concern

We draw attention to Note 19 in the standalone Ind AS financial statements that the Company has incurred net loss during the year and due to accumulated losses the net worth has been eroded. Further the current liabilities have exceeded the total assets. These events indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors Report) Order 2020 ("the Order") issued by Central Government of India in terms of sub section (11) of section 143 of the Act, we give in 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143 (3) of the Act, we report that:
    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
    c) The Balance Sheet, the Statement of Profit and Loss including 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 Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
    e) On the basis of written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

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Tel. : 25295181.

f) Requirements of reporting under section 143(3)(i) of the Companies Act 2013, with respect to adequacy of the internal financial controls over the financial reporting of the company and the operating effectiveness of such controls is not applicable to the company.

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

1) The Company does not have any pending litigations which would impact its financial position;
2) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
3) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
4) (i) In our opinion, the management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds 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 entities, including foreign entities ("Intermediaries"), with the understanding, that the Intermediary shall, 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;

   (ii) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entities, including foreign entities ("Funding Parties"), with the understanding, that the company shall, 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;

   (iii) Based on audit procedures which 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 in above contain any material misstatement.

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5) The company did not declare or paid dividend during the year, hence compliance with sec 123 of the Companies Act, 2013 is not applicable to the company.

6) According to information and Explanation given to us, the company, has used accounting software for maintaining its books of account which has a feature of recording audit trail facility and the same has been operated throughout the year for all transactions recorded in the software and the audit trail feature has not been tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention.

For **G. S. Nayak & CO.**
Chartered Accountants
Firm Registration No. 118915W

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Girija Shankar Nayak
Partner
Membership No.049582
UDIN 22049582AJWZDD9293

Place: Mumbai
Date: May 28, 2022

G S Nayak & Co.
Chartered Accountants

611, Signature Business Park,
Postal Colony,Chembur,Mumbai 400071
Tel. : 25295181.

Annexure A to the Independent Auditor's Report

On the standalone Ind AS financial statements of Shivprabha Sugars Limited

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements section of our report of even date)

Report on Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Companies Act, 2013 ("the Act") of Shivprabha Sugars Limited ("the Company")

1) (a) In respect of its Property, Plant and Equipment & Intangible Assets

   i. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

   ii. The Company does not have intangible assets.

   (b) According to information and Explanation given to us, the Property, Plant and Equipment have been physically verified by management during the year. In our opinion the frequency of such verification is reasonable and no material discrepancies were noticed on such verification.

   (c) The Company does not have intangible assets, hence not commented upon.

   (d) The company has not revalued its Property, Plant and Equipment or intangible assets or both during the year.

   (e) No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

2) (a) In our opinion and according to the information and explanations given to us the Company does not have any inventories and thus paragraph 3(ii)(a) of the Order is not applicable.

   (b) During the year, the Company did not have any sanctioned working capital limits in excess of five crore rupees, in aggregate, from any banks on the basis of security of its current assets. Accordingly, paragraph 3(ii)(b) of the Order is not applicable.

3) The Company has not made investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of paragraph 3 Clause (iii), (iii)(a), (iii)(b), (iii)(c), (iii)(d), (iii)(e), (iii)(f) of the said Order are not applicable to the Company.

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4) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the investments made, loans, securities and guarantee given. Accordingly, reporting under paragraph 3(iv) of the Order is not applicable.

5) The Company has not accepted any deposits during the year within the meaning of the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable.

6) We are informed that the maintenance of cost records has not been specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013.

7) In respect of statutory dues:
a. As per the information and explanation given to us, in our opinion the Company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities;

b. In our opinion and according to the explanation given to us, there were no undisputed amounts of Income Tax, Goods & Service Tax, Service Tax, Wealth Tax, Sales Tax, Custom Duty, Excise Duty and Cess as at 31st March 2022 for a period of six months or more from the date they became payable;

c. In our opinion and according to the explanation given to us, there are no statutory dues of Income tax wealth tax, sales tax, custom duty and excise duty which have not been deposited on account of dispute.

8) In our opinion and according to the explanation given to us, income has been properly recorded in the books of account and no transactions have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which was not recorded in the books of account. Accordingly, paragraph 3(viii) of the Order is not applicable.

9) (a) Based on our audit procedures and as per the information and explanations given by the management, the Company did not have any outstanding dues to financial institutions, banks or debenture holders during the year. Accordingly, paragraph 3(ix)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our audit procedures, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

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(c) According to the information and explanations given to us and based on our examination of the records of the Company, no term loans were obtained or utilised during the year by the Company. Accordingly, paragraph 3(ix)(c) of the Order is not applicable.

