

L. P. Investments Limited

Audited Financial Statement  
for the year ended 31<sup>st</sup> March 2023



PSMS & Co.  
Chartered Accountants

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## Independent Auditors' Report

To the Members of  
**L. P. Investments Limited**

### Report on the Financial Statements

#### Opinion

We have audited the accompanying financial statements of **L. P. Investments Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and 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 "financials 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 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, 2023, and loss, 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 there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.



## **Key Audit Matters**

Key Audit Matters are not applicable to the company as it is an unlisted company

## **Other Information**

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

## **Management's and Board of Directors' Responsibilities for the Financial Statements**

The Company's management and Board of Directors are 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 state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

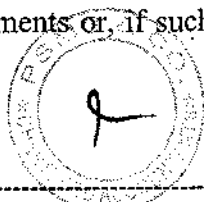
The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **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 auditors' 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 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 control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Board of Directors.
- 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 entity'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 entity to cease to continue as a going concern.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

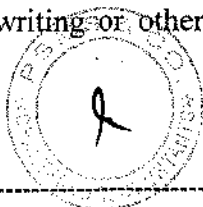
1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required 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, Statement of Changes in Equity and the Statement of Cash Flow 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, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**.

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

- (a) The Company does not have any pending litigations as at 31 March 2023 which would impact its financial position.
- (b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- (c) There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company.
- (d) (i) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in note 1, if any, 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 persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company 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, as disclosed in note 1, if any, to the accounts, 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 directly or indirectly, lend or



invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material mis-statement.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, no remuneration has been paid by the Company to its directors during the current year.

For PSMS & Co.  
Chartered Accountants  
Firm's Registration No. 031059N



A handwritten signature in black ink, appearing to read "Mukesh Kumar Thakur".

Mukesh Kumar Thakur  
Partner

Membership no.095977

UDIN: 23095977 B6Y3HP 3246

New Delhi  
24 May 2023

## Annexure-“A” to the Independent Auditors’ Report

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of **L. P. Investments Limited** of even date)

We report that:

- (i) The company does not have any property, plant and equipment, Intangible assets. Accordingly, paragraph 3 (i) of the order is not applicable to the company in respect of property, plant and equipment and intangible assets.
  - (ii) The company is an investment company. Accordingly, it does not hold any physical inventory. Thus paragraph 3 (ii) of the order is not applicable to the company.
  - (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any further investments in or provided security to companies, firms, limited liability partnerships or any other parties during the year. The Company has not provided guarantees or granted loans or advances in the nature of loans during the year to firms or limited liability partnerships.
- (a) (A) Based on the audit procedures carried out by us and as per the information and explanations given to us, the Company granted loans to other bodies corporates under the Group as below:

Particulars	Loans (₹ in thousand)
Aggregate amount granted in earlier years (other than subsidiaries)	951.45
Balance outstanding as at the balance sheet date	951.45
Percentage to the total Loans and Advances in the nature of loans	100%

- (b) The loans granted to related parties are without specifying any terms or period of repayment Accordingly, paragraph 3 (iii)(b)/(c)/(d)/(e) of the order is not applicable to the company in respect of repayment of the principal amount and amount overdue. According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, in the case of investments made and loans and advances in the nature of loans given, the repayment of principal amount are, prima facie, not prejudicial to the interest of the company.





- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security as specified under Section 185 of the Companies Act, 2013 ("the Act") and the Company has not provided any security as specified under Section 186 of the Act. Further, in our opinion, the Company has complied with the provisions of Section 186 of the Act in relation to loans given, guarantees provided and investments made.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) According to the information and explanations given to us and on the basis of our examination of the records of the Company:
- (a) in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including GST, Income-Tax and other statutory dues have been regularly deposited by the Company with the appropriate authorities;
- (b) no undisputed amounts payable in respect of goods and service tax, Income-Tax and other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in the repayment of loans or borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has neither availed any type of loan facility from nor has been declared a willful defaulter by any bank or financial institution or government or government authority. Accordingly, clause 3(ix)(b) of the Order is not applicable

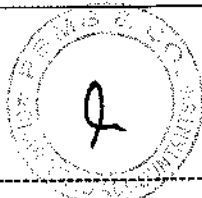


- (c) In our opinion and according to the information and explanations given to us by the management, the company has not availed any term loan facility. Accordingly, clause 3(ix)(c) of the Order is not applicable
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds were raised on short term basis by the Company. Accordingly, clause 3(ix)(d) of the Order is not applicable
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has no subsidiary, Associate or joint venture, as defined in the Act, during the year ended 31 March 2023. Accordingly, clause 3(ix)(e) of the Order is not applicable
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has neither raised loans during the year on the pledge of securities nor it has any subsidiary, as defined in the Act. Accordingly, clause 3(ix)(f) of the Order is not applicable
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in the Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the 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) No whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) Based on information and explanations provided to us and our audit procedures, in our opinion, in accordance of section 138 of the companies Act, the Company is not mandatorily required to have internal audit system. Accordingly, clause 3(xiv)(a)/(b) of the Order is not applicable.
- (xv) In our opinion, and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clauses 3(xvi)(a)/(b) of the Order are not applicable.
- (b) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us during the course of audit, the Group does not have any CICs.
- (xvii) The Company has incurred cash losses in the current year but not in the immediately preceding financial year.

Particulars	Cash losses in Current Year (₹ in thousand)	Cash profits in Previous Year (₹ in thousand)
Cash losses incurred	91.64	115.15



- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 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 realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, financial support letter from its holding company, 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 the 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) In our opinion and according to the information and explanations given to us, provisions of section 135 of the Act are not applicable to the company. Accordingly, clauses 3(xx)(a)/(b) of the Order are not applicable.

For PSMS & Co.  
Chartered Accountants  
Firm's Registration No. 031059N



New Delhi  
24 May 2023

A handwritten signature in black ink, appearing to read 'Mukesh'.

Mukesh Kumar Thakur  
Partner

Membership no.095977  
UDIN: 23095977 BG4JHP3246

**Annexure-“B” to the Independent Auditors’ Report on the financial statements of L. P. Investments Limited for the year ended 31st March 2023.**

[Referred to in paragraph 2 (A)(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of, **L. P. Investments Limited** of even date]

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **L. P. Investments Limited** (“the Company”) as of March 31, 2023 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, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements 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 (the “Guidance Note”).

**Management’s and Board of Directors’ Responsibilities for Internal Financial Controls**

The Company’s management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 the 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.



## **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements were established and maintained and whether 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, 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 judgement, 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 with reference to financial statements.

## **Meaning of Internal Financial Controls with Reference to Financial Statements**

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include 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 authorisation 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 with Reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For PSMS & Co.  
Chartered Accountants  
Firm's Registration No. 031059N



New Delhi  
24 May 2023

Mukesh Kumar Thakur  
Partner

Membership no.095977  
UDIN: 23095977 B64 JHP 3246

**L.P. Investments Limited**  
**Balance Sheet as at 31st March 2023**

	Note No.	As At 31st March 2023 (₹ in thousand)	As At 31st March 2022 (₹ in thousand)
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
Financial Assets:			
(i) Investments	2	150.00	150.00
(ii) Loans	3	951.45	951.45
(iii) Other financial assets	4	104.41	104.26
<b>Total Non-current assets</b>		<b>1,205.86</b>	<b>1,205.71</b>
<b>(2) Current assets</b>			
Financial Assets:			
(i) Investments	5	27.10	27.10
(ii) Cash and cash equivalents	6	56.95	65.71
<b>Total current assets</b>		<b>84.05</b>	<b>92.81</b>
<b>Total Assets</b>		<b>1,289.91</b>	<b>1,298.52</b>
<b>EQUITY AND LIABILITIES</b>			
Equity:			
(a) Equity Share Capital	7	1,03,825.00	1,03,825.00
(b) Other Equity	8	(1,21,572.82)	(1,21,481.18)
<b>Total Equity</b>		<b>(17,747.82)</b>	<b>(17,656.18)</b>
<b>Liabilities</b>			
<b>(1) Non-current liabilities</b>			
Financial Liabilities:			
(i) Borrowings	9	19,010.00	18,808.97
<b>Total non-current liabilities</b>		<b>19,010.00</b>	<b>18,808.97</b>
<b>(2) Current liabilities</b>			
Financial Liabilities:			
(i) Trade payables			
(A) total outstanding dues of micro and small enterprises and	10	27.73	145.73
(B) total outstanding dues of creditors other than micro enterprises and small enterprises			
<b>Total current liabilities</b>		<b>27.73</b>	<b>145.73</b>
<b>Total equity and liabilities</b>		<b>1,289.91</b>	<b>1,298.52</b>

The accompanying notes 1-14 form an integral part of the financial statements.

As per our report of even date attached  
For PSMS & Co.  
Chartered Accountants  
Firm Regn.No. 031059N

Mukesh Kumar Thakur  
Partner  
Membership No. 095977  
UDIN : 230959770645JHP3246



For and on behalf of Board of Directors of  
L.P. Investments Limited

Anil Girotra  
Director & CFO  
DIN: 00110631

K.K.Kohli  
Director  
DIN: 00127337

Ravi Manchanda  
CEO  
PAN: AAJPM2225L

Roopesh Kumar  
Company Secretary  
PAN: ALYPK0842M

New Delhi  
24 May 2023



**L.P. Investments Limited****Statement of Profit and Loss for the year ended 31st March 2023**

	<u>Note No.</u>	<u>Current Year (₹ in thousand)</u>	<u>Previous Year (₹ in thousand)</u>
<b>INCOME</b>			
Revenue from operation	11	3.50	1.37
Other income		-	-
<b>Total income</b>		<b>3.50</b>	<b>1.37</b>
<b>EXPENDITURE</b>			
Other expenses	12	95.14	116.52
<b>Total expenses</b>		<b>95.14</b>	<b>116.52</b>
Net loss before tax		(91.64)	(115.15)
Tax expenses:			
Current Tax	-	-	-
Income tax for earlier years	-	8.70	-
Deferred Tax	-	-	8.70
Net loss after tax		(91.64)	(123.85)
Other comprehensive income for the year		-	-
Total comprehensive income for the year		(91.64)	(123.85)
Earnings per equity share of face value of Rs 10 each. 13			
(a) Basic earning per share (₹)		(0.009)	(0.012)
(b) Diluted earning per share (₹)		(0.009)	(0.012)

The accompanying notes 1-14 form an integral part of the financial statements.

As per our report of even date attached  
For PSMS & Co.  
Chartered Accountants  
Firm Regn.No. 031059N

Mukesh Kumar Thakur  
Partner  
Membership No. 095977  
UDIN : 23095977034YJHP3246

New Delhi  
24 May 2023

For and on behalf of Board of Directors of  
L.P. Investments Limited

Anil Girotra  
Director & CFO  
DIN: 00110631

Ravi Manchanda  
CEO  
PAN: AAJPM2225L

K.K.Kohli  
Director  
DIN: 00127337

Roopesh Kumar  
Company Secretary  
PAN: ALYPK0842M

**L.P. Investments Limited****Statement of Changes in Equity for the year ended 31st March 2023**

(₹ in thousand)

**A EQUITY SHARE CAPITAL****Current Year:**

Balance at the beginning of the current reporting year	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting year	Changes in equity share capital during the current year	Balance at the end of the current reporting year
1,03,825.00	-	1,03,825.00	-	1,03,825.00

**Previous Year:**

Balance at the beginning of the current reporting year	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting year	Changes in equity share capital during the current year	Balance at the end of the current reporting year
1,03,825.00	-	1,03,825.00	-	1,03,825.00

**B OTHER EQUITY**

Particulars	Retained Earnings		Total
<b>As at 31st March 2023</b>			
Balance at the beginning of the 1st April 2022	(1,21,481.18)		(1,21,481.18)
Total Comprehensive income for the year	-	(91.64)	(91.64)
<b>Balance at the end of the 31st March 2023</b>	<b>(1,21,481.18)</b>	<b>(91.64)</b>	<b>(1,21,572.82)</b>
<b>As at 31st March 2022</b>			
Balance at the beginning of the 1st April 2021	(1,21,295.97)		
Prior period errors	(61.36)		
<b>Balance at the end of the 31st March 2022</b>	<b>(1,21,357.33)</b>		<b>(1,21,357.33)</b>
Total Comprehensive income for the year	-	(123.85)	(123.85)
<b>Balance at the end of</b>	<b>-</b>	<b>(1,21,357.33)</b>	<b>(1,21,481.18)</b>

The accompanying notes 1-14 form an integral part of the financial statements.

As per our report of even date attached  
For PSMS & Co.  
Chartered Accountants  
Firm Regn.No. 031059N

Mukesh Kumar Thakur  
Partner  
Membership No. 095977  
UDIN : 2309597736YJHPJ246

New Delhi  
24 May 2023



For and on behalf of Board of Directors of  
L.P. Investments Limited

Anil Girotra  
Director & CFO  
DIN: 00110631

Ravi Manchanda  
CEO  
PAN: AAJPM2225L

K.K.Kohli  
Director  
DIN: 00127337

Roopesh Kumar  
Company Secretary  
PAN: ALYPK0842M

**L.P. Investments Limited**  
**Statement of Cash Flows for the year ended 31st March 2023**

	Year Ended 31st March 2023 (₹ in thousand)	Year Ended 31st March 2022 (₹ in thousand)
<b>(A) Cash flow from operating activities:</b>		
Net loss before tax as per statement of Profit and Loss	(91.64)	(115.15)
Less: Dividend received	(1.53)	(1.37)
Add prior period expense	-	(61.36)
Add: Impairment of value of current investments	-	5.20
Add: Adjustment of security deposits for unpaid dues	-	0.48
<b>Operating profit before working capital changes</b>	<b>(93.16)</b>	<b>(172.20)</b>
Increase/(Decrease) in trade payable	(118.00)	125.07
<b>Adjustments for changes in working capital :</b>	<b>(118.00)</b>	<b>125.07</b>
<b>Cash generated from / (used in) operations</b>	<b>(211.16)</b>	<b>(47.13)</b>
Income tax (paid) / received	(0.14)	(8.14)
<b>Net cash from / (used in) operating activities</b>	<b>(211.31)</b>	<b>(55.27)</b>
<b>(B) Cash flow from Investing activities:</b>		
Dividend received	1.53	1.37
<b>Net cash from / (used in) investing activities</b>	<b>1.53</b>	<b>1.37</b>
<b>(C) Cash flow from financing activities:</b>		
Repayment of borrowings from holding company	(4,208.97)	-
Proceeds from borrowings from other companies	4,410.00	-
<b>Net cash from / (used in) financing activities</b>	<b>201.03</b>	<b>-</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>(8.74)</b>	<b>(53.90)</b>
Cash and cash equivalents at beginning of the year	65.71	119.61
Cash and cash equivalents at end of the year	56.95	65.71
	<b>(8.74)</b>	<b>(53.90)</b>

**Notes :**

(1) Closing Cash and cash equivalents comprise :

Cash in hand	6.05	6.05
Balance with Scheduled Banks:		
- in Current Accounts	50.90	59.66
	<b>56.95</b>	<b>65.71</b>

(2) The above Cash flow statement has been prepared under the indirect method set out in IND AS-7 notified u/s 133 of the Companies Act, 2013

(3) Figures in brackets indicate cash outgo.

(4)

Previous Year's figures have been regrouped/re-classified wherever necessary to conform to current year's classification

The accompanying notes 1-14 form an integral part of the financial statements.

As per our report of even date attached

For PSMS & Co.