(d) In our opinion and according to the information and explanations given to us and based on the audit procedures performed by us, no funds have been raised on short term basis by the Company.

(e) According to the information and explanations given to us and based on the audit procedures performed by us, the Company does not have any subsidiaries, joint ventures or associate companies. Accordingly, paragraph 3(ix)(e) of the Order is not applicable.

(f) According to the information and explanations given to us and based on the audit procedures performed by us, the Company does not have any subsidiaries, joint ventures or associate companies. Accordingly, paragraph 3(ix)(f) of the Order is not applicable.

10) (a)The company has not raised moneys by way of initial public offer or further public offer including debt instruments. Accordingly, the provisions of clause (x) of the Order are not applicable to the Company and hence not commented upon.

(b) The company has not made any preferential allotment or private placement of shares or Convertible debentures during the year. Accordingly, the provisions of clause (x) of the Order are not applicable to the Company and hence not commented upon.

11) (a) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit;

(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.

(c) As represented to us by the management, no whistle-blower complaints has been received by the company during the year.

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

G S Nayak & Co.
Chartered Accountants

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13) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable Indian Accounting standards.

14) (a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.
(b) We have considered the internal audit reports of the company issued till date, for the period under audit.

15) 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.

16) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and based on audit procedures performed by us, the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year. Accordingly, paragraph 3(xvi)(b) of the Order is not applicable.

(c) In our opinion and according to the information and explanations given to us, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, paragraph 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations given to us, the Group (as defined the Core Investment Companies (Reserve Bank) Direction 2016) does not have any Core Investment Company (‘CIC’) as part of the Group. Accordingly, paragraph 3(xvi)(d) of the Order is not applicable.

17) The company has incurred cash losses in the financial year amounting to ₹ 53,595 and in the immediately preceding financial year amounting to ₹ 54,770.

18) Based upon the audit procedures performed and the information and explanations given by the management, There has been no resignation of the statutory auditors during the year. Accordingly, paragraph 3(xviii) of the Order is not applicable.

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19) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, 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 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.

20) (a) According to the information and explanations given to us and based on audit procedures performed by us, the Company was not required to spent any amount in terms of Section 135 of the Act during the year. Accordingly, second proviso to sub-section (5) of section 135 of the said Act and paragraph 3(xx)(a) of the Order is not applicable.

    (b) According to the information and explanations given to us and based on audit procedures performed by us, the Company did not have any ongoing project in terms of Section 135 of the Act during the year. Accordingly, provision of sub-section (6) of section 135 of the said Act and paragraph 3(xx)(b) of the Order is not applicable.

For **G. S. Nayak & CO.**
Chartered Accountants
Firm Registration No. 118915W

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Girija Shankar Nayak
Partner
Membership No.049582
UDIN 22049582AJWZDD9293

Place: Mumbai
Date: May 28, 2022

SHIVPRABHA SUGARS LTD.

BALANCE SHEET AS AT MARCH 31, 2022

		Note No.	As at March 31, 2022	(₹) As at March 31, 2021
I	**ASSETS**			
	Non-Current Assets			
	Property, Plant and Equipment	2	15,34,240	15,34,240
			15,34,240	**15,34,240**
	Current Assets			
	Financial Assets			
	Cash and Cash Equivalents	3	55,434	55,434
	Other Financial Assets	4	10,000	10,000
			65,434	**65,434**
	Total		**15,99,674**	**15,99,674**
II	**EQUITY AND LIABILITIES**			
	Equity			
	Equity Share Capital	5	5,00,000	5,00,000
	Other Equity	6	(1,49,88,781)	(1,49,35,186)
			(1,44,88,781)	**(1,44,35,186)**
	Current Liabilities			
	Financial Liabilities			
	Borrowings	7	1,60,58,955	1,60,08,900
	Trade Payables	8	29,500	25,960
	Other Liabilities	9	-	-
			1,60,88,455	**1,60,34,860**
	Total		**15,99,674**	**15,99,674**
	Summary of significant accounting policies	1		
	The accompanying notes are an integral part of the financial statements	2-23		

As per our Report of even date annexed.

For G S Nayak & Co
Chartered Accountants
Firm Registration No. 118915W

For and on behalf of the Board of Directors

Girija Shankar Nayak
Partner
Membership No.049582

Amit Dahanukar
Chairman
(DIN:00305636)

Ajit Anant Sirsat
Director
(DIN:08877654)

Place : Mumbai
Date : May 28, 2022

SHIVPRABHA SUGARS LTD.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

(₹)

	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
INCOME			
Other Income		-	-
Total Income		**-**	**-**
EXPENSES			
Other Expenses	10	53,595	54,770
Total expenses		**53,595**	**54,770**
Profit / (Loss) before tax		**(53,595)**	**(54,770)**
Less : Tax expense			
1) Current Tax		-	-
2) Taxes for earlier years		-	-
3) Deferred Tax		-	-
		-	**-**
Profit / (Loss) after tax		**(53,595)**	**(54,770)**
Other Comprehensive Income		**-**	**-**
Total Other Comprehensive Income		**(53,595)**	**(54,770)**
Earnings Per Share (₹) Basic & Diluted	18	**(1.07)**	**(1.10)**
Summary of significant accounting policies	1		
The accompanying notes are an integral part of the financial statements	2-23		

As per our Report of even date annexed.

For G S Nayak & Co
Chartered Accountants
Firm Registration No. 118915W

For and on behalf of the Board of Directors

Girija Shankar Nayak
Partner
Membership No.049582

Amit Dahanukar
Chairman
(DIN:00305636)

Ajit Anant Sirsat
Director
(DIN:08877654)

Place : Mumbai
Date : May 28, 2022

SHIVPRABHA SUGARS LTD.

Statement of Cash Flow for the year ended March 31, 2022

(₹)

			Year Ended March 31, 2022	Year Ended March 31, 2021
A)	**Cash flow from Operating activities**			
	Profit / (Loss) before tax		(53,595)	(54,770)
	Operating Profit before working capital changes		**(53,595)**	**(54,770)**
	Adjustment for:			
	(Decrease)/ Increase in other financial liabilities		3,540	(7,080)
	(Increase) / Decrease in other financial assets		-	
	Net Cash from Operating activities		**(50,055)**	**(61,850)**
B)	**Cash Flow from Financing activities**			
	Proceeds from borrowings (Net)		50,055	61,850
	Net Cash from Financing Activities		**50,055**	**61,850**
	Net increase in Cash & Cash equivalents(A+B)		**-**	**-**
	Opening cash & cash equivalents		55,434	55,434
	Closing cash & cash equivalents		**55,434**	**55,434**

Notes :

		As at March 31, 2022	As at March 31, 2021
(a)	**Cash and cash equivalents comprises of**		
	Balance with Bank in Current Account	55,434	55,434
		55,434	**55,434**
		-	-

		As at April 01, 2021	Cash Flow (net)	As at March 31, 2022
(b)	**Change in liability arising from financing activities**			
	Borrowings	1,60,08,900	50,055	1,60,58,955

(c) The above standalone statement of cash flow have been prepared under the "Indirect Method" as set out in Ind AS 7, " Statement of cash flow "

(d) Figures of previous year have been regrouped, reclassified and recast, wherever considered necessary.

As per our Report of even date annexed.

For and on behalf of the Board of Directors

For G S Nayak & Co
Chartered Accountants
Firm Registration No. 118915W

Girija Shankar Nayak
Partner
Membership No.049582

Amit Dahanukar
Chairman
(DIN:00305636)

Ajit Anant Sirsat
Director
(DIN:08877654)

Place : Mumbai
Date : May 28, 2022

SHIVPRABHA SUGARS LTD.

Statement of Changes in Equity for the Year ended March 31, 2022

A) Equity Share Capital

1) Current reporting period

Balance as at April 01, 2021	Changes in equity share capital due to prior period errors	Restated balance as at April 01,2021	Changes in equity share capital during the year	Balance as at March 31,2022
5,00,000.00	**-**	**5,00,000.00**	**-**	**5,00,000.00**

2) Previous reporting period

Balance as at April 01, 2020	Changes in equity share capital due to prior period errors	Restated balance as at April 01,2020	Changes in equity share capital during the year	Balance as at March 31,2021
5,00,000.00	**-**	**5,00,000.00**	**-**	**5,00,000.00**

B) Other Equity

1) Current Reporting Period

	Reserves and Surplus		Total
	Securities Premium Account	Retained Earnings	
Balance at the beginning of the current reporting period	-	(1,49,35,186.00)	(1,49,35,186.00)
Changes in Accounting Policies or prior period errors	-	-	-
Restated balances at the beginning of the current reporting period	-	(1,49,35,186.00)	(1,49,35,186.00)
Total Comprehensive income for the current year	-	(53,595.00)	(53,595.00)
Balance at the end of the current reporting period	**-**	**(1,49,88,781.00)**	**(1,49,88,781.00)**