Chartered Accountants

Firm Regn.No. 031059N

Mukesh Kumar Thakur

Partner

Membership No. 095977

UDIN : 230959776647JHP3246

New Delhi

24 May 2023

For and on behalf of Board of Directors of  
L.P. Investments Limited

Anil Girotra  
Director & CFO  
DIN: 00110631

Ravi Manchanda  
CEO  
PAN: AAJPM2225L

K.K.Kohli  
Director  
DIN: 00127337

Roopesh Kumar  
Company Secretary  
PAN: ALYPK0842M

**L.P. Investments Limited**

Notes to the financial statements for the year ended 31st March 2023

Note No.	Face Value Rs	As at 31st March 2023		As at 31st March 2022	
		Unit	₹ in thousand	Units	₹ in thousand
<b>2 NON-CURRENT INVESTMENTS</b>					
Investments measured at Cost					
Unquoted, fully paid up					
<b>2.1 In Equity Shares of structured entities</b>					
Hyderabad Distilleries and Wineries Pvt.Ltd.	100	1500	150.00	1500	150.00
<b>Total for unquoted equity shares of structured entities</b>			<b>150.00</b>		<b>150.00</b>
<b>3 LOANS</b>					
(Unsecured and Considered Good)					
Loans and advances to related parties without specifying any terms or period of repayment:					
-Blue Skies Investments Private Limited			157.81		157.81
-Palm Beach Investments Private Limited			324.89		324.89
-Snowwhite Holdings Private Limited			143.75		143.75
-Ashwa Buildcon Limited			325.00		325.00
<b>Total for Loans</b>			<b>951.45</b>		<b>951.45</b>
<b>3.1 Amount of loan or advance in the nature of loan from related parties without specifying any terms or period of repayment:</b>					
<b>Type of borrowers</b>		<b>Amount of loan or advance in the nature of loan outstanding</b>		<b>Percentage to the total Loans and Advances in the nature of loans</b>	
Related parties		951.45		100%	
<b>4 OTHER FINANCIAL ASSETS</b>					
(Unsecured and Considered Good)					
Security deposit with NSDL			104.00		104.00
Income tax refundable			0.26		0.12
Prepaid income tax			0.15		0.14
<b>Total for other financial assets</b>			<b>104.41</b>		<b>104.26</b>



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**L.P. Investments Limited**

Notes to the financial statements for the year ended 31st March 2023

Note No.	Face value	As at 31st March 2023		As at 31st March 2022		
		Units	₹ in thousand	Units	₹ in thousand	
<b>5 CURRENT INVESTMENTS</b>						
Investments classification at lower of cost or market value.						
<b>5.1 In Equity shares - Quoted, fully paid up</b>						
	Anheuser Busch Inbev India Ltd	10	103	0.44	103	0.44
	Hindustan Unilever Ltd.	1	17	0.02	17	0.02
	Indage Vintners Limited	10	100	1.00	100	1.00
	McDowell Holdings Limited	10	6	-	6	-
	Mohan Meakin Limited	10	100	0.50	100	0.50
	Nestle India Limited	10	4	0.02	4	0.02
	Radico Khaitan Limited	2	10	0.03	10	0.03
	United Breweries Limited	1	5	0.01	5	0.01
	United Breweries (Holdings) Limited	10	3	0.02	3	0.02
	United Spirits Limited	2	40	0.06	40	0.06
<b>Total for current investments in quoted equity shares</b>			<b>2.10</b>		<b>2.10</b>	
<b>5.2 In Mutual Funds - Quoted</b>						
	Taurus The Starshare (Growth-Plan Direct)		2500	25.00	2500	25.00
<b>Total for current investments in quoted mutual funds</b>			<b>25.00</b>		<b>25.00</b>	
<b>Total for quoted current investments</b>			<b>27.10</b>		<b>27.10</b>	
Aggregate amount of Quoted Investments				27.10		27.10
Market Value of Quoted Investments				542.52		518.47



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**L.P. Investments Limited**

Notes to the financial statements for the year ended 31st March 2023

Note No.	As at 31st March 2023 (₹ in thousand)	As at 31st March 2022 (₹ in thousand)
<b>6 CASH AND CASH EQUIVALENTS</b>		
Cash in hand	6.05	6.05
Balance with bank -in Canara Bank-0307201055784	50.90	59.66
<b>Total cash and cash equivalents</b>	<b>56.95</b>	<b>65.71</b>
<b>7 EQUITY SHARE CAPITAL</b>		
<b>a Authorized Share Capital</b>		
1,04,50,000 (Previous year 1,04,50,000) Equity Shares of Rs.10/- each fully paid up.	1,04,500.00	1,04,500.00
5,000 (Previous year 5,000) 9.50% cumulative Redeemable Preference Shares of Rs.100/- each.	500.00	500.00
<b>Total</b>	<b>1,05,000.00</b>	<b>1,05,000.00</b>
<b>b Issued, subscribed and paid up capital</b>		
-1,03,82,500 (Previous year 1,03,82,500) Equity Shares of Rs.10/- each fully paid up.	1,03,825.00	1,03,825.00
<b>Total</b>	<b>1,03,825.00</b>	<b>1,03,825.00</b>

**Terms/rights attached to Equity Shares:-**

The Company has only one class of Equity Shares having par value of Rs 10/- per share. Each holder of equity share is entitled to one vote per share.

In the event of liquidation of the company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.



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**L.P. Investments Limited**

Notes to the financial statements for the year ended 31st March 2023

Note No.	As at 31st March 2023 (₹ in thousand)	As at 31st March 2022 (₹ in thousand)
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**7.1 The details of shareholders holding more than 5% shares as at :**

	31st March 2023		31st March 2022	
	No of shares	% held	No of shares	% held
Jagatjit Industries Limited [Holding Company]	1,02,01,717	98.26%	1,02,01,717	98.26%

**7.2 Reconciliation of the no. of shares outstanding at the beginning and at the end of the reporting year:**

	31st March 2023		31st March 2022	
	No of shares	₹ in thousand	No of shares	₹ in thousand
Equity Shares at the beginning of the year	1,03,82,500	1,03,825	1,03,82,500	1,03,825
Equity Shares at the end of the period	1,03,82,500	1,03,825	1,03,82,500	1,03,825

**7.3 Shareholding of Promoters as under:-**

Promoter's Name	No. of Shares	% of total shares	% change during the year
Jagatjit Industries Limited	1,02,01,716	98.26%	Nil
Jagatjit Industries Ltd. J/W Mr. L.P. Jaiswal	1	0.00%	Nil

**8 OTHER EQUITY  
Reserves and Surplus:**

-Retained Earnings	(1,21,572.82)	(1,21,481.18)
<b>Total for other equity</b>	<b>(1,21,572.82)</b>	<b>(1,21,481.18)</b>



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**L.P. Investments Limited**

Notes to the financial statements for the year ended 31st March 2023

Note No.	As at 31st March 2023 (₹ in thousand)	As at 31st March 2022 (₹ in thousand)
<b>9 BORROWINGS</b> (Unsecured)		
Loans and advances from related parties without specifying any terms or period of repayment: [ Refer note 1(E)(i) ]		
<b>-From Holding company:</b>		
-Jagatjit Industries Limited	14,300.00	18,508.97
<b>From structured entity:</b>		
-Hyderabad Distilleries and Wineries Private Limited	300.00	300.00
-Ashwa Buildcon Limited	4,410.00	-
<b>Total for borrowings</b>	<b>19,010.00</b>	<b>18,808.97</b>

**10 TRADE PAYABLE**

-Total outstanding dues of micro and small enterprises

-Total outstanding dues for less than one year of creditors other than micro and small enterprises

**Total for trade payables**

27.73

145.73

**27.73****145.73****10.1 Trade Payables ageing schedule as on 31st March 2023**

Particulars	Not due	Outstanding for following periods from due date of payments				
		Less than 1 year	1-2 years	2-3 year	More than 3 years	Total
(i) MSME	-	-	-	-	-	-
(iia) Others-billed	-	-	-	-	-	-
(iib) Others-unbilled	24.78	-	2.95	-	-	27.73
(iii) Disputed dues-MSME	-	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-	-
Total for current year	24.78	-	2.95	-	-	27.73

**10.1 Trade Payables ageing schedule as on 31st March 2022**

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**L.P. Investments Limited**

Notes to the financial statements for the year ended 31st March 2023

Note No.	As at 31st March 2023 (₹ in thousand)	As at 31st March 2022 (₹ in thousand)
<b>9 BORROWINGS</b>		
(Unsecured)		
Loans and advances from related parties without specifying any terms or period of repayment: [ Refer note 1(E)(i) ]		
-From Holding company:		
-Jagatjit Industries Limited	14,300.00	18,508.97
From structured entity:		
-Hyderabad Distilleries and Wineries Private Limited	300.00	300.00
-Ashwa Buildcon Limited	4,410.00	-
<b>Total for borrowings</b>	<b>19,010.00</b>	<b>18,808.97</b>
<b>10 TRADE PAYABLE</b>		
-Total outstanding dues of micro and small enterprises	-	-
-Total outstanding dues for less than one year of creditors other than micro and small enterprises	27.73	145.73
<b>Total for trade payables</b>	<b>27.73</b>	<b>145.73</b>

**10.1 Trade Payables ageing schedule as on 31st March 2023**

Particulars	Not due	Outstanding for following periods from due date of payments				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-
(iia) Others-billed	-	-	-	-	-	-
(iib) Others-unbilled	24.78	-	2.95	-	-	27.73
(iii) Disputed dues-MSME	-	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-	-
<b>Total for current year</b>	<b>24.78</b>	<b>-</b>	<b>2.95</b>	<b>-</b>	<b>-</b>	<b>27.73</b>

**10.1 Trade Payables ageing schedule as on 31st March 2022**

Particulars	Not due	Outstanding for following periods from due date of payments				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-
(iia) Others-billed	-	61.36	61.36	-	-	122.72
(iib) Others-unbilled	23.01	-	-	-	-	23.01
(iii) Disputed dues-MSME	-	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-	-
<b>Total for current year</b>	<b>23.01</b>	<b>61.36</b>	<b>61.36</b>	<b>-</b>	<b>-</b>	<b>145.73</b>

**L.P. Investments Limited**

Notes to the financial statements for the year ended 31st March 2023

Note No.	As at 31st March 2023 (₹ in thousand)	As at 31st March 2022 (₹ in thousand)
<b>11 REVENUE FROM OPERATIONS</b>		
Dividend received	1.53	1.37
Miscellaneous income	1.97	-
<b>Total for revenue from operations</b>	<b>3.50</b>	<b>1.37</b>
<b>12 OTHER EXPENSES</b>		
Legal and professional	17.13	19.04
Subscription fees for demat account	53.10	53.10
NSDL connectivity and maintenance	-	8.26
Filing fees	4.20	10.80
Bank charges	0.06	0.15
Amount of long term investment written off	-	5.20
Change in value of fair value of current investments	-	0.48
Miscellaneous expenses	0.00	0.02
Auditor's remuneration including taxes:-		
-Statutory audit fees	11.80	10.62
-Limited review fees	8.85	8.85
<b>Total for other expenses</b>	<b>95.14</b>	<b>116.52</b>
<b>13 EARNING PER EQUITY SHARE (EPS)</b>		
Net loss after tax as per Statement of Profit and Loss attributable to equity shareholders	(91.64)	(123.85)
Actual number of equity shares	1,03,82,500	1,03,82,500
Weighted average number of equity shares	1,03,82,500	1,03,82,500
(a) Basic earning per share (₹)	(0.009)	(0.012)
(b) Diluted earning per share (₹)	(0.009)	(0.012)
Face value per equity share (₹)	10	10



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## 14 DISCLOSURE RELATED TO KEY FINANCIAL RATIOS:

Key financial ratios	Numerator	Denominator	For the year ended 31 March, 2023	For the year ended 31 March, 2022	% Variance	Reason for variance exceeding 25% as compared to preceding year
(a) Current ratio (in times)	Current assets	Current liabilities	3.03	0.64	3.76	Trade payable substantially paid off
(b) Debt-equity ratio (in times)	Total debt	Equity	(1.07)	(1.07)	0.01	-
(c) Debt service coverage ratio (in times)	Earnings available for debt service. = Net Profit after taxes + Non cash operating expenses + Interest - Non Cash Income- Profit on sale of Fixed Assets, etc.	Debt service = Interest and lease payments + Principal repayments	-	-	-	Not applicable
(d) Return on equity (in %)	Net profits after taxes	Average shareholder's equity	0.13%	0.18%	(0.27)	-
(e) Inventory turnover Ratio (in times)	Cost of material consumed + Purchase of stock - in -trade	Average inventory	-	-	-	Not applicable
(f) Trade receivables turnover ratio (in times) (refer footnote(i))	Revenue from operation	Average accounts receivable	-	-	-	Not applicable
(g) Trade payables turnover ratio (in times) (refer footnote(ii))	Net credit purchases	Average trade payables	-	-	-	Not applicable
(h) Net capital turnover ratio (in times)	Net sales	Working capital	-	-	-	Not applicable
(i) Net profit ratio (in %)	Net profits after taxes	Net sales	-	-	-	Not applicable
(j) Return on capital employed (in %)	Earning before interest and taxes	Capital employed	0.13%	0.16%	(0.21)	-



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## L.P. Investments Limited

Summary of significant accounting policies and other explanatory information annexed to and forming part of the Balance Sheet as at 31<sup>st</sup> March, 2023

### Note No. 1

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#### (A) Corporate Information

L.P. Investments Limited ( "the Company" ) is an Indian company incorporated on December 21, 1974, vide registration no. U65921DL1974PLC367824 with the Registrar of Companies, Delhi, and it's registered office is situated at 4<sup>th</sup> Floor, Bhandari House, Nehru Place, New Delhi-110019. The Company's main objects are to invest or trade in financial securities.

Company's accounts are prepared for the year from 1<sup>st</sup> April, 2022 to 31<sup>st</sup> March 2023 and previous year figures are for the year from 1<sup>st</sup> April 2021 to 31<sup>st</sup> March, 2022.

#### (B) BASIS OF PREPARATION AND PRESENTATION

(a) The Company prepared its financial statements in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read together with Rule 4A of the Companies (Indian Accounting Standards) Rules, 2015 as amended, to the extent applicable, and the presentation requirements of Division II of Schedule III to the Companies Act, 2013.

Company's financial statements are presented in Indian Rupees which is its functional currency.

(b) The Accounts have been prepared on Going Concern Basis. In the opinion of Management, the company is exploring possibility of generation of business and there is no intention of the management to liquidate the company.

As per the assessment of the management, the going concern assumption is not affected and no material uncertainty exists in this regard in view of the above mentioned factors. The Ind AS Financial Statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting except for certain financial assets and liabilities, which have been measured at fair value as described below and as required by relevant Ind AS.

#### (C) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### (a) Property, plant and equipment:

Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and arrangements arising from exchange rate variations attributable to the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

## L.P. Investments Limited

Summary of significant accounting policies and other explanatory information annexed to and forming part of the Balance Sheet as at 31<sup>st</sup> March, 2023

### Note No. 1

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Depreciation on property, plant and equipment is provided using written down value method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Gains or losses arising from derecognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

#### (b) Provisions and Contingencies:

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognized nor disclosed in the financial statements.

#### (c) Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in the comprehensive income or in equity.

##### (i) Current tax

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

##### ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.



## L.P. Investments Limited

Summary of significant accounting policies and other explanatory information annexed to and forming part of the Balance Sheet as at 31<sup>st</sup> March, 2023

### Note No. 1

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Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

#### (d) Revenue recognition

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

Revenue from operations includes sale of goods measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates and excluding taxes or duties collected on behalf of the government.

Interest Income from a financial asset is recognised using effective interest rate method.

Dividend Income from financial assets is recognized when company's right to receive payment is established.

#### (e) Financial instruments

##### (I) Financial Assets

##### Initial recognition and measurement:

All financial assets are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition of financial assets, which 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 recognised using trade date accounting.

##### Subsequent measurement:

##### i) Financial assets carried at amortised cost (AC)

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.

## L.P. Investments Limited

Summary of significant accounting policies and other explanatory information annexed to and forming part of the Balance Sheet as at 31<sup>st</sup> March, 2023

### Note No. 1

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#### ii) Financial assets at fair value through other comprehensive income (FVTOCI)

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.

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

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

#### Impairment of financial assets

The Company assesses impairment based on expected credit loss (ECL) model to the following:

Financial assets at amortised cost

Financial assets measured at fair value through Other Comprehensive income

The Company follows 'simplified approach' for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Company uses historical loss experience to determine the impairment loss allowance on the portfolio of trade receivables. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.



## L.P. Investments Limited

Summary of significant accounting policies and other explanatory information annexed to and forming part of the Balance Sheet as at 31<sup>st</sup> March, 2023

### Note No. 1

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#### **(II) Financial liabilities**

##### **Initial recognition and measurement:**

All financial liabilities are recognized initially at fair value and in case of loans and borrowings and payables, net of directly attributable cost. Fees of recurring nature are directly recognised in profit or loss as finance cost.

##### **Subsequent measurement:**

Financial liabilities are subsequently carried at amortized 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.

#### **(D) Critical accounting judgements and key sources of estimation uncertainty:**

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

##### **i) Estimated useful lives of tangible assets:**

Property, plant and equipment are depreciated over the estimated useful lives of the assets, after taking into account their estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation for future periods is adjusted if there are significant changes from previous estimates.

##### **ii) Provisions:**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.





## L.P. Investments Limited

Summary of significant accounting policies and other explanatory information annexed to and forming part of the Balance Sheet as at 31<sup>st</sup> March, 2023

### Note No. 1

#### (E) NOTES TO THE ACCOUNTS

##### (i) Related Party Disclosures

(a) As per Ind AS-24, the disclosure of transactions with the related parties are given below:

List of related parties where control exists and related parties with whom transactions have taken place and relationship:

S. No.	Name of related party	Relationship
1.	Jagatjit Industries Limited	Holding Company
2.	Anil Girotra	Director & CFO
3.	Ravi Manchanda	CEO
4.	K K Kohli	Director
5.	Naresh Kumar Rana (upto 05.05.2022)	Director
6.	Roopesh Kumar	Company Secretary
7.	Kiran Kapur	Director
8.	Sushma Sagar (w.e.f 05.08.2022)	Director
9.	Ashwa Buildcon Limited	Significant influence

##### (b) Transactions during the year with related parties

S. No.	Description	Year Ended	Holding Company (₹ in thousand)	Significant influence (₹ in thousand)
1.	Proceeds from borrowings	March 31, 2023	200.00	4410.00
2.	Repayment of borrowings	March 31, 2022	4408.97	-



## L.P. Investments Limited

Summary of significant accounting policies and other explanatory information annexed to and forming part of the Balance Sheet as at 31<sup>st</sup> March, 2023

### Note No. 1

(c) Outstanding Balances of the related parties in the books of Company at the year end:

S. No	Name of related party	Nature of outstanding	Current Year ₹ in thousand	Previous Year (₹ in thousand)
1.	Jagatjit Industries Limited	Borrowings	14300.00	18,508.97
2.	Ashwa Buildcon Limited	Borrowings	4410.00	-

(c) During the year, a company under the same management (Ashwa Buildcon Limited) had granted borrowings of ₹ 4410.00 thousand to the company without any stipulation of terms of rate of interest, repayment terms and tenure etc, out of which ₹ 4408.97 thousand has been applied for repayment of borrowings from the holding company (Jagatjit Industries Limited).

(ii) **Contingent Liabilities and Commitments (to the extent not provided for)**

The company does not have any contingent liability at year end.

(iii) **Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

Based on the information available with the Company, the balance due to micro and small enterprises as defined under the MSMED Act, 2006 is Rs. Nil (Previous year Rs. Nil) and no interest has been paid or is payable under the terms of the MSMED Act, 2006.

(iv) **Auditors Remuneration including taxes (₹ in thousand)**

S. No	Nature of payments	Current Year (₹ in thousand)	Previous Year (₹ in thousand)
1.	Statutory audit	11.80	10.62
2.	Limited audit review	8.85	8.85
3.	Professional fees	4.13	3.54



**L.P. Investments Limited**

**Summary of significant accounting policies and other explanatory information annexed to and forming part of the Balance Sheet as at 31<sup>st</sup> March, 2023**

**Note No. 1**

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- (v) Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification/disclosure.



For and on behalf of the Board of Directors  
L. P. Investments Limited

Anil Girotra  
Director & CFO  
DIN: 00110631

K.K. Kohli  
Director  
DIN: 00127337

Ravi Manchanda  
CEO  
PAN: AAJPM2225L

Roopesh Kumar  
Company Secretary  
PAN: ALYPK0842M

New Delhi  
24 May 2023

Sea Bird Securities Private Limited

Audited Financial Statement  
for the year ended 31<sup>st</sup> March 2023



PSMS & Co.  
Chartered Accountants

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## Independent Auditors' Report

To the Members of  
**Sea Bird Securities Private Limited**

### Report on the Financial Statements

#### Opinion

We have audited the accompanying financial statements of **Sea Bird Securities Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and 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 "financials statements").

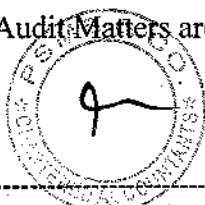
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and loss, 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 there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

#### Key Audit Matters

Key Audit Matters are not applicable to the company as it is an unlisted company



## **Other Information**

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

## **Management's and Board of Directors' Responsibilities for the Financial Statements**

The Company's management and Board of Directors are 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 state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Board of Directors is also 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 auditors' 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 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 control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Board of Directors.
- 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 entity'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 entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) 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, Statement of Changes in Equity and the Statement of Cash Flow 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, read with Rule 7 of the Companies (Accounts) Rules, 2014.





- e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure B**”.

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

- (a) The Company does not have any pending litigations as at 31 March 2023 which would impact its financial position.
- (b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- (c) There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company.
- (d) (i) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in note 1, if any, 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 persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Company 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, as disclosed in note 1, if any, to the accounts, 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 directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material mis-statement.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, no remuneration has been paid by the Company to its directors during the current year.

New Delhi  
24 May 2023



For PSMS & Co.  
Chartered Accountants  
Firm's registration No. 031059N

Mukesh Kumar Thakur  
Partner

Membership no.095977  
UDIN: 23095977 BG4JHN5301

## **Annexure-“A” to the Independent Auditors’ Report**

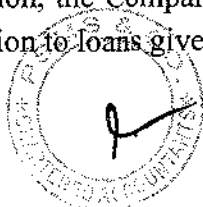
(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of **Sea Bird Securities Private Limited** of even date)

We report that:

- (i) The company does not have any property, plant and equipment, Intangible assets. Accordingly, paragraph 3 (i) of the order is not applicable to the company in respect of property, plant and equipment and intangible assets.
- (ii) According to information and explanations given to us and based on our examination of the records of the company, the company is an investment company. Accordingly, it does not hold any physical inventory of goods. Thus, paragraph 3 (ii) of the order is not applicable to the company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any further investments in or provided security to companies, firms, limited liability partnerships or any other parties during the year. The Company has not provided guarantees or granted loans or advances in the nature of loans during the year to firms or limited liability partnerships.

Based on the audit procedures carried out by us and as per the information and explanations given to us, the Company has not granted loans to other bodies corporates. Accordingly, paragraph 3(iii)(b)/(c)/(d)/(e)/(f) of the order is not applicable to the company in respect of repayment of the principal amount and amount overdue. According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, in the case of investments made and loans and advances in the nature of loans given, the repayment of principal amount are, prima facie, not prejudicial to the interest of the company.

- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has neither made any investments during the year nor has it given loans or provided guarantee or security as specified under Section 185 of the Companies Act, 2013 (“the Act”) and the Company has not provided any security as specified under Section 186 of the Act. Further, in our opinion, the Company has complied with the provisions of Section 186 of the Act in relation to loans given, guarantees provided and investments made.



- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) According to the information and explanations given to us and on the basis of our examination of the records of the Company:
- (a) in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Income-Tax and other statutory dues have been regularly deposited by the Company with the appropriate authorities;
- (b) no undisputed amounts payable in respect of goods and service tax, Income-Tax and other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in the repayment of loans or borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has neither availed any type of loan facility from nor has been declared a willful defaulter by any bank or financial institution or government or government authority. Accordingly, clause 3(ix)(b) of the Order is not applicable
- (c) In our opinion and according to the information and explanations given to us by the management, the company has not availed any term loan facility. Accordingly, clause 3(ix)(c) of the Order is not applicable



- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds were raised on short term basis by the Company. Accordingly, clause 3(ix)(d) of the Order is not applicable
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has no subsidiary, Associate or joint venture, as defined in the Act, during the year ended 31 March 2023. Accordingly, clause 3(ix)(e) of the Order is not applicable
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has neither raised loans during the year on the pledge of securities nor it has any subsidiary, as defined in the Act. Accordingly, clause 3(ix)(f) of the Order is not applicable
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in the Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the 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) No whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.



- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) Based on information and explanations provided to us and our audit procedures, in our opinion, in accordance of section 138 of the companies Act, the Company is not mandatorily required to have internal audit system. Accordingly, clause 3(xiv)(a)/(b) of the Order is not applicable.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clauses 3(xvi)(a)/(b) of the Order are not applicable.
- (b) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us during the course of audit, the Group does not have any CICs.
- (xvii) The Company has incurred cash losses in the current year and in the immediately preceding financial year.

Particulars	Cash losses in Current Year (₹ in thousand)	Cash profits in Previous Year (₹ in thousand)
Cash Losses incurred/earned	34.68	36.16

- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 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 realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, financial support letter from its holding company, 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 the 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) In our opinion and according to the information and explanations given to us, provisions of section 135 of the Act are not applicable to the company. Accordingly, clauses 3(xx)(a)/(b) of the Order are not applicable.

New Delhi  
24 May 2023



For PSMS & Co.  
Chartered Accountants  
Firm's registration No. 031059N

Mukesh Kumar Thakur  
Partner

Membership no.095977  
UDIN: 2309597736Y3HN5301

**Annexure-“B” to the Independent Auditors’ Report on the financial statements of Sea Bird Securities Private Limited for the year ended 31st March 2023**

[Referred to in paragraph 2 (A)(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of, **Sea Bird Securities Private Limited** of even date]

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **Sea Bird Securities Private Limited** (“the Company”) as of March 31, 2023 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, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements 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 (the “Guidance Note”).

**Management’s and Board of Directors’ Responsibilities for Internal Financial Controls**

The Company’s management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 the 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.





## **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements were established and maintained and whether 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, 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 judgement, 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 with reference to financial statements.

## **Meaning of Internal Financial Controls with Reference to Financial Statements**

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include 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 authorisation 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 with Reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

New Delhi  
24 May 2023



For PSMS & Co.  
Chartered Accountants  
Firm's registration No. 031059N

Mukesh Kumar Thakur  
Partner

Membership no.095977  
UDIN: 23095977 06YJHNSJ01

**Sea Bird Securities Private Limited****Balance Sheet as at 31st March 2023**

	Note No.	As At 31st March 2023 (₹ in thousand)	As At 31st March 2022 (₹ in thousand)
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
Financial Assets:			
(i) Investments	2	8,100.00	8,100.00
<b>Total Non-current assets</b>		<b>8,100.00</b>	<b>8,100.00</b>
<b>(2) Current assets</b>			
Financial Assets:			
(i) Cash and cash equivalents	3	0.44	0.44
<b>Total current assets</b>		<b>0.44</b>	<b>0.44</b>
<b>Total Assets</b>		<b>8,100.44</b>	<b>8,100.44</b>
<b>EQUITY AND LIABILITIES</b>			
Equity:			
(a) Equity Share Capital	4	100.00	100.00
(b) Other Equity	5	(442.01)	(407.33)
<b>Total Equity</b>		<b>(342.01)</b>	<b>(307.33)</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial Liabilities:			
(i) Borrowings	6	8,290.00	8,290.00
<b>Total non-current liabilities</b>		<b>8,290.00</b>	<b>8,290.00</b>
<b>(2) Current liabilities</b>			
Financial Liabilities:			
(i) Trade payables:-	7		
(A) total outstanding dues of micro and small enterprises and		-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		152.45	117.77
<b>Total current liabilities</b>		<b>152.45</b>	<b>117.77</b>
<b>Total equity and liabilities</b>		<b>8,100.44</b>	<b>8,100.44</b>

The accompanying notes 1-10 form an integral part of the financial statements.

As per our report of even date attached  
For PSMS & Co.  
Chartered Accountants  
Firm's Registration No. 031059N

Mukesh Kumar Thakur  
Partner  
Membership No. 095977  
UDIN : 23095977 06751125301



For and on behalf of Board of Directors of  
Sea Bird Securities Private Limited

K.K.Kohli  
Director  
DIN: 00127337

Hemant Kumar  
Director  
DIN: 07739437

New Delhi  
24 May 2023

**Sea Bird Securities Private Limited****Statement of Profit and Loss for the year ended 31st March 2023**

	<u>Note No.</u>	<u>Current Year (₹ in thousand)</u>	<u>Previous Year (₹ in thousand)</u>
<b>INCOME</b>			
Revenue from operation		-	-
<b>Total income</b>		<u>-</u>	<u>-</u>
<b>EXPENDITURE</b>			
Other expenses	8	34.68	36.16
<b>Total expenses</b>		<u>34.68</u>	<u>36.16</u>
Net loss before tax		(34.68)	(36.16)
Tax expenses:			
Current Tax	-	-	-
Deferred Tax	-	-	-
Net loss after tax		(34.68)	(36.16)
Other comprehensive income for the year		-	-
Total comprehensive income for the year		(34.68)	(36.16)
Earnings per equity share of face value of Rs 10 each.	9		
(a) Basic earning per share (Rs)		(3.47)	(3.62)
(b) Diluted earning per share (Rs)		(3.47)	(3.62)

The accompanying notes 1-10 form an integral part of the financial statements.

As per our report of even date attached  
For PSMS & Co.

Chartered Accountants

Firm's Registration No. 031059N

Mukesh Kumar Thakur  
Partner

Membership No. 095977

UDIN : 23095977 B6YJHN5301

For and on behalf of Board of Directors of  
Sea Bird Securities Private Limited

K.K.Kohli

Director

DIN: 00127337

Hemant Kumar

Director

DIN: 07739437

New Delhi  
24 May 2023

**Sea Bird Securities Private Limited****Statement of Changes in Equity for the year ended 31st March 2023**

(₹ in thousand)

**A EQUITY SHARE CAPITAL****Current Year:**

Balance at the beginning of the current reporting year	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting year	Changes in equity share capital during the current year	Balance at the end of the current reporting year
100.00	-	100.00	-	100.00

**Previous Year:**

Balance at the beginning of the current reporting year	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting year	Changes in equity share capital during the current year	Balance at the end of the current reporting year
100.00	-	100.00	-	100.00

**B OTHER EQUITY**

Particulars	Retained Earnings		Total
<b>As at 31st March 2023</b>			
Balance at the beginning of the 1st April 2022	(407.33)	-	(407.33)
Total Comprehensive income for the year	-	(34.68)	(34.68)
<b>Balance at the end of the 31st March 2023</b>	<b>(407.33)</b>	<b>(34.68)</b>	<b>(442.01)</b>
<b>As at 31st March 2022</b>			
Balance at the beginning of the 1st April 2021	(371.17)	-	(371.17)
Total Comprehensive income for the year	-	(36.16)	(36.16)
<b>Balance at the end of the 31st March 2022</b>	<b>(371.17)</b>	<b>(36.16)</b>	<b>(407.33)</b>

The accompanying notes 1-10 form an integral part of the financial statements.