2) Previous Reporting Period

	Reserves and Surplus		Total
	Securities Premium Account	Retained Earnings	
Balance at the beginning of the previous reporting period		(1,48,80,416.00)	(1,48,80,416.00)
Changes in Accounting Policies or prior period errors	-		-
Restated balances at the beginning of the previous reporting period	-	(1,48,80,416.00)	(1,48,80,416.00)
Total Comprehensive income for the Previous year	-	(54,770.00)	(54,770.00)
Balance at the end of the previous reporting period	**-**	**(1,49,35,186.00)**	**(1,49,35,186.00)**

For G S Nayak & Co
Chartered Accountants
Firm Registration No. 118915W

For and on behalf of the Board of Directors

Girija Shankar Nayak
Partner
Membership No.049582

Amit Dahanukar
Chairman
(DIN:00305636)

Ajit Anant Sirsat
Director
(DIN:08877654)

Place : Mumbai
Date : May 28, 2022

SHIVPRABHA SUGARS LTD.

Notes to Financial Statements for year ended March 31, 2022

1.1 General Information:

Shivprabha Sugars Ltd (The 'Company') is a Company domiciled in India, with its registered office situated at PO Tilaknagar, Tal Shrirampur, Dist. Ahmednagar, Maharashtra - 413720. The Company has been incorporated under the provisions of Indian Companies Act.

1.2 Basis of preparation

a) Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The financial statements were authorised for issue by the Company's Board of Directors on May 28, 2022.
Details of the Company's accounting policies are included in sub note 1.3 below.

b) Functional and presentation currency

These financial statements are presented in Indian Rupees (Rs.), which is also the Company's functional currency.

c) Basis of measurement

The financial statements have been prepared on the historical cost basis, except for certain financial assets and liabilities and defined benefit plan assets / liabilities measured at fair value.

d) Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

1) Provisions and contingent liabilities
2) Income tax

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2022 is included in the following notes:

Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

e) Measurement at fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values.
Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2 : Valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Valuation techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.
The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

1.3 Significant Accounting Policies

i) Property, plant and equipment

a) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

b) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

c) Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method and is recognised in the statement of profit and loss.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset	Management estimate of useful life	Useful Life as per Schedule II of the Companies Act, 2013
Factory Buildings	30	30
Plant and equipment	15	15
Furniture and Fixtures	10	10
Motor Vehicles	8	8
Office Equipments	5	5
Computers	3	3
Computer server	6	6
Electrical Installations	10	10

Depreciation method, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate. Based on internal assessment and consequent advice, the management believes that its estimate of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed off).

ii) Intangible assets

a) Acquired intangible assets

Intangible assets comprise purchased technical know-how are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

b) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

c) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method and is included in depreciation and amortisation in Statement of Profit and Loss.

Intangible assets are amortised over a period of 10 years for technical know-how and 3 years for others.

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

iii) Revenue Recognition

Revenue comprises revenue from contracts with customers for sale of goods. Revenue from sale of goods is inclusive of excise duties and is net of returns, trade allowances, rebates, value added taxes, Goods and Services Tax (GST) and such amounts collected on behalf of third parties.

Revenue is recognised as and when performance obligations are satisfied by transferring goods or services to the customer,as below:

a) Revenue from sale of products:

Revenue is recognised at transaction price on transfer of control, being on dispatch of goods or upon delivery to customer, in accordance with the terms of sale.

b) Revenue from manufacture and sale of products from tie-up manufacturing arrangements:

The Company has entered into arrangements with Tie-up Manufacturing Units (TMUs), where-in TMUs manufacture and sell beverage alcohol on behalf of the Company. Under such arrangements, the Company has exposure to significant risks and rewards associated with the sale of products i.e. it has the primary responsibility for providing goods to the customer, has pricing latitude and is also exposed to inventory and credit risks. Accordingly, the transactions of the TMUs under such arrangements have been recorded as gross revenue, excise duty and expenses as if they were transactions of the Company. The Company also presents inventory under such arrangements as its own inventory. The net receivables from/payable to TMUs are recognised under other financial assets/ other financial liabilities respectively.

c) Interest

Interest income is recognized using the effective interest rate method. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. Interest income is included under the head “Other income” in the statement of profit and loss.

d) Dividend

Dividend income is recognized when the Company’s right to receive the payment is established, which is generally when the shareholders approve the dividend.

iv) Provisions and contingent liabilties

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assumptions of the time value of money and the risks specific to the liability. The unwinding of discount is recognized as finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

v) Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

a) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

b) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used.

Deferred tax assets recognised or unrecognised are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The Company offsets, the current tax assets and liabilities (on a year on year basis) and deferred tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

vi) Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjusting for the effects of all potential dilutive ordinary shares.

vii) Statement of Cash flow

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

viii) Financial instruments

a) Recognition and initial measurement

The Company initially recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

b) Classification and subsequent measurement

Financial assets

Financial assets carried at amortised cost

A financial asset is subsequently 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.

Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income 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.

Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

In case, the fair value of a financial asset or financial liability, at initial recognition, differs from the transaction price, the difference between the fair value at initial recognition and the transaction price -

(i) is recognised as a gain or loss if that fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation.

(ii) is deferred and is recognised as a gain or loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability. The unamortised portion of the deferred fair value gain/loss difference as on reporting date, is disclosed under other current/non-current assets/liabilities as the case may be.

c) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

The Company assesses impairment based on expected credit losses (ECL) model at an amount equal to:-

• 12 months expected credit losses, or

• Lifetime expected credit losses

depending upon whether there has been a significant increase in credit risk since initial recognition. However, for trade receivables, the company does not track the changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognised in the statement of profit and loss.

d) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or realise the asset and settle the liability simultaneously.

ix) Recent amendments to Indian Accounting Standards:

On March 23, 2022, Ministry of Corporate Affairs ('MCA') amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 01, 2022, as below

a) Ind AS 103 - Business Combinations:

The amendment clarifies that while applying the acquisition method for recognition, the assets and liabilities taken over, in a business combination, must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. The Company does not expect the amendment to have any impact in its financial statements.

b) Ind AS 16 – Property, Plant and Equipment :

The amendment requires that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The Company does not expect the amendment to have any significant impact in its financial statements.

c) Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets :

The amendment clarifies in relation to onerous contracts that the cost of fulfilling a contract comprises the costs that relate directly to the contract which consist of incremental costs of fulfilling that contract (examples would be direct labour, materials) and an allocation of other costs that relate directly to fulfilling contracts. The Company does not expect the amendment to have any significant impact in its financial statements.

d) Ind AS 41 – Agriculture:

The amendment relates to recognition and measurement of biological assets or agricultural produce. The Company does not expect the amendment to have any impact in its financial statements.

e) Ind AS 109 – Financial Instruments :

The amendment clarifies that while determining the fees paid (net of fees received) when a borrower applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability, the borrower to include only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. The Company does not expect the amendment to have any significant impact in its financial statements.

SHIVPRABHA SUGARS LTD.

Notes to Financial Statements for year ended March 31, 2022

2 Property, Plant and Equipment

(₹)

FIXED ASSETS	Gross Block				Depreciation / Amortisation				Net Block	
	As At April 01, 2021	Additions	Deductions	As At March 31,2022	As At April 01, 2021	Deductions	For the year	As At March 31,2022	As At March 31,2022	As At March 31,2021
Property, Plant and Equipment										
Land	15,34,240	-	-	**15,34,240**	-	-	-	**-**	15,34,240	15,34,240
Total Property, Plant and Equipment	**15,34,240**	**-**	**-**	**15,34,240**	**-**	**-**	**-**	**-**	**15,34,240**	**15,34,240**
Previous Year	***15,34,240***			***15,34,240***	**-**	**-**	**-**	**-**	***15,34,240***	

Note: The title deeds of the immovable properties are held in the name of the Company.

SHIVPRABHA SUGARS LTD.

Notes to Financial Statements for year ended March 31, 2022

		Current	
			(₹)
	As at March 31, 2022		**As at March 31, 2021**
3 Cash and Bank Balances			
Cash and Cash Equivalents			
Balance with Bank in Current Account	55,434		55,434
	55,434		**55,434**
4 Other Financial Assets			
Deposits	10,000		10,000
	10,000		**10,000**

SHIVPRABHA SUGARS LTD.

Notes to Financial Statements for year ended March 31, 2022

(₹)

	As at March 31, 2022	As at March 31, 2021
5 Equity Share Capital		
Authorised Shares		
50,000 equity shares of ₹ 10/- each (P.Y. 50,000 equity shares of ₹ 10/- each)	**5,00,000**	**5,00,000**
Issued, subscribed and paid up shares		
50,000 equity shares of ₹ 10/- each fully paid up (P.Y. 50,000 equity shares of ₹ 10/- each fully paid up)	5,00,000	5,00,000
	5,00,000	**5,00,000**

a) Reconciliation of the number of shares outstanding

	As at March 31, 2022	As at March 31, 2021
Number of equity shares at the beginning	50,000	50,000
Equity shares issued during the period	-	-
Number of equity shares at the end	**50,000**	**50,000**

b) Terms / rights attached to equity shares

Each holder of equity share is entitled to one vote per share with a right to receive per share dividend by the Company, when declared. In the event of liquidation, the equity shareholders will be entitled to receive remaining assets of the Company after distribution of all preferential amounts in the proportion to the number of equity shares held by them.