As per our report of even date attached  
For PSMS & Co.  
Chartered Accountants  
Firm's Registration No. 031059N

For and on behalf of Board of Directors of  
Sea Bird Securities Private Limited

Mukesh Kumar Thakur  
Partner

Membership No. 095977

UDIN : 23095977 BG7JHN 5301

K.K.Kohli

Director

DIN: 00127337

Hemant Kumar

Director

DIN: 07739437

New Delhi

24 May 2023

**Sea Bird Securities Private Limited**  
**Statement of Cash Flows for the year ended 31st March 2023**

	For Year 31st March 2023 (₹ in thousand)	For Year 31st March 2022 (₹ in thousand)
<b>(A) Cash flow from operating activities:</b>		
Net (loss)/profit before tax as per statement of Profit and Loss	(34.68)	(36.16)
Less liability no longer required written back	-	-
<b>Operating profit before working capital changes</b>	<b>(34.68)</b>	<b>(36.16)</b>
Increase/(Decrease) in Trade payables	34.68	36.16
<b>Adjustments for changes in working capital :</b>	<b>34.68</b>	<b>36.16</b>
<b>Cash generated from / (used in) operations</b>	<b>-</b>	<b>-</b>
Income tax (paid) / received	-	-
<b>Net cash from / (used in) operating activities</b>	<b>-</b>	<b>-</b>
<b>(B) Cash flow from investing activities:</b>	<b>-</b>	<b>-</b>
Net cash from / (used in) investing activities	-	-
<b>(C) Cash flow from financing activities:</b>	<b>-</b>	<b>-</b>
Net cash from / (used in) financing activities	-	-
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at beginning of the year	0.44	0.44
Cash and cash equivalents at end of the year	0.44	0.44

**Notes :**

- (1) Closing Cash and cash equivalents comprise :  
Cash in hand

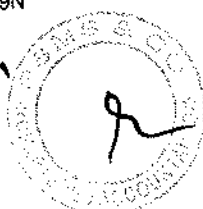
0.44	0.44
<b>0.44</b>	<b>0.44</b>

- (2) The above Cash flow statement has been prepared under the indirect method set out in IND AS-7 notified u/s Companies Act, 2013 .  
(3) Figures in brackets indicate cash outgo.  
(4) Previous Year's figures have been regrouped/re-classified wherever necessary to conform to current year's classification.

The accompanying notes 1-10 form an integral part of the financial statements.

As per our report of even date attached  
For PSMS & Co.  
Chartered Accountants  
Firm's Registration No. 031059N

Mukesh Kumar Thakur  
Partner  
Membership No. 095977  
UDIN : 23095977 BGYTHNS301



For and on behalf of Board of Directors of  
Sea Bird Securities Private Limited

K.K.Kohli  
Director  
DIN: 00127337

Hemant Kumar  
Director  
DIN: 07739437

New Delhi  
24 May 2023

**Sea Bird Securities Private Limited**

Notes to the financial statements for the year ended 31st March 2023

Note No.	Face Value	As at 31st March 2023 (₹ in Units thousand)		As at 31st March 2022 (₹ in Unit thousand)	
<b>2 NON-CURRENT INVESTMENTS</b>					
Investments measured at Cost					
Unquoted, fully paid up					
In Equity Shares of Ultimate Holding Company					
LPJ Holdings Private Limited	10	600	8,100.00	600	8,100.00
<b>Total of Investments measured at Cost</b>			<b>8,100.00</b>		<b>8,100.00</b>
<b>3 CASH AND CASH EQUIVALENTS</b>					
Cash in hand			0.44		0.44
<b>Total cash and cash equivalents</b>			<b>0.44</b>		<b>0.44</b>
<b>4 EQUITY SHARE CAPITAL</b>					
<b>a Authorized Share Capital</b>					
20,00,000 (Previous year 20,00,000) Equity shares of Rs.10/- each.			20,000.00		20,000.00
<b>Total</b>			<b>20,000.00</b>		<b>20,000.00</b>
<b>b Issued, subscribed and paid up capital</b>					
10,000 (Previous year 10,000) Equity shares of 10/- each fully paid up.			100.00		100.00
<b>Total for Issued, subscribed and paid up capital</b>			<b>100.00</b>		<b>100.00</b>

**4.1 Terms/rights attached to Equity Shares:-**

The Company has only one class of Equity Shares having par value of Rs 10/- per share. Each holder of equity share is entitled to one vote per share.

In the event of liquidation of the company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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**Sea Bird Securities Private Limited**

Notes to the financial statements for the year ended 31st March 2023

**4.2 The details of shareholders holding more than 5% shares as at :**

	31st March 2023		31st March 2022	
	No of shares	% held	No of shares	% held
Jagatjit Industries Limited ( Holding Company )	8000	80.00%	8000	80.00%
Hybrid Holdings Private Limited	1900	19.00%	1900	19.00%

**4.3 Reconciliation of the no. of shares outstanding at the beginning and at the end of the reporting year:**

Particulars	31st March 2023		31st March 2022	
	No of shares	(₹ in thousand)	No of shares	(₹ in thousand)
Equity Shares at the beginning of the year	10000	100.00	10000	100.00
Equity Shares at the end of the period	10000	100.00	10000	100.00

**4.4 Shareholding of Promoters as under:-**


Promoter's Name	No. of shares	% of total shares	% change during the year
Jagatjit Industries Limited	7800	78.00%	-
Jagatjit Industries Ltd. J/W Mrs. Shakun Jaiswal	200	2.00%	-
Hybrid Holdings Private Limited	1900	19.00%	-
Fast Buck Investment & Trading Private Limited	100	1.00%	-

**5 OTHER EQUITY****Reserves and Surplus****(a) Retained Earnings**

Opening balance	(407.33)	(371.17)
Add: Total comprehensive Income for the year	(34.68)	(36.16)
Closing balance	(442.01)	(407.33)

**Total for other equity**

(442.01)	(407.33)
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# Sea Bird Securities Private Limited

Notes to the financial statements for the year ended 31st March 2023

Note No.		As at 31st March 2023 (₹ in thousand)	As at 31st March 2022 (₹ in thousand)
<b>6 BORROWINGS</b>			
(Unsecured)			
[ Refer Note no. 1 (E)(i) ]			
Loans and advances from related parties without specifying any terms or period of repayment:			
(a) From related parties:			
-Hybrid Holdings Private Limited		160.00	160.00
-Hyderabad Distillery and Wineries Private Limited		8,100.00	8,100.00
(b) From directors			
-Amarjeet Kapoor		30.00	30.00
<b>Total for borrowings</b>		<b>8,290.00</b>	<b>8,290.00</b>
<b>7 TRADE PAYABLE</b>			
-Total outstanding dues of micro and small enterprises		-	-
-Total outstanding dues of creditors other than micro and small enterprises		152.45	117.77
<b>Total for trade payable</b>		<b>152.45</b>	<b>117.77</b>

## 7.2 Trade Payables ageing from the date of transaction as at 31st March 2023

Particulars	Not due	Outstanding for following periods from due				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-
(iia) Others-billed	-	54.91	29.96	22.55	29.10	136.52
(iib) Others-unbilled	15.93	-	-	-	-	15.93
(iii) Disputed dues-MSME	-	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-	-
<b>Total for current year</b>	<b>15.93</b>	<b>54.91</b>	<b>29.96</b>	<b>22.55</b>	<b>29.10</b>	<b>152.45</b>

## 7.2 Trade Payables ageing from the date of transaction as at 31st March 2022

Particulars	Not due	Outstanding for following periods from due date of payments				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-
(iia) Others-billed	-	29.96	22.55	16.03	13.07	81.61
(iib) Others-unbilled	36.16	-	-	-	-	36.16
(iii) Disputed dues-MSME	-	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-	-
<b>Total for current year</b>	<b>36.16</b>	<b>29.96</b>	<b>22.55</b>	<b>16.03</b>	<b>13.07</b>	<b>117.77</b>
<b>Total for previous year</b>	<b>29.96</b>	<b>22.55</b>	<b>16.03</b>	<b>13.07</b>	<b>-</b>	<b>81.61</b>



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**Sea Bird Securities Private Limited**

Notes to the financial statements for the year ended 31st March 2023

Note No.	Current Year (₹ in thousand)	Previous Year (₹ in thousand)
<b>8 OTHER EXPENSES</b>		
Professional charges	11.63	14.29
Filing fees	2.40	2.40
Auditor's remuneration including taxes:-		
-Statutory audit fees	11.80	10.62
-Limited review fees	8.85	8.85
<b>Total for other expenses</b>	<b>34.68</b>	<b>36.16</b>
<b>9 EARNING PER EQUITY SHARE (EPS)</b>		
Net loss after tax as per statement of profit and loss attributable to equity shareholders	(34.68)	(36.16)
Weighted average number of equity shares	10,000	10,000
(a) Basic earning per share (Rs)	(3.47)	(3.62)
(b) Diluted earning per share (Rs)	(3.47)	(3.62)
Face value per equity share (Rs)	10.00	10.00



10 DISCLOSURE RELATED TO KEY FINANCIAL RATIOS:

Key financial ratios	Numerator	Denominator	For the year ended 31 March, 2023	For the year ended 31 March, 2022	% Variance	Reason for variance exceeding 25% as compared to preceding year
(a) Current ratio (in times)	Current assets	Current liabilities	0.00	0.00	(0.23)	-
(b) Debt-equity ratio (in times)	Total debt	Equity	(24.24)	(26.97)	(0.10)	-
(c) Debt service coverage ratio (in times)	Earnings available for debt service: = Net Profit after taxes + Non cash operating expenses + Interest - Non Cash Income - Profit on sale of Fixed Assets, etc.	Debt service = Interest and lease payments + Principal repayments	-	-	-	Not applicable
(d) Return on equity (in %)	Net profits after taxes	Average shareholder's equity	0.03	0.03	(0.15)	-
(e) Inventory turnover Ratio (in times)	Cost of material consumed + Purchase of stock in-trade	Average inventory	-	-	-	Not applicable
(f) Trade receivables turnover ratio (in times) (refer footnote(i))	Revenue from operation	Average accounts receivable	-	-	-	Not applicable
(g) Trade payables turnover ratio (in times) (refer footnote(ii))	Net credit purchases	Average trade payables	-	-	-	Not applicable
(h) Net capital turnover ratio (in times)	Net sales	Working capital	-	-	-	Not applicable
(i) Net profit ratio (in %)	Net profits after taxes	Net sales	-	-	-	Not applicable
(j) Return on capital employed (in %)	Earning before interest and taxes	Capital employed	(0.00)	(0.00)	(0.04)	-



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## Sea Bird Securities Private Limited

Summary of significant accounting policies and other explanatory information annexed to and forming part of the Balance Sheet as at 31<sup>st</sup> March, 2023

### Note No. 1

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#### (A) Corporate Information

Sea Bird Securities Private Limited ( "the Company" ) is an Indian company incorporated on 15<sup>th</sup> November 2006, vide registration no. U65993PB2006PTC030689. The company is registered with the Registrar of Companies, Chandigarh, and it's registered office is situated at P.O. Jagatjit Nagar-144802, District Kapurthala, Punjab. The Company's main objects are to make investments in securities/funds.

Company's accounts are prepared for the year from 1<sup>st</sup> April, 2022 to 31<sup>st</sup> March 2023 and previous year figures are for the year from 1<sup>st</sup> April 2021 to 31<sup>st</sup> March, 2022.

#### (B) BASIS OF PREPARATION AND PRESENTATION

(a) The Company prepared its financial statements in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read together with Rule 4A of the Companies (Indian Accounting Standards) Rules, 2015 as amended, to the extent applicable, and the presentation requirements of Division II of Schedule III to the Companies Act, 2013.

Company's financial statements are presented in Indian Rupees which is its functional currency.

(b) The Accounts have been prepared on Going Concern Basis. The Company has been suffering business losses for the more than last eleven years and the net working capital of the Company is negative. In the opinion of Management, the company is exploring possibility of generation of business and there is no intention of the management to liquidate the company.

As per the assessment of the management, the going concern assumption is not affected and no material uncertainty exists in this regard in view of the above mentioned factors. The Ind AS Financial Statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting except for certain financial assets and liabilities, which have been measured at fair value as described below and as required by relevant Ind AS.



## Sea Bird Securities Private Limited

Summary of significant accounting policies and other explanatory information annexed to and forming part of the Balance Sheet as at 31<sup>st</sup> March, 2023

### Note No. 1

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#### (C) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### (a) Property, plant and equipment:

Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and arrangements arising from exchange rate variations attributable to the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow the entity and the cost can be measured reliably.

Depreciation on property, plant and equipment is provided using written down value method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Gains or losses arising from derecognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

##### (b) Provisions and Contingencies:

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognized nor disclosed in the financial statements.

##### (c) Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in the comprehensive income or in equity.

## Sea Bird Securities Private Limited

Summary of significant accounting policies and other explanatory information annexed to and forming part of the Balance Sheet as at 31<sup>st</sup> March, 2023

### Note No. 1

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#### (i) Current tax

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

#### ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

#### (d) Revenue recognition

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

Revenue from operations includes sale of goods measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates and excluding taxes or duties collected on behalf of the government.

Interest Income from a financial asset is recognised using effective interest rate method.

Dividend Income from financial assets is recognized when company's right to receive payment is established.

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## Sea Bird Securities Private Limited

Summary of significant accounting policies and other explanatory information annexed to and forming part of the Balance Sheet as at 31<sup>st</sup> March, 2023

### Note No. 1

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#### (e) Financial instruments

##### (I) Financial Assets

##### Initial recognition and measurement:

All financial assets are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition of financial assets, which 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 recognised using trade date accounting.

##### Subsequent measurement:

##### i) Financial assets carried at amortised cost (AC)

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.

##### ii) Financial assets at fair value through other comprehensive income (FVTOCI)

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.

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

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

##### Impairment of financial assets

The Company assesses impairment based on expected credit loss (ECL) model to the following:

Financial assets at amortised cost

Financial assets measured at fair value through Other Comprehensive income

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## Sea Bird Securities Private Limited

Summary of significant accounting policies and other explanatory information annexed to and forming part of the Balance Sheet as at 31<sup>st</sup> March, 2023

### Note No. 1

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The Company follows 'simplified approach' for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Company uses historical loss experience to determine the impairment loss allowance on the portfolio of trade receivables. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

### (II) Financial liabilities

#### Initial recognition and measurement:

All financial liabilities are recognized initially at fair value and in case of loans and borrowings and payables, net of directly attributable cost. Fees of recurring nature are directly recognised in profit or loss as finance cost.

#### Subsequent measurement:

Financial liabilities are subsequently carried at amortized 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.

#### (D) Critical accounting judgements and key sources of estimation uncertainty:

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



## Sea Bird Securities Private Limited

Summary of significant accounting policies and other explanatory information annexed to and forming part of the Balance Sheet as at 31<sup>st</sup> March, 2023

### Note No. 1

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#### i) Estimated useful lives of tangible assets:

Property, plant and equipment are depreciated over the estimated useful lives of the assets, after taking into account their estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation for future periods is adjusted if there are significant changes from previous estimates.