c) Shares held by holding company	**As at March 31, 2022**	**As at March 31, 2021**
Tilaknagar Industries Ltd.	45,000	45,000

d) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of equity shares	As a % of total holding	No. of equity shares	As a % of total holding
Tilaknagar Industries Ltd.	45,000	90	45,000	90
Shivaji Baburao Disle	5,000	10	5,000	10
Total	**50,000**	**100**	**50,000**	**100**

e)

	As at March 31, 2022		As at March 31, 2021	
Disclosures of Shareholding of Promoters - Shares held by the Promoters	No. of equity shares	As a % of total holding	No. of equity shares	As a % of total holding
Tilaknagar Industries Ltd.	45,000	90	45,000	90
Shivaji Baburao Disle	5,000	10	5,000	10
Total	**50,000**	**100**	**5,000**	**100**

	As at March 31, 2022	As at March 31, 2021
6 Other Equity		
Retained Earnings		
Balance at the beginning of the year	(1,49,35,186)	(1,48,80,416)
Add: Profit / (Loss) after tax for the year	(53,595)	(54,770)
Balance at the end of the year	**(1,49,88,781)**	**(1,49,35,186)**

Footnote:

Retained earnings are the profits that Company has earned till date less transfers to general reserve dividends or other distributions paid to shareholders. Retained earnings is a free reserve available to the Company.

SHIVPRABHA SUGARS LTD.

Notes to Financial Statements for year ended March 31, 2022

	Current	
	As at March 31, 2022	As at March 31, 2021 (₹)
7 Borrowings		
Unsecured Loan		
From Holding Company	46,58,955	46,08,900
From Director	1,14,00,000	1,14,00,000
	1,60,58,955	**1,60,08,900**

7.1 Outstanding balance of loans received from related parties that are repayable on demand :

		March, 2022		March, 2021	
	Particulars	**Amount**	**%**	**Amount**	**%**
1	Promoters	-	0.00%	-	0.00%
2	Directors	1,14,00,000	70.99%	1,14,00,000	71.21%
3	Key Managerial Personnel	-	0.00%	-	0.00%
4	Related Party - Holding Company	46,58,955	29.01%	46,08,900	28.79%

8 Trade Payables

Other Payables	29,500	25,960
	29,500	**25,960**

Ageing Schedule (2021-2022)

	Outstanding for following periods from due date of payments						
Particulars	**Unbilled**	**Not Due**	**Less than 1 years**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total Outstanding**
MSME							-
Others			29,500				29,500
Disputed Dues - Others							-
Disputed Dues - MSME							-
Total	-	-	29,500	-	-	-	29,500

Ageing Schedule (2021-2022)

	Outstanding for following periods from due date of payments						
Particulars	**Unbilled**	**Not Due**	**Less than 1 years**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total Outstanding**
MSME							-
Others			25,960				25,960
Disputed Dues - Others							-
Disputed Dues - MSME							-
Total	-	-	25,960	-	-	-	25,960

9 Other Liabilities

Other Liabilities	-	-
	-	**-**

SHIVPRABHA SUGARS LTD.

Notes to Financial Statements for year ended March 31, 2022

	Year ended March 31, 2022	(₹) Year ended March 31, 2021
10 Other Expenses		
Auditors Remuneration [Refer Note No.17]	29,500	25,960
Rates and taxes	6,100	15,500
Legal and professional charges	17,995	13,310
	53,595	**54,770**

11 Financial Instruments - Accounting classification and fair value measurements

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

b) The following methods and assumptions were used to estimate the fair value:

1) Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilties, short term loans from banks and other financial instruments approximate their carrying amounts largely due to the short term maturities of these instruments.

2) Financial instruments with fixed and variable interest rates are evaluated by the company based on parameters such as interest rate and individual credit worthiness of the counter party. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

c) The company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : Valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Valuation techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows the carrying amounts and fair values of financial assets and financials liabilities, including their levels in the fair value hierarchy :

As at March 31, 2022 (₹)

	Carrying amount			
	FVOCI - Equity Instruments	**Financial assets - cost / amortised cost**	**Financial liabilities - cost / amortised cost**	**Total carrying amount**
Financial assets				
Cash and Cash Equivalents	-	55,434	-	55,434
	-	**55,434**	**-**	**55,434**
Financial liabilities				
Borrowings	-	-	1,60,58,955	1,60,58,955
	-	**-**	**1,60,58,955**	**1,60,58,955**

The Company has not disclosed the fair values for financial instruments such as investments, trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, borrowings, trade payables and financial liabilities because their carrying amounts are a reasonable approximation of fair value.

As at March 31, 2021 (₹)

	Carrying amount			
	FVOCI - Equity Instruments	**Financial assets - cost / amortised cost**	**Financial liabilities - cost / amortised cost**	**Total carrying amount**
Financial assets				
Cash and Cash Equivalents	-	55,434	-	55,434
	-	**55,434**	**-**	**55,434**
Financial liabilities				
Borrowings	-	-	1,60,08,900	1,60,08,900
	-	**-**	**1,60,08,900**	**1,60,08,900**

The Company has not disclosed the fair values for financial instruments such as investments, trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, borrowings, trade payables and financial liabilities because their carrying amounts are a reasonable approximation of fair value.

SHIVPRABHA SUGARS LTD.

Notes to Financial Statements for year ended March 31, 2022

12 Financial risk management

Objectives and policies

Risk management framework

The Company's management has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company has a system in place to ensure risk identification and ongoing periodic risk assessment is carried out.

The Company has exposure to the following risks arising from financial instruments :
- Credit risk
- Liquidity risk
- Market risk
- Interest risk

a) Credit risk

Credit risk is the risk that counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The company generally doesn't have collateral.

The carrying amounts of financial assets represent the maximum credit risk exposure. The maximum exposure to credit risk at the reporting date is as follows :-

(₹)

Particulars	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents	55,434	55,434
Total	**55,434**	**55,434**

Trade receivables

Customer credit risk is managed as per Company's established policy, procedures and control relating to customer credit risk management. Credit risk has always been managed by the Company through credit approvals, estabilishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business.

An impairment analysis is performed for all major customers at each reporting date on an individual basis. In addition, a large number of minor receivables are grouped into homogenous group and assessed for impairment collectively. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several industries and operate in largely independent markets.

Bank balances and deposits with banks

Credit risk from balances with banks is managed by the company's finance department as per Company's policy. Investment of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Board of directors. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

As at March 31, 2022 *(₹)*

	Contractual cash flows		
	Carrying amount	**Less than one year**	**More than 1 year**
Borrowings	1,60,58,955	1,60,58,955	-
Trade Payable	29,500	29,500	-
	1,60,88,455	**1,60,88,455**	**-**

As at March 31, 2021 *(₹)*

	Contractual cash flows		
	Carrying amount	**Less than one year**	**More than 1 year**
Borrowings	1,60,08,900	1,60,08,900	-
Trade Payable	25,960	25,960	-
	1,60,34,860	**1,60,34,860**	**-**

c) Market risk

Market risk is the risk of loss of future earnings, fair value or future cash flows arising out of change in the price of a financial instrument. These include change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowing.

The company manages market risk through evaluation and identification of risk factors with the object of governing / mitigation them accordingly to company's objectives and declared policies in specific context of impact thereof on various segments of financial instruments.

Currency risk

The Company is exposed to currency risk to the extent that there is mismatch between the currencies in which sales, purchase are denominated and the respective functional currencies of Company.

d) Interest risk

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.

SHIVPRABHA SUGARS LTD.

Notes to Financial Statements for year ended March 31, 2022

		As at March 31, 2022	(₹) As at March 31, 2021
13	**Income Taxes**		
a)	**Income Tax recognised in the Statement of Profit and Loss**		
	Current Tax		
	In respect of current year	-	-
	Adjustments in respect of previous years	-	-
	Deferred Tax		
	In respect of current year	-	-
	Adjustments in respect of deferred tax of previous years	-	-
b)	**Income tax expense recognised in Other Comprehensive Income**		
	Deferred tax expense on remeasurement of defined benefit plans	-	-
c)	**Applicable corporate tax rate**	26.00%	26.00%
d)	**Current Tax Liabilities**		
	Provision for Taxation (Net of Advance Tax)	-	-
e)	**Current Tax Assets**		
	Advance Tax (Net of Provision for Taxation)	-	-

14 Capital Management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

The Company monitors capital based on the following ratio :-

	As at March 31, 2022	As at March 31, 2021
Net Debt	1,60,58,955	1,60,08,900
Total Equity	(1,44,88,781)	(1,44,35,186)
Debt to Equity Ratio	NIL	NIL

SHIVPRABHA SUGARS LTD.

Notes to Financial Statements for year ended March 31, 2022

15 No amounts is payable to any enterprise as defined under the Micro, Small Enterprises Development Act, 2006 and hence disclosures relating to Micro and Small Enterprises have not been made.