#### ii) Provisions:

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

### (E) NOTES TO THE ACCOUNTS

#### (i) Related Party Disclosures

(a) As per Ind AS-24, the disclosure of transactions with the related parties are given below:

List of related parties where control exists and related parties with whom transactions have taken place and relationship:

S.No.	Name of related party	Relationship
1.	LPJ Holdings Private Limited	Ultimate Holding Company
2.	Jagatjit Industries Limited	Holding Company
3.	Anil Girotra	Director
4.	K K Kohli	Director
5.	Amarjeet Kapoor	Director
6.	Hemant Kumar	Director

(b) Transactions during the year with related parties:

Nil

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## Sea Bird Securities Private Limited

Summary of significant accounting policies and other explanatory information annexed to and forming part of the Balance Sheet as at 31<sup>st</sup> March, 2023

### Note No. 1

(c) Outstanding Balances of the related parties in the books of Company at the year end:

S. No	Name of related party	Nature of outstanding	Current Year (₹ in thousand)	Previous Year (₹ in thousand)
1.	Amarjeet Kapoor	Borrowings	30,000	30,000

### (ii) Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

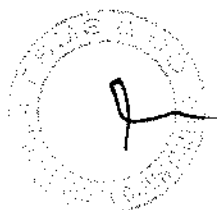
Based on the information available with the Company, the balance due to micro and small enterprises as defined under the MSMED Act, 2006 is Rs. Nil (Previous year Rs. Nil) and no interest has been paid or is payable under the terms of the MSMED Act, 2006.

### (iii) Auditors Remuneration including taxes (₹ in thousand)

S. No	Nature of payments	Current Year (₹ in thousand)	Previous Year (₹ in thousand)
1.	Statutory audit	11.80	10.62
2.	Limited audit review	8.85	8.85
3.	Professional fees	4.13	3.54

(iv) Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification/disclosure.

For and on behalf of the Board of Directors  
Sea Bird Securities Private Limited



K.K.Kohli  
Director  
DIN: 00127337

Hemant Kumar  
Director  
DIN: 07739437

New Delhi  
24 May 2023

**S.R.K. Investments Private Limited**

**Audited Financial Statement  
for the year ended 31<sup>st</sup> March 2023**



**PSMS & Co.**  
**Chartered Accountants**

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## **Independent Auditors' Report**

To the Members of  
**S.R.K. Investments Private Limited**

### **Report on the Financial Statements** **Opinion**

We have audited the accompanying financial statements of **S.R.K. Investments Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and 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 "financials 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 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, 2023, and loss, 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 there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.



## **Key Audit Matters**

Key Audit Matters are not applicable to the company as it is an unlisted company

## **Other Information**

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

## **Management's and Board of Directors' Responsibilities for the Financial Statements**

The Company's management and Board of Directors are 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 state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Board of Directors is also 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 auditors' 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 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 control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Board of Directors.
- 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 entity'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 entity to cease to continue as a going concern.

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

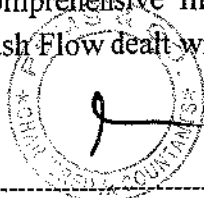
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) 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, Statement of Changes in Equity and the Statement of Cash Flow 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, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.

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

- (a) The Company does not have any pending litigations as at 31 March 2023 which would impact its financial position except as reported in note 1(E)(iii) of the financial statement .
- (b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- (c) There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company.
- (d) (i) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in note 1, if any, 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 persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Company 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, as disclosed in note 1, if any, to the accounts, 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 directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material mis-statement.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, no remuneration has been paid by the Company to its directors during the current year.

New Delhi  
24 May 2023



For PSMS & Co.  
Chartered Accountants  
Firm's Registration No. 031059N

Mukesh Kumar Thakur  
Partner

Membership no.095977

UDIN: 23095977 8643103614

## **Annexure-“A” to the Independent Auditors’ Report**

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of **S.R.K. Investments Private Limited** of even date)

We report that:

- (i) The company does not have any property, plant and equipment, Intangible assets. Accordingly, paragraph 3 (i) of the order is not applicable to the company in respect of property, plant and equipment and intangible assets.
- (ii) According to information and explanations given to us and based on our examination of the records of the company, The company is a investment company. Accordingly it does not hold any physical inventory of goods. Thus, paragraph 3 (ii) of the order is not applicable to the company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments in or provided security to companies, firms, limited liability partnerships or any other parties during the year. The Company has not provided guarantees or granted loans or advances in the nature of loans during the year to firms or limited liability partnerships.

Based on the audit procedures carried out by us and as per the information and explanations given to us, the Company has not granted any loan to other bodies corporates during the year.

Accordingly, paragraph 3 (iii)(b)/(c)/(d)/(e)/(f) of the order is not applicable to the company in respect of repayment of the principal amount and amount overdue. According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, in the case of investments made and loans and advances in the nature of loans given, the repayment of principal amount are, prima facie, not prejudicial to the interest of the company.



- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security as specified under Section 185 of the Companies Act, 2013 ("the Act") and the Company has not provided any security as specified under Section 186 of the Act. Further, in our opinion, the Company has complied with the provisions of Section 186 of the Act in relation to loans given, guarantees provided and investments made.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) According to the information and explanations given to us and on the basis of our examination of the records of the Company:
- (a) in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including GST, Income-Tax and other statutory dues have been regularly deposited by the Company with the appropriate authorities;
- (b) no undisputed amounts payable in respect of goods and service tax, Income-Tax and other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in the repayment of loans or borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has neither availed any type of loan facility from nor has been declared a willful defaulter by any bank or financial institution or government or government authority. Accordingly, clause 3(ix)(b) of the Order is not applicable

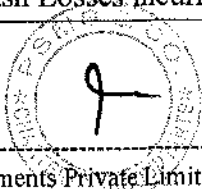


- (c) In our opinion and according to the information and explanations given to us by the management, the company has not availed any term loan facility. Accordingly, clause 3(ix)(c) of the Order is not applicable
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds were raised on short term basis by the Company. Accordingly, clause 3(ix)(d) of the Order is not applicable
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has no subsidiary, Associate or joint venture, as defined in the Act, during the year ended 31 March 2023. Accordingly, clause 3(ix)(e) of the Order is not applicable
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has neither raised loans during the year on the pledge of securities nor it has any subsidiary, as defined in the Act. Accordingly, clause 3(ix)(f) of the Order is not applicable
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in the Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the 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) No whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) Based on information and explanations provided to us and our audit procedures, in our opinion, in accordance of section 138 of the companies Act, the Company is not mandatorily required to have internal audit system. Accordingly, clause 3(xiv)(a)/(b) of the Order is not applicable.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clauses 3(xvi)(a)/(b) of the Order are not applicable.
- (b) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us during the course of audit, the Group does not have any CICs.
- (xvii) The Company has incurred cash losses in the current year and in the immediately preceding financial year.

Particulars	Cash losses in Current Year (₹ in thousand)	Cash losses in Previous Year (₹ in thousand)
Cash Losses incurred	36.24	38.69



- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 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 realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, financial support letter from its holding company, 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 the 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) In our opinion and according to the information and explanations given to us, provisions of section 135 of the Act are not applicable to the company. Accordingly, clauses 3(xx)(a)/(b) of the Order are not applicable.

New Delhi  
24 May 2023



For PSMS & Co.  
Chartered Accountants  
Firm's registration No. 031059N

Mukesh Kumar Thakur  
Partner

Membership no.095977  
UDIN: 230959770673102614

**Annexure-“B” to the Independent Auditors’ Report on the financial statements of S.R.K. Investments Private Limited for the year ended 31st March 2023**

[Referred to in paragraph 2 (A)(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of, **S.R.K. Investments Private Limited** of even date]

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **S.R.K. Investments Private Limited** (“the Company”) as of March 31, 2023 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, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements 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 (the “Guidance Note”).

**Management’s and Board of Directors’ Responsibilities for Internal Financial Controls**

The Company’s management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 the 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.



## **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements were established and maintained and whether 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, 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 judgement, 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 with reference to financial statements.

## **Meaning of Internal Financial Controls with Reference to Financial Statements**

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include 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 authorisation 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 with Reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

New Delhi  
24 May 2023



For PSMS & Co.  
Chartered Accountants  
Firm's registration No. 031059N

Mukesh Kumar Thakur  
Partner

Membership no.095977  
UDIN: 230959773673103614

**S.R.K. Investments Private Limited**

Balance Sheet as at 31st March 2023

	<u>Note No.</u>	<u>As At 31st March 2023 (₹ in thousand)</u>	<u>As At 31st March 2022 (₹ in thousand)</u>
<b>ASSETS</b>			
<b>(1) Current assets</b>			
<b>Financial Assets:</b>			
(i) Cash and cash equivalents	2	5.53	7.09
<b>Total current assets</b>		<u>5.53</u>	<u>7.09</u>
<b>Total Assets</b>		<u>5.53</u>	<u>7.09</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity:</b>			
(a) Equity Share Capital	3	100.00	100.00
(b) Other Equity	4	(501.64)	(465.40)
<b>Total Equity</b>		<u>(401.64)</u>	<u>(365.40)</u>
<b>Liabilities</b>			
<b>(2) Current liabilities</b>			
<b>Financial Liabilities:</b>			
(i) Borrowings	5	307.76	307.76
(ii) Trade payables:-	6		
(A) total outstanding dues of micro and small enterprises and		-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		99.41	64.73
<b>Total current liabilities</b>		<u>407.17</u>	<u>372.49</u>
<b>Total equity and liabilities</b>		<u>5.53</u>	<u>7.09</u>

The accompanying notes 1-10 form an integral part of the financial statements.

As per our report of even date attached  
For PSMS & Co.  
Chartered Accountants  
Firm's Registration No. 031059N

Mukesh Kumar Thakur  
Partner  
Membership No. 095977  
UDIN : 23095977 BG YJH03614

New Delhi  
24 May 2023

For and on behalf of Board of Directors of  
S.R.K. Investments Private Limited

K K Kohli  
Director  
DIN: 00127337

Hemant Kumar  
Director  
DIN: 07739437

**S.R.K. Investments Private Limited**

Statement of Profit and Loss for the year ended 31st March 2023

	Note No.	Current Year (₹ in thousand)	Previous Year (₹ in thousand)
<b>INCOME</b>			
Revenue from operation		-	-
<b>Total income</b>		<b>-</b>	<b>-</b>
<b>EXPENDITURE</b>			
Other expenses	7	36.24	38.69
<b>Total expenses</b>		<b>36.24</b>	<b>38.69</b>
Net loss before tax		(36.24)	(38.69)
Tax expenses:			
Current Tax	-	-	-
Income tax for previous year	-	(144.93)	-
Minimum alternate tax credit entitlement	-	144.93	-
Deferred Tax	-	-	-
Net loss after tax		(36.24)	(38.69)
Other comprehensive income for the year		-	-
Total comprehensive income for the year		(36.24)	(38.69)
Earnings per equity share of face value of Rs 10 each.	8		
(a) Basic earning per share (Rs)		(3.62)	(3.87)
(b) Diluted earning per share (Rs)		(3.62)	(3.87)

The accompanying notes 1-10 form an integral part of the financial statements.

As per our report of even date attached  
For PSMS & Co.  
Chartered Accountants  
Firm's Registration No. 031059N

Mukesh Kumar Thakur  
Partner  
Membership No. 095977  
UDIN : 230959773645103619



New Delhi  
24 May 2023

For and on behalf of Board of Directors of  
S.R.K. Investments Private Limited

K K Kohli  
Director  
DIN: 00127337

Hemant Kumar  
Director  
DIN: 07739437

**S.R.K. Investments Private Limited****Statement of Changes in Equity for the year ended 31st March 2023**

(₹ in thousand)

**A EQUITY SHARE CAPITAL****Current Year:**

Balance at the beginning of the current reporting year	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting year	Changes in equity share capital during the current year	Balance at the end of the current reporting year
100.00	-	100.00	-	100.00

**Previous Year:**

Balance at the beginning of the current reporting year	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting year	Changes in equity share capital during the current year	Balance at the end of the current reporting year
100.00	-	100.00	-	100.00

**B OTHER EQUITY**

Particulars	Retained Earnings		Total
<b>As at 31st March 2023</b>			
Balance at the beginning of the 1st April 2022	(465.40)	-	(465.40)
Total Comprehensive income for the year	-	(36.24)	(36.24)
<b>Balance at the end of the 31st March 2023</b>	<b>(465.40)</b>	<b>(36.24)</b>	<b>(501.64)</b>
<b>As at 31st March 2022</b>			
Balance at the beginning of the 1st April 2021	(426.71)	-	(426.71)
Total Comprehensive income for the year	-	(38.69)	(38.69)
<b>Balance at the end of the 31st March 2022</b>	<b>(426.71)</b>	<b>(38.69)</b>	<b>(465.40)</b>

The accompanying notes 1-10 form an integral part of the financial statements.



**S.R.K. Investments Private Limited****Statement of Cash Flows for the year ended 31st March 2023**

Amount in Rupees

	Year 31st March 2023 (₹ in thousand)	Year Ended 31st March 2022 (₹ in thousand)
<b>(A) Cash flow from operating activities:</b>		
Net loss before tax	(36.24)	(38.69)
Operating profit before working capital changes	(36.24)	(38.69)
Increase/(Decrease) in Trade payables	34.69	15.21
Adjustments for changes in working capital :	34.69	15.21
Cash generated from / (used in) operations	(1.55)	(23.48)
Income tax (paid) / received	-	-
Net cash from / (used in) operating activities	(1.55)	(23.48)
<b>(B) Cash flow from Investing activities:</b>		
Net cash from / (used in) investing activities	-	-
<b>(C) Cash flow from financing activities:</b>		
Net cash from / (used in) financing activities	-	-
Net Increase/(Decrease) in Cash & Cash Equivalents	(1.55)	(23.48)
Cash and cash equivalents at beginning of the year	7.09	30.57
Cash and cash equivalents at end of the year	5.54	7.09
	(1.55)	(23.48)

**Notes :**

(1) Closing Cash and cash equivalents comprise :

Cash in hand	0.43	0.43
Balance with Scheduled Banks:		
- in Current Accounts	5.11	6.66
	5.54	7.09

(2) The above Cash flow statement has been prepared under the indirect method set out in IND AS-7 notified Companies Act, 2013

(3) Figures in brackets indicate cash outgo.

(4) Previous Year's figures have been regrouped/re-classified wherever necessary to conform to current year's classification.

The accompanying notes 1-10 form an integral part of the financial statements.

As per our report of even date attached  
For PSMS & Co.  
Chartered Accountants  
Firm's Registration No. 031059N

Mukesh Kumar Thakur  
Partner  
Membership No. 095977  
UDIN : 2304597713445103614



For and on behalf of Board of Directors of  
S.R.K. Investments Private Limited

K K Kohli  
Director  
DIN: 00127337

Hemant Kumar  
Director  
DIN: 07739437

New Delhi  
24 May 2023

**S.R.K. Investments Private Limited****Notes to the financial statements for the year ended 31st March 2023**

<b>Note No.</b>	<b>As at 31st March 2023 (₹ in thousand)</b>	<b>As at 31st March 2022 (₹ in thousand)</b>
<b>2 CASH AND CASH EQUIVALENTS</b>		
Cash in hand	0.43	0.43
Balance with bank -in Canara Bank-0307201055708	5.11	6.66
<b>Total cash and cash equivalents</b>	<b>5.53</b>	<b>7.09</b>
<b>3 EQUITY SHARE CAPITAL</b>		
20,00,000 (Previous year 20,00,000) Equity shares of Rs 10/- each.	20,000.00	20,000.00
<b>Total</b>	<b>20,000.00</b>	<b>20,000.00</b>
<b>b Issued, subscribed and paid up capital</b>		
10,000 (Previous year 10,000) Equity shares of Rs.10/- each fully paid up.	100.00	100.00
<b>Total issued, subscribed and paid up capital</b>	<b>100.00</b>	<b>100.00</b>

**3.1 Terms/rights attached to Equity Shares:-**

The Company has only one class of Equity Shares having par value of Rs 10/- per share. Each holder of equity share is entitled to one vote per share.