16 Related Party Disclosures:

The disclosures pertaining to the related parties as required by Ind AS 24 "Related Party Disclosure" issued by the Institute of Chartered Accountants of India, as applicable, are as under:

a) Holding Company	:Tilaknagar Industries Ltd.
List of Fellow Subsidiary Companies	: Prag Distillery (P) Ltd.
	: Vahni Distilleries Private Limited
	: PunjabExpo Breweries Private Limited
	: Kesarval Springs Distillers Pvt. Ltd.
	: Mykingdom Ventures Pvt. Ltd.
	: Studd Projects P. Ltd.
	: Srirampur Grains Private Limited
b) Key Managerial Personnel	: Mr. Amit Dahanukar - Chairman
	: Mr Ajit Anant Sirsat - Director
	: Mrs. Shivani Amit Dahanukar - Non Executive Director
	: Mr.Shivaji Disle - Director
	: Mr Shankar Pawar - Director

(₹)

Nature of Transaction	Parties refered in (a) above	
	2021-22	2020-21
Net Loans & Advances taken / (given)		
Tilaknagar Industries Ltd.	50,055	61,850
Total	**50,055**	**61,850**
Outstanding Payable		
Tilaknagar Industries Ltd.	46,58,955	46,08,900
Total	**46,58,955**	**46,08,900**

17 Auditor's remuneration charged to accounts:	**As at March 31, 2022**	**As at March 31, 2021**
a) Audit fees	29,500	25,960
b) Others	-	
	29,500	**25,960**

18 Earnings Per Share (EPS)	**As at March 31, 2022**	**As at March 31, 2021**
Profit /(Loss) After Tax	(53,595)	(54,770)
Weighted average number of shares	50,000	50,000
Basic & Diluted Earnings Per Share	(1.07)	(1.10)
Face Value per Equity Share	10	10

19 The Company's net worth has eroded. However, the Company is actively considering various alternatives like merging with fellow subsidiaries or with external entities and revival of business in allied activities. Hence, the accounts are prepared on going concern basis.

20 There is no contingent liability as on March 31, 2022.

SHIVPRABHA SUGARS LTD.

Notes to Financial Statements for year ended March 31, 2022

21 **Ratio Analysis**

Ratio	Numerator	Denominator	Current year	Previous Year	% Change	Reason for Variance
Current ratio (in times)	Total current assets	Total current liabilities	0.004	0.004	-0.333%	
Debt-Equity ratio (in times)	Total borrowings and lease liabilities	Total equity	NA*	NA*	0.000%	
Debt service coverage ratio (in times)	Net Profit after taxes + Depreciation and Amortization + Finance Cost	Principal repayments including interest + lease liabilities payments	NA*	NA*	0.000%	
Return on Equity Ratio	Profit after tax	Average total equity	NA*	NA*	0.000%	
Inventory turnover ratio (times)	Cost of Material consumed + Changes in Inventories	Average inventory	NA*	NA*	0.000%	
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	NA*	NA*	0.000%	
Trade payables turnover ratio (in times)	Cost of Material consumed + Changes in Inventories + Other Expenses - Inventory /Advance Provision / Advance written off	Average trade payable	NA*	NA*	0.000%	
Net capital turnover ratio (in times)	Revenue from operations	Working capital (i.e. Total current assets less Total current liabilities)	NA*	NA*	0.000%	
Net profit ratio (in %)	Profit after tax	Revenue from operations	NA*	NA*	0.000%	
Return on capital employed (in %)	Profit before tax + finance costs	Capital employed = Tangible Net worth + Total Borrowings	NA*	NA*	0.000%	
Return on investment (in %)	Profit after tax	Average total equity	NA*	NA*	0.000%	

Note:

*** The Company does not have any operational income during the year hence these ratios are not applicable.**

SHIVPRABHA SUGARS LTD.

Notes to Financial Statements for year ended March 31, 2022

22 **Other Statutory Information:**

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

ii) The Company does not have any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the Company.

iii) The Company does not have any transactions with the struck off Companies.

iv) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

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

vi) 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;

vii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

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.

viii) 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.

ix) The Company has not made any Loans or Advances in the nature of loans that 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.

x) The company has not been declared as a wilful defaulter.

xi) The Company did not have sanctioned working capital limits during the year from any banks / lenders.

23 Figures of previous year have been regrouped, reclassified and recast, wherever considered necessary.

As per our Report of even date annexed

For G S Nayak & Co
Chartered Accountants
Firm Registration No. 118915W

For and on behalf of the Board of Directors

Girija Shankar Nayak
Partner
Membership No.049582

Amit Dahanukar
Chairman
(DIN:00305636)

Ajit Anant Sirsat
Director
(DIN:08877654)

Place : Mumbai
Date : May 28, 2022