In the event of liquidation of the company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**3.2 The details of Shareholders holding more than 5% shares :**

	<b>% held</b>	<b>No. of Shares</b>	<b>% held</b>	<b>No. of Shares</b>
Jagatjit Industries Limited	98%	9,800	98%	9,800
Jagatjit Industries Limited J/w Ms.Shakun Jaiswal	2%	200	2%	200

**3.3 Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year:**

<b>Particulars</b>	<b>No. of Shares</b>	<b>No. of Shares</b>
Equity Shares at the beginning of the year	10,000	10,000
Equity Shares at the end of the period	10,000	10,000



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**S.R.K. Investments Private Limited**

Notes to the financial statements for the year ended 31st March 2023

Note No.	As at 31st March 2023 (₹ in thousand)	As at 31st March 2022 (₹ in thousand)
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**3.4 Shareholding of Promoters as under:-**

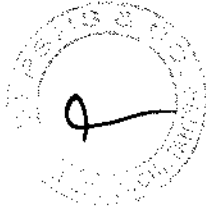
Promoter's Name	No. of Shares	% of total shares	% change during the year
Jagatjit Industries Limited	9800	98.00%	-
Jagatjit Industries Limited J/w Ms.Shakun Jaiswal	200	2.00%	-

**4 OTHER EQUITY****Reserves and Surplus****Retained Earnings**

Opening balance	(465.40)	(426.71)
Add: total comprehensive income for the year	(36.24)	(38.69)
Closing balance	(501.64)	(465.40)

**Total other equity**

<b>(501.64)</b>	<b>(465.40)</b>
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**S.R.K. Investments Private Limited**

Notes to the financial statements for the year ended 31st March 2023

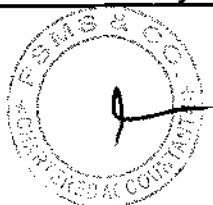
Note No.	As at 31st March 2023 (₹ in thousand)	As at 31st March 2022 (₹ in thousand)
<b>5 BORROWINGS</b>		
(Unsecured)		
[ Refer item no. E(i) of Note 1 ]		
Loans and advances from related parties without specifying any terms or period of repayment:		
<b>From structured entities:</b>		
-Ashwa Buildcon Limited	307.76	307.76
<b>Total for borrowings</b>	<b>307.76</b>	<b>307.76</b>
<b>6 TRADE PAYABLE</b>		
-Total outstanding dues of micro and small enterprises	-	-
-Total outstanding dues of creditors other than micro and small enterprises	99.41	64.73
<b>Total for trade payables</b>	<b>99.41</b>	<b>64.73</b>

**6.1 Trade Payables ageing from the date of transaction as at 31st March 2023**

Particulars	Not due	Outstanding for following periods from due date				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-
(iia) Others-billed	-	48.76	15.16	9.44	10.12	83.48
(iib) Others-unbilled	15.93	-	-	-	-	15.93
(iii) Disputed dues-MSME	-	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-	-
<b>Total for current year</b>	<b>15.93</b>	<b>48.76</b>	<b>15.16</b>	<b>9.44</b>	<b>10.12</b>	<b>99.41</b>

**6.1 Trade Payables ageing from the date of transaction as at 31st March 2022**

Particulars	Not due	Outstanding for following periods from due date of payments				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-
(iia) Others-billed	-	15.16	9.44	8.25	1.87	34.72
(iib) Others-unbilled	30.01	-	-	-	-	30.01
(iii) Disputed dues-MSME	-	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-	-
<b>Total for current year</b>	<b>30.01</b>	<b>15.16</b>	<b>9.44</b>	<b>8.25</b>	<b>1.87</b>	<b>64.73</b>



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**S.R.K. Investments Private Limited**

Notes to the financial statements for the year ended 31st March 2023

Note No.	As at 31st March 2023 (₹ in thousand)	As at 31st March 2022 (₹ in thousand)
<b>7 OTHER EXPENSES</b>		
Professional charges	11.63	13.54
Filing fees	2.40	5.10
Bank charges	1.56	0.18
Delayd charges for payment of taxes	-	0.40
Auditor's remuneration including taxes:-		
-Statutory audit fees	11.80	10.62
-Limited review fees	8.85	8.85
<b>Total for other expenses</b>	<b>36.24</b>	<b>38.69</b>
<b>8 EARNING PER EQUITY SHARE (EPS)</b>		
Net loss after tax as per Statement of Profit and Loss attributable to equity shareholders	(36.24)	(38.69)
Weighted average number of Equity Shares	10,000	10,000
(a) Basic earning per share (Rs)	(3.62)	(3.87)
(b) Diluted earning per share (Rs)	(3.62)	(3.87)
Face value per equity share (Rs)	10	10



**S.R.K. Investments Private Limited**

Notes to the financial statements for the year ended 31st March 2023

**9 DISCLOSURE RELATED TO KEY FINANCIAL RATIOS:**

Key financial ratios	Numerator	Denominator	For the year ended 31 March, 2023	For the year ended 31 March, 2022	% Variance	Reason for variance exceeding 25% as compared to preceding year
(a) Current ratio (in times)	Current assets	Current liabilities	0.01	0.02	(0.29)	-
(b) Debt-equity ratio (in times)	Total debt	Equity	(0.77)	(0.84)	(0.09)	-
(c) Debt service coverage ratio (in times)	Earnings available for debt service: = Net Profit after taxes + Non cash operating expenses + Interest - Non Cash Income- Profit on sale of Fixed Assets, etc.	Debt service = Interest and lease payments + Principal repayments	-	-	-	Not applicable
(d) Return on equity (in %)	Net profits after taxes	Average shareholder's equity	0.02	0.03	(0.15)	-
(e) Inventory turnover Ratio (in times)	Cost of material consumed + Purchase of stock - in - trade	Average inventory	-	-	-	Not applicable
(f) Trade receivables turnover ratio (in times) (refer footnote(i))	Revenue from operation	Average accounts receivable	-	-	-	Not applicable
(g) Trade payables turnover ratio (in times) (refer footnote(ii))	Net credit purchases	Average trade payables	-	-	-	Not applicable
(h) Net capital turnover ratio (in times)	Net sales	Working capital	-	-	-	Not applicable
(i) Net profit ratio (in %)	Net profits after taxes	Net sales	-	-	-	Not applicable
(j) Return on capital employed (in %)	Earning before interest and taxes	Capital employed	0.12	0.25	(0.53)	-



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## **S.R.K. Investments Private Limited**

**Summary of significant accounting policies and other explanatory information annexed to and forming part of the Balance Sheet as at 31<sup>st</sup> March, 2023**

### **Note No. 1**

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#### **(A) Corporate Information**

S.R.K. Investments Private Limited ( "the Company" ) is an Indian company incorporated on June 29, 2009, vide registration no.U65999DL2009PTC191718 .The company is registered with the Registrar of Companies, Delhi and it's registered office is situated at 5th Floor, Bhandari House, 91, Nehru Place, New Delhi-110019. The Company's main objects are to invest or trade in financial securities.

Company's accounts are prepared for the year from 1<sup>st</sup> April, 2022 to 31<sup>st</sup> March 2023 and previous year figures are for the year from 1<sup>st</sup> April 2021 to 31<sup>st</sup> March, 2022.

#### **(B) BASIS OF PREPARATION AND PRESENTATION**

(a) The Company prepared its financial statements in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read together with Rule 4A of the Companies (Indian Accounting Standards) Rules, 2015 as amended, to the extent applicable, and the presentation requirements of Division II of Schedule III to the Companies Act, 2013.

Company's financial statements are presented in Indian Rupees which is its functional currency.

(b) The Accounts have been prepared on Going Concern Basis. The Company has been suffering business losses for the more than last ten years and the net working capital of the Company is negative. During the year March 31, 2023, Company suffered net loss of Rs 36.24 thousand. In the opinion of Management, the company is exploring possibility of generation of business and there is no intention of the management to liquidate the company.

As per the assessment of the management, the going concern assumption is not affected and no material uncertainty exists in this regard in view of the above mentioned factors. The Ind AS Financial Statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting except for certain financial assets and liabilities, which have been measured at fair value as described below and as required by relevant Ind AS.

#### **(C) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **(a) Property, plant and equipment:**

Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and arrangements arising from exchange rate variations attributable to the assets.

## S.R.K. Investments Private Limited

Summary of significant accounting policies and other explanatory information annexed to and forming part of the Balance Sheet as at 31<sup>st</sup> March, 2023

### Note No. 1

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Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow the entity and the cost can be measured reliably.

Depreciation on property, plant and equipment is provided using written down value method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Gains or losses arising from derecognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

#### (b) Provisions and Contingencies:

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognized nor disclosed in the financial statements.

#### (c) Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in the comprehensive income or in equity.

##### (i) Current tax

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



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## S.R.K. Investments Private Limited

Summary of significant accounting policies and other explanatory information annexed to and forming part of the Balance Sheet as at 31<sup>st</sup> March, 2023

### Note No. 1

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#### ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

#### (d) Revenue recognition

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

Revenue from operations includes sale of goods measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates and excluding taxes or duties collected on behalf of the government.

Interest Income from a financial asset is recognised using effective interest rate method.

Dividend Income from financial assets is recognized when company's right to receive payment is established.

#### (e) Financial instruments

##### (I) Financial Assets

##### Initial recognition and measurement:

All financial assets are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition of financial assets, which 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 recognised using trade date accounting.



A handwritten signature, possibly 'H. S. R.', written in dark ink.

## S.R.K. Investments Private Limited

Summary of significant accounting policies and other explanatory information annexed to and forming part of the Balance Sheet as at 31<sup>st</sup> March, 2023

### Note No. 1

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#### Subsequent measurement:

##### i) Financial assets carried at amortised cost (AC)

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.

##### ii) Financial assets at fair value through other comprehensive income (FVTOCI)

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.

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

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

#### Impairment of financial assets

The Company assesses impairment based on expected credit loss (ECL) model to the following:

Financial assets at amortised cost

Financial assets measured at fair value through Other Comprehensive income

The Company follows 'simplified approach' for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Company uses historical loss experience to determine the impairment loss allowance on the portfolio of trade receivables. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed.



4

## **S.R.K. Investments Private Limited**

### **Summary of significant accounting policies and other explanatory information annexed to and forming part of the Balance Sheet as at 31<sup>st</sup> March, 2023**

#### **Note No. 1**

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For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

#### **(II) Financial liabilities**

##### **Initial recognition and measurement:**

All financial liabilities are recognized initially at fair value and in case of loans and borrowings and payables, net of directly attributable cost. Fees of recurring nature are directly recognised in profit or loss as finance cost.

##### **Subsequent measurement:**

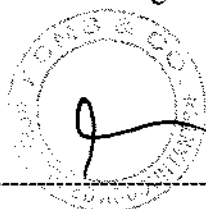
Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

#### **(D) Critical accounting judgements and key sources of estimation uncertainty:**

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

##### **i) Estimated useful lives of tangible assets:**

Property, plant and equipment are depreciated over the estimated useful lives of the assets, after taking into account their estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation for future periods is adjusted if there are significant changes from previous estimates.



4/10/23

## S.R.K. Investments Private Limited

Summary of significant accounting policies and other explanatory information annexed to and forming part of the Balance Sheet as at 31<sup>st</sup> March, 2023

### Note No. 1

#### ii) Provisions:

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

### (E) NOTES TO THE ACCOUNTS

#### (i) Related Party Disclosures

(a) As per Ind AS-24, the disclosure of transactions with the related parties are given below:

List of related parties where control exists and related parties with whom transactions have taken place and relationship:

S. No.	Name of related party	Relationship
1.	Jagatjit Industries Limited	Holding Company
2.	K K Kohli	Director
3.	Hemant Kumar	Director
4.	Amit Pratap Singh	Director
5.	Ashwa Buildcon Limited	Group company under same management

(b) Transactions during the year with related parties: Nil

(c) Outstanding Balances of the related parties in the books of Company at the year end:

S.No	Name of related party	Nature of outstanding	Current Year (₹ in thousand)	Previous Year (₹ in thousand)
2.	Ashwa Buildcon Limited	Borrowings-current	307.76	307.76



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## S.R.K. Investments Private Limited

Summary of significant accounting policies and other explanatory information annexed to and forming part of the Balance Sheet as at 31<sup>st</sup> March, 2023

### Note No. 1

#### (ii) Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

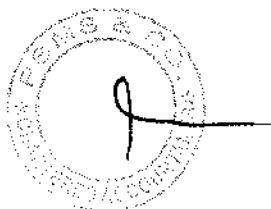
Based on the information available with the Company, the balance due to micro and small enterprises as defined under the MSMED Act, 2006 is Rs. Nil (Previous year Rs. Nil) and no interest has been paid or is payable under the terms of the MSMED Act, 2006.

- (iii) The Company has filed suit for recovery of advance of Rs 29.706 crore, advanced for purchase of flat at City of Mumbai, Maharashtra, India to M/s Orbit Corporation Limited (Developer), in the High Court of Judicature at Bombay on 12.06-2018. The said advance has been written off in financial year 2019-20 as management was of view, based on the progress of the suit and company's liquidation proceedings, the recovery of said capital advance is very remote and unrealisable. The suit is still pending before the appropriate authority.

#### (iv) Auditors Remuneration including taxes


S.No	Nature of payments	Current Year (₹ in thousand)	Previous Year (₹ in thousand)
1.	Statutory audit	11.80	10.62
2.	Limited audit review	8.85	8.85
3.	Professional fees	4.130	3.54

- (v) Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification/disclosure.



For and on behalf of the Board of Directors  
S.R.K. Investments Private Limited

  
K K Kohli  
Director  
DIN: 00127337

  
Hemant Kumar  
Director  
DIN: c07739437

New Delhi  
24 May 2023

**JIL Trading Private Limited**

**Audited Financial Statement  
for the year ended 31<sup>st</sup> March 2023**



**PSMS & Co.**  
**Chartered Accountants**

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## **Independent Auditors' Report**

To the Members of  
**JIL Trading Private Limited**

### **Report on the Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of **JIL Trading Private Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2023, and 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 "financials 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 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 31<sup>st</sup> March, 2023, and loss, 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 there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.



## **Key Audit Matters**

Key Audit Matters are not applicable to the company as it is an unlisted company

## **Other Information**

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

## **Management's and Board of Directors' Responsibilities for the Financial Statements**

The Company's management and Board of Directors are 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 state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

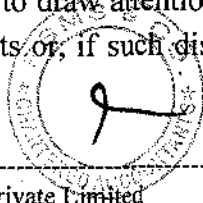
The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **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 auditors' 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 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 control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Board of Directors.
- 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 entity'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 entity to cease to continue as a going concern.

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

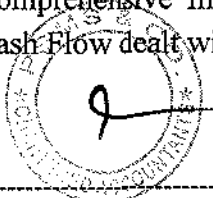
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

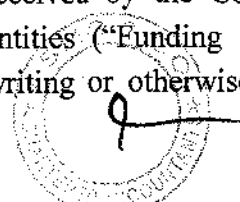
1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required 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, Statement of Changes in Equity and the Statement of Cash Flow 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, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.

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

- (a) The Company does not have any pending litigations as at 31<sup>st</sup> March, 2023 which would impact its financial position.
- (b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- (c) There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company.
- (d) (i) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in note 1, if any, 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 persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Company 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, as disclosed in note 1, if any, to the accounts, 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 directly or indirectly, lend or



invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material mis-statement.

- (C) With respect to the matter to be included in the Auditors' Report under section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, no remuneration has been paid by the Company to its directors during the current year.

For PSMS & Co.  
Chartered Accountants  
Firm's Registration No. 031059N



New Delhi  
24 May 2023

Mukesh Kumar Thakur  
Partner

Membership no.095977  
UDIN: 23095977036431105055



## **Annexure-“A” to the Independent Auditors’ Report**

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of **JIL Trading Private Limited** of even date)

We report that:

- (i) The company does not have any property, plant and equipment, Intangible assets. Accordingly, paragraph 3 (i) of the order is not applicable to the company in respect of property, plant and equipment and intangible assets.
- (ii) According to information and explanations given to us and based on our examination of the records of the company, the company has not made any business during the year. Thus, it does not have any physical inventory during the year under review. Thus, paragraph 3 (ii) of the order is not applicable to the company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments in or provided security to companies, firms, limited liability partnerships or any other parties during the year. The Company has not provided guarantees or granted loans or advances in the nature of loans during the year to firms or limited liability partnerships.

Based on the audit procedures carried out by us and as per the information and explanations given to us, the Company has not granted any loan to other bodies corporates during the year.

Accordingly, paragraph 3 (iii)(b)/(c)/(d)/(e)/(f) of the order is not applicable to the company in respect of repayment of the principal amount and amount overdue. According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, in the case of investments made and loans and advances in the nature of loans given, the repayment of principal amount are, prima facie, not prejudicial to the interest of the company.

- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security as specified under Section 185 of the Companies Act, 2013 (“the Act”) and the Company has not provided any security as specified under Section 186 of the Act. Further, in our opinion, the Company has complied with the provisions of Section 186 of the Act in relation to loans given, guarantees provided and investments made.



- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) According to the information and explanations given to us and on the basis of our examination of the records of the Company:
- (a) in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including GST, Income-Tax and other statutory dues have been regularly deposited by the Company with the appropriate authorities.
- (b) no undisputed amounts payable in respect of goods and service tax, Income-Tax and other statutory dues were in arrears as at 31<sup>st</sup> March, 2023 for a period of more than six months from the date they became payable.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in the repayment of loans or borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has neither availed any type of loan facility from nor has been declared a willful defaulter by any bank or financial institution or government or government authority. Accordingly, clause 3(ix)(b) of the Order is not applicable
- (c) In our opinion and according to the information and explanations given to us by the management, the company has not availed any term loan facility. Accordingly, clause 3(ix)(c) of the Order is not applicable



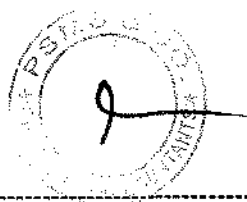
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds were raised on short term basis by the Company. Accordingly, clause 3(ix)(d) of the Order is not applicable
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has no subsidiary, Associate or joint venture, as defined in the Act, during the year ended 31<sup>st</sup> March, 2023. Accordingly, clause 3(ix)(e) of the Order is not applicable
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has neither raised loans during the year on the pledge of securities nor it has any subsidiary, as defined in the Act. Accordingly, clause 3(ix)(f) of the Order is not applicable
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in the Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the 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) No whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.



- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) Based on information and explanations provided to us and our audit procedures, in our opinion, in accordance of section 138 of the companies Act, the Company is not mandatorily required to have internal audit system. Accordingly, clause 3(xiv)(a)/(b) of the Order is not applicable.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clauses 3(xvi)(a)/(b) of the Order are not applicable.
- (b) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us during the course of audit, the Group does not have any CICs.
- (xvii) The Company has incurred cash losses in the current year and in the immediately preceding financial year.

Particulars	Cash Losses Current Year (₹ in thousand)	Cash losses Previous Year (₹ in thousand)
Cash Losses incurred	34.93	35.93

- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 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 realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, financial support letter from its holding company, 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 the 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) In our opinion and according to the information and explanations given to us, provisions of section 135 of the Act are not applicable to the company. Accordingly, clauses 3(xx)(a)/(b) of the Order are not applicable.

New Delhi  
24 May 2023



For PSMS & Co.  
Chartered Accountants  
Firm's registration No. 031059N

Mukesh Kumar Thakur  
Partner

Membership no.095977  
UDIN: 23095977B6Y3HQ5055

**Annexure-“B” to the Independent Auditors’ Report on the financial statements of JIL Trading Private Limited for the year ended 31<sup>st</sup> March, 2023**

[Referred to in paragraph 2 (A)(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of, JIL Trading Private Limited of even date]

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **JIL Trading Private Limited** (“the Company”) as of 31<sup>st</sup> March, 2023 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, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31<sup>st</sup> March, 2023, based on the internal financial controls with reference to financial statements 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 (the “Guidance Note”).

**Management’s and Board of Directors’ Responsibilities for Internal Financial Controls**

The Company’s management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 the 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.



## **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements were established and maintained and whether 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, 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 judgement, 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 with reference to financial statements.

## **Meaning of Internal Financial Controls with Reference to Financial Statements**

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include 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 authorisation 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 with Reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

New Delhi  
24 May 2023



For PSMS & Co.  
Chartered Accountants  
Firm's registration No. 031059N

Mukesh Kumar Thakur  
Partner

Membership no.095977  
UDIN: 23095977B6YJH2S055



**JIL Trading Private Limited**  
**Balance Sheet as at 31st March 2023**

	<u>Note No.</u>	<u>As At 31st March 2023 (₹ in thousand)</u>	<u>As At 31st March 2022 (₹ in thousand)</u>
<b>ASSETS</b>			
<b>(1) Current assets</b>			
<b>Financial Assets:</b>			
(i) Cash and cash equivalents	2	433.04	209.23
<b>Total current assets</b>		<u>433.04</u>	<u>209.23</u>
<b>Total Assets</b>		<u>433.04</u>	<u>209.23</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity:</b>			
(a) Equity Share Capital	3	100.00	100.00
(b) Other Equity	4	(1,039.73)	(1,004.74)
<b>Total Equity</b>		<u>(939.73)</u>	<u>(904.74)</u>
<b>Liabilities</b>			
<b>(1) Non-current liabilities</b>			
<b>Financial Liabilities:</b>			
(i) Borrowings	5	1,000.49	1,021.42
<b>Total non-current liabilities</b>		<u>1,000.49</u>	<u>1,021.42</u>
<b>(2) Current liabilities</b>			
<b>Financial Liabilities:</b>			
(i) Trade payables	6	-	-
(A) total outstanding dues of micro and small enterprises and		-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		295.98	65.81
(ii) Other financial liabilities	7	76.30	26.74
<b>Total current liabilities</b>		<u>372.28</u>	<u>92.55</u>
<b>Total equity and liabilities</b>		<u>433.04</u>	<u>209.23</u>

The accompanying notes 1-11 form an integral part of the financial statements.

As per our report of even date attached  
For PSMS & Co.  
Chartered Accountants  
Firm's Registration No. 031059N

Mukesh Kumar Thakur  
Partner  
Membership No. 095977  
UDIN : 230959773643HQ5055

New Delhi  
24 May 2023

For and on behalf of Board of Directors of  
JIL Trading Private Limited

Hemant Kumar  
Director  
DIN: 07739437

Neelam Tyagi  
Director  
DIN: 01572157

**JIL Trading Private Limited****Statement of Profit and Loss for the year ended 31st March 2023**


	<u>Note No.</u>	<u>Current Year (₹ in thousand)</u>	<u>Previous Year (₹ in thousand)</u>
<b>INCOME</b>			
Other income	8	0.09	-
<b>Total income</b>		<b>0.09</b>	<b>-</b>
<b>EXPENDITURE</b>			
Other expenses	9	35.08	35.93
<b>Total expenses</b>		<b>35.08</b>	<b>35.93</b>
Net loss before tax		(34.99)	(35.93)
Tax expenses:			
Current Tax	-	-	-
Deferred Tax	-	-	-
Net loss after tax		(34.99)	(35.93)
Other comprehensive income for the year		-	-
Total comprehensive income for the year		(34.99)	(35.93)
Earnings per equity share of face value of Rs 10 each.	10		
(a) Basic earning per share (Rs)		(3.50)	(2.49)
(b) Diluted earning per share (Rs)		(3.50)	(2.49)

The accompanying notes 1-11 form an integral part of the financial statements.

As per our report of even date attached  
For PSMS & Co.

Chartered Accountants

Firm's Registration No. 031059N

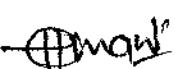
  
Mukesh Kumar Thakur  
Partner


Membership No. 095977

UDIN : 23095977 BG4JH25055



For and on behalf of Board of Directors of  
JIL Trading Private Limited

  
Hemant Kumar  
Director  
DIN: 07739437

  
Neelam Tyagi  
Director  
DIN: 01572157

New Delhi  
24 May 2023

**JIL Trading Private Limited**  
**Statement of Changes in Equity for the year ended 31st March 2023**

(₹ in thousand)

**A EQUITY SHARE CAPITAL**

**Current Year:**

Balance at the beginning of the current reporting year	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting year	Changes in equity share capital during the current year	Balance at the end of the current reporting year
100.00	-	100.00	-	100.00

**Previous Year:**

Balance at the beginning of the current reporting year	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting year	Changes in equity share capital during the current year	Balance at the end of the current reporting year
100.00	-	100.00	-	100.00

**B OTHER EQUITY**

Particulars	Retained Earnings		Total
<b>As at 31st March 2022</b>			
Balance at the beginning of the 1st April 2022	(1,004.75)	-	(1,004.75)
Total Comprehensive income for the year	-	(34.99)	(34.99)
<b>Balance at the end of the 31st March 2023</b>	<b>(1,004.75)</b>	<b>(34.99)</b>	<b>(1,039.74)</b>
<b>As at 31st March 2022</b>			
Balance at the beginning of the 1st April 2021	(968.82)	-	(968.82)
Total Comprehensive income for the year	-	(35.93)	(35.93)
<b>Balance at the end of the 31st March 2022</b>	<b>(968.82)</b>	<b>(35.93)</b>	<b>(1,004.75)</b>

The accompanying notes 1-11 form an integral part of the financial statements.

As per our report of even date attached  
For PSMS & Co.  
Chartered Accountants  
Firm's Registration No. 031059N

For and on behalf of Board of Directors of  
JIL Trading Private Limited

Mukesh Kumar Thakur  
Partner  
Membership No. 095977  
UDIN : 2309597706443465055



Hemant Kumar  
Director  
DIN: 07739437

Neelam Tyagi  
Director  
DIN: 01572157

New Delhi  
24 May 2023

**JIL Trading Private Limited**  
**Statement of Cash Flows for the year ended 31st March 2023**

	Year Ended 31st March 2023 (₹ in thousand)	Year Ended 31st March 2022 (₹ in thousand)
<b>(A) Cash flow from operating activities:</b>		
Net loss before tax as per statement of profit and loss	(34.99)	(35.93)
<b>Operating profit before working capital changes</b>	<b>(34.99)</b>	<b>(35.93)</b>
Increase/(Decrease) in trade payables	230.17	(438.62)
Increase/(Decrease) in other financial liabilities	49.56	(47.21)
<b>Adjustments for changes in working capital :</b>	<b>279.73</b>	<b>(485.83)</b>
<b>Cash generated from / (used in) operations</b>	<b>244.74</b>	<b>(521.76)</b>
Income tax (paid) / received	-	-
<b>Net cash from / (used in) operating activities</b>	<b>244.74</b>	<b>(521.76)</b>
<b>(B) Cash flow from Investing activities:</b>		
Net cash from / (used in) investing activities	-	-
<b>(C) Cash flow from financing activities:</b>		
Repayment of borrowings from holding company	(20.93)	528.56
<b>Net cash from / (used in) financing activities</b>	<b>(20.93)</b>	<b>528.56</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>223.81</b>	<b>6.80</b>
Cash and cash equivalents at beginning of the year	209.22	202.42
Cash and cash equivalents at end of the year	433.03	209.22
	<b>223.81</b>	<b>6.80</b>

**Notes :**

(1) Closing Cash and cash equivalents comprise :

Cash in hand	0.30	0.30
Balance with Scheduled Banks:		
- in Current Accounts	432.74	208.93
	<b>433.03</b>	<b>209.22</b>

(2) The above Cash flow statement has been prepared under the indirect method set out in IND AS-7 notified u/s 133 of the Companies Act, 2013

(3) Figures in brackets indicate cash outgo.

(4) Previous Year's figures have been regrouped/re-classified wherever necessary to conform to current year's classification.

The accompanying notes 1-11 form an integral part of the financial statements.

As per our report of even date attached  
For PSMS & Co.  
Chartered Accountants  
Firm's Registration No. 031059N

Mukesh Kumar Thakur  
Partner  
Membership No. 095977  
UDIN :

New Delhi  
24 May 2023



For and on behalf of Board of Directors of  
JIL Trading Private Limited

Hemant Kumar  
Director  
DIN: 07739437

Neelam Tyagi  
Director  
DIN: 01572157

**JIL Trading Private Limited**

Notes to the financial statements for the year ended 31st March 2023

Note No.	As at 31st March 2023 (₹ in thousand)	As at 31st March 2022 (₹ in thousand)
<b>2 CASH AND CASH EQUIVALENTS</b>		
Cash in hand	0.30	0.30
Balance with bank -in Canara Bank-03207201055741	432.74	208.93
<b>Total cash and cash equivalents</b>	<b>433.04</b>	<b>209.23</b>
<b>3 EQUITY SHARE CAPITAL</b>		
<b>a Authorized Share Capital</b>		
10,000 (10,000) Equity shares of Rs 10/- each	100.00	100.00
<b>Total</b>	<b>100.00</b>	<b>100.00</b>
<b>b Issued, subscribed and paid up capital</b>		
10,000 (10,000) Equity shares of Rs 10/- each fully paid up	100.00	100.00
<b>Total for Issued, subscribed and paid up capital</b>	<b>100.00</b>	<b>100.00</b>

**3.1 Terms/rights attached to Equity Shares:-**

The Company has only one class of Equity Shares having par value of Rs 10/- per share. Each holder of equity share is entitled to one vote per share.

In the event of liquidation of the company, the holders of Equity Shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**3.2 The details of shareholders holding more than 5% shares as at :**

	As at 31st March 2023		As at 31st March 2022	
	No of shares	% held	No of shares	% held
Jagatjit Industries Limited	9,999	99.99%	9,999	99.99%
Jagatjit Industries Limited J/w Ms. Shakun Jaiswal	1	0.01%	1	0.01%

**3.3 Reconciliation of the no. of shares outstanding at the beginning and at the end of the reporting year:**

Particulars	As at 31st March 2023		As at 31st March 2022	
	No of shares	Amount	No of shares	Amount
Equity Shares at the beginning of the year	10,000	100.00	10,000	100.00
Equity Shares at the end of the period	10,000	100.00	10,000	100.00



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**JIL Trading Private Limited**

Notes to the financial statements for the year ended 31st March 2023

Note No.	As at 31st March 2023 (₹ in thousand)	As at 31st March 2022 (₹ in thousand)
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**3.4 Shareholding of Promoters as under:-**

Promoter's Name	No. of shares	% of total shares	% change during the year
Jagatjit Industries Limited	9999	99.99%	-
Jagatjit Industries Limited J/w Ms. Shakun Jaiswal	1	0.01%	-

**4 OTHER EQUITY****Reserves and Surplus:-****Retained Earnings**

Opening balance	(1,004.74)	(968.81)
Add: Total comprehensive income for the year	(34.99)	(35.93)
Closing balance	(1,039.73)	(1,004.74)
<b>Total for other equity</b>	<b>(1,039.73)</b>	<b>(1,004.74)</b>

**5 BORROWINGS****Unsecured**

Loans and advances from related parties without specifying any terms or interest or period of repayment:

[ Refer Note 1(E)(i) ]

**Holding company:**

-Jagatjit Industries Limited	1,000.49	1,021.42
<b>Total for borrowings</b>	<b>1,000.49</b>	<b>1,021.42</b>



*(Signature)*

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# JIL Trading Private Limited

Notes to the financial statements for the year ended 31st March 2023

Note No.		As at 31st March 2023 (₹ in thousand)	As at 31st March 2022 (₹ in thousand)
<b>6</b>	<b>TRADE PAYABLE</b>		
	-Total outstanding dues of micro and small enterprises	-	-
	-Total outstanding dues for less than one year of creditors other than micro and small enterprises	295.98	65.81
	<b>Total for trade payables</b>	<b>295.98</b>	<b>65.81</b>

## 6.1 Trade Payables ageing from the date of transaction as at 31st March 2023

Particulars	Not due	Outstanding for following periods from due date of payments				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-
(iia) Others-billed	-	271.20	-	-	-	271.20
(iib) Others-unbilled	15.93	-	8.85	-	-	24.78
(iii) Disputed dues-MSME	-	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-	-
<b>Total for current year</b>	<b>15.93</b>	<b>271.20</b>	<b>8.85</b>	<b>-</b>	<b>-</b>	<b>295.98</b>

## 6.2 Trade Payables ageing from the date of transaction as at 31st March 2022

Particulars	Not due	Outstanding for following periods from due date of				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-
(iia) Others-billed	-	42.80	-	-	-	42.80
(iib) Others-unbilled	23.01	-	-	-	-	23.01
(iii) Disputed dues-MSME	-	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-	-
<b>Total for current year</b>	<b>23.01</b>	<b>42.80</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>65.81</b>

## 7 OTHER FINANCIAL LIABILITIES

Statutory dues:-

-Goods and service tax payable

49.05

17.19

-Tax deducted at source

27.25

9.55

**Total for other financial liabilities**

**76.30**

**26.74**



*Handwritten signature/initials*

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**JIL Trading Private Limited**

Notes to the financial statements for the year ended 31st March 2023

<u>Note No.</u>	<u>Current Year (₹ in thousand)</u>	<u>Previous Year (₹ in thousand)</u>
<b>8 OTHER INCOME</b>		
Reversal of bank charges	0.09	-
<b>Total for other income</b>	<b>0.09</b>	<b>-</b>
<b>9 OTHER EXPENSES</b>		
Legal and professional fees	11.63	12.79
Filing fees	1.20	1.50
Interest on delayed payment of tds and gst	1.60	2.17
Auditor's remuneration including taxes:-		
-Statutory audit fees	11.80	10.62
-Limited review fees	8.85	8.85
<b>Total for other expenses</b>	<b>35.08</b>	<b>35.93</b>
<b>10 EARNING PER EQUITY SHARE (EPS)</b>		
Net loss after tax as per statement of profit and loss attributable to equity shareholders	(34.99)	(35.93)
Weighted average number of equity shares	10,000	10,000
(a) Basic earning per share (₹)	(3.50)	(3.59)
(b) Diluted earning per share (₹)	(3.50)	(3.59)
Face value per equity share (₹)	10.00	10.00





J/L Trading Private Limited  
Notes to the financial statements for the year ended 31st March 2023

11 DISCLOSURE RELATED TO KEY FINANCIAL RATIOS:

Key financial ratios	Numerator	Denominator	For the year ended 31 March, 2023	For the year ended 31 March, 2022	% Variance	Reason for variance exceeding 25% as compared to preceding year
(a) Current ratio (in times)	Current assets	Current liabilities	1.16	2.26	(0.49)	-
(b) Debt-equity ratio (in times)	Total debt	Equity	(1.06)	(1.13)	(0.05)	-
(c) Debt service coverage ratio (in times)	Earnings available for debt service: = Net Profit after taxes + Non cash operating expenses + Interest - Non Cash Income- Profit on sale of Fixed Assets, etc.	Debt service = Interest and lease payments + Principal repayments	-	-	-	Not applicable
(d) Return on equity (in %)	Net profits after taxes	Average shareholder's equity	0.01	0.01	(0.06)	-
(e) Inventory turnover Ratio (in times)	Cost of material consumed + Purchase of stock - in-trade	Average inventory	-	-	-	Not applicable
(f) Trade receivables turnover ratio (in times) (refer footnote(i))	Revenue from operation	Average accounts receivable	-	-	-	Not applicable
(g) Trade payables turnover ratio (in times) (refer footnote(ii))	Net credit purchases	Average trade payables	-	-	-	Not applicable
(h) Net capital turnover ratio (in times)	Net sales	Working capital	-	-	-	Not applicable
(i) Net profit ratio (in %)	Net profits after taxes	Net sales	-	-	-	Not applicable
(j) Return on capital employed (in %)	Earning before interest and taxes	Capital employed	0.01	0.01	(0.06)	-



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## JIL Trading Private Limited

### Summary of significant accounting policies and other explanatory information annexed to and forming part of the Balance Sheet as at 31<sup>st</sup> March, 2023

#### Note No. 1

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##### (A) Corporate Information

JIL Trading Private Limited ( "the Company" ) is an Indian company incorporated on August 27, 2010, vide registration no. U51109DL2010PTC207648. The company is registered with the Registrar of Companies, Delhi and it's registered office is situated at 4th Floor, Bhandari House, 91, Nehru Place, New Delhi-110 019. The Company's main objects are to do business of marketers, traders dealers, exporter and importers of Alcoholic and other beverages and to enter into manufacturing contracts with others, to purchase or otherwise acquire, own etc in the said business and acquire the trade marks, selling rights of other manufacturers and traders.

Company's accounts are prepared for the year from 1<sup>st</sup> April, 2022 to 31<sup>st</sup> March 2023 and previous year figures are for the year from 1<sup>st</sup> April 2021 to 31<sup>st</sup> March, 2022.

##### (B) BASIS OF PREPARATION AND PRESENTATION

(a) The Company prepared its financial statements in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read together with Rule 4A of the Companies (Indian Accounting Standards) Rules, 2015 as amended, to the extent applicable, and the presentation requirements of Division II of Schedule III to the Companies Act, 2013.

Company's financial statements are presented in Indian Rupees which is its functional currency.

(b) The Accounts have been prepared on Going Concern Basis. The Company has been suffering losses for the more than last ten years and the net working capital of the Company is negative however during the current year company has earned consultancy revenue from its holding company and generated profit. In the opinion of Management, the company is exploring possibility of generation of business within and outside the group companies and there is no intention of the management to liquidate the company.

As per the assessment of the management, the going concern assumption is not affected and no material uncertainty exists in this regard in view of the above mentioned factors. The Ind AS Financial Statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting except for certain financial assets and liabilities, which have been measured at fair value as described below and as required by relevant Ind AS.



**Summary of significant accounting policies and other explanatory information annexed to and forming part of the Balance Sheet as at 31<sup>st</sup> March, 2023**

**Note No. 1**

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**(C) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) Property, plant and equipment:**

Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and arrangements arising from exchange rate variations attributable to the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow the entity and the cost can be measured reliably.

Depreciation on property, plant and equipment is provided using written down value method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Gains or losses arising from derecognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

**(b) Provisions and Contingencies:**

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognized nor disclosed in the financial statements.

**(c) Taxation**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in the comprehensive income or in equity.



## JIL Trading Private Limited

### Summary of significant accounting policies and other explanatory information annexed to and forming part of the Balance Sheet as at 31<sup>st</sup> March, 2023

#### Note No. 1

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##### (i) Current tax

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

##### ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

##### (d) Revenue recognition

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

Revenue from operations includes sale of goods measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates and excluding taxes or duties collected on behalf of the government.

Interest Income from a financial asset is recognised using effective interest rate method.

Dividend Income from financial assets is recognized when company's right to receive payment is established.

##### (e) Financial instruments

##### (I) Financial Assets

##### Initial recognition and measurement:

All financial assets are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition of financial assets, which 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 recognised using trade date accounting.

## JIL Trading Private Limited

### Summary of significant accounting policies and other explanatory information annexed to and forming part of the Balance Sheet as at 31<sup>st</sup> March, 2023

#### Note No. 1

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##### Subsequent measurement:

##### i) Financial assets carried at amortised cost (AC)

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.

##### ii) Financial assets at fair value through other comprehensive income (FVTOCI)

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.

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

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

##### Impairment of financial assets

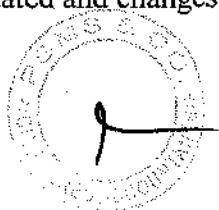
The Company assesses impairment based on expected credit loss (ECL) model to the following:

Financial assets at amortised cost

Financial assets measured at fair value through Other Comprehensive income

The Company follows 'simplified approach' for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Company uses historical loss experience to determine the impairment loss allowance on the portfolio of trade receivables. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed.



## JIL Trading Private Limited

### Summary of significant accounting policies and other explanatory information annexed to and forming part of the Balance Sheet as at 31<sup>st</sup> March, 2023

#### Note No. 1

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For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

#### (II) Financial liabilities

##### Initial recognition and measurement:

All financial liabilities are recognized initially at fair value and in case of loans and borrowings and payables, net of directly attributable cost. Fees of recurring nature are directly recognised in profit or loss as finance cost.

##### Subsequent measurement:

Financial liabilities are subsequently carried at amortized 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.

#### (D) Critical accounting judgements and key sources of estimation uncertainty:

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

##### i) Estimated useful lives of tangible assets:

Property, plant and equipment are depreciated over the estimated useful lives of the assets, after taking into account their estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation for future periods is adjusted if there are significant changes from previous estimates.



## JIL Trading Private Limited

Summary of significant accounting policies and other explanatory information annexed to and forming part of the Balance Sheet as at 31<sup>st</sup> March, 2023

### Note No. 1

#### ii) Provisions:

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

### (E) NOTES TO THE ACCOUNTS

#### (i) Related Party Disclosures

(a) As per Ind AS-24, the disclosure of transactions with the related parties are given below:

List of related parties where control exists and related parties with whom transactions have taken place and relationship:

S.No.	Name of related party	Relationship
1.	Jagatjit Industries Limited	Holding Company
2.	Neelam Tyagi	Director
3.	Hemant Kumar	Director
4.	Dhanraj Singh Negi	Director

#### (b) Transactions during the year with related parties

S. No.	Description	Year Ended	Holding Company (₹ in thousand)	Directors (₹ in thousand)
1.	Repayment of borrowings	March 31, 2023	20.93	-
2.	Reimbursements of expenses claimed towards registration of Trade Mark, professional fees, advertisement and other related expenses and taxes.	March 31, 2023	1360.93	-
		March 31, 2022	753.63	753.63
3.	Borrowings received	March 31, 2022	528.56	-



## JIL Trading Private Limited

### Summary of significant accounting policies and other explanatory information annexed to and forming part of the Balance Sheet as at 31<sup>st</sup> March, 2023

#### Note No. 1

(c) Outstanding Balances of the related parties in the books of Company at the year end:

S. No	Name of related party	Nature of outstanding	Current Year (₹ in thousand)	Previous Year (₹ in thousand)
1.	Jagatjit Industries Limited	Borrowings	1000.49	1021.42

#### (ii) Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Based on the information available with the Company, the balance due to micro and small enterprises as defined under the MSMED Act, 2006 is Rs. Nil (Previous year Rs. Nil) and no interest has been paid or is payable under the terms of the MSMED Act, 2006.

#### (iii) Auditors Remuneration including taxes (₹ in thousand)

S.No	Nature of payments	Current Year (₹ in thousand)	Previous Year (₹ in thousand)
1.	Statutory audit	11.80	10.62
2.	Limited audit review	8.85	8.85
3.	Professional fees	4.13	3.54

(iv) Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification/disclosure.



For and on behalf of the Board of Directors  
JIL Trading Private Limited

Hemant Kumar  
Director  
DIN: 07739437

Neelam Tyagi  
Director  
DIN: 01572157

New Delhi  
24 May 2023



Natwar Liquors Private Limited

Audited Financial Statement  
for the year ended 31<sup>st</sup> March 2023



PSMS & Co.  
Chartered Accountants

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## Independent Auditors' Report

To the Members of  
**Natwar Liquors Private Limited**

### Report on the Financial Statements

#### Opinion

We have audited the accompanying financial statements of **Natwar Liquors Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and 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 "financials 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 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, 2023, and loss, 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 there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.



## **Key Audit Matters**

Key Audit Matters are not applicable to the company as it is an unlisted company

## **Other Information**

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

## **Management's and Board of Directors' Responsibilities for the Financial Statements**

The Company's management and Board of Directors are 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 state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

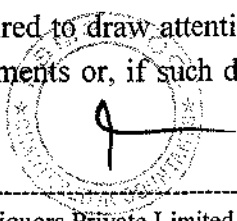
The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **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 auditors' 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 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 control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Board of Directors.
- 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 entity'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 entity to cease to continue as a going concern.

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

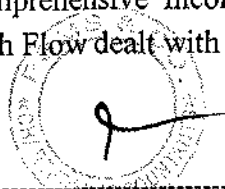
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

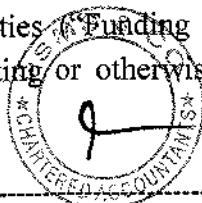
1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required 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, Statement of Changes in Equity and the Statement of Cash Flow 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, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.

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

- (a) The Company does not have any pending litigations as at 31 March 2023 which would impact its financial position.
- (b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- (c) There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company.
- (d) (i) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in note 1, if any, 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 persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Company 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, as disclosed in note 1, if any, to the accounts, 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 directly or indirectly, lend or



invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material mis-statement.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, no remuneration has been paid by the Company to its directors during the current year.

For PSMS & Co.  
Chartered Accountants  
Firm's Registration No. 031059N



Mukesh Kumar Thakur  
Partner

Membership no.095977

UDIN: 23095977B64JHR1279

New Delhi  
24 May 2023

## **Annexure-“A” to the Independent Auditors’ Report**

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of **Natwar Liquors Private Limited** of even date)

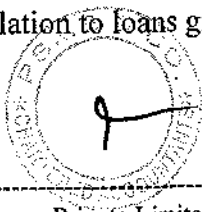
We report that:

- (i) The company does not have any property, plant and equipment, Intangible assets. Accordingly, paragraph 3 (i) of the order is not applicable to the company in respect of property, plant and equipment and intangible assets.
- (ii) According to information and explanations given to us and based on our examination of the records of the company, the company has not made any business during the year. Thus, it does not have any physical inventory during the year under review. Thus, paragraph 3 (ii) of the order is not applicable to the company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments in or provided security to companies, firms, limited liability partnerships or any other parties during the year. The Company has not provided guarantees or granted loans or advances in the nature of loans during the year to firms or limited liability partnerships.

Based on the audit procedures carried out by us and as per the information and explanations given to us, the Company has not granted any loan to other bodies corporates during the year.

Accordingly, paragraph 3 (iii)(b)/(c)/(d)/(e)/(f) of the order is not applicable to the company in respect of repayment of the principal amount and amount overdue. According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, in the case of investments made and loans and advances in the nature of loans given, the repayment of principal amount are, prima facie, not prejudicial to the interest of the company.

- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security as specified under Section 185 of the Companies Act, 2013 (“the Act”) and the Company has not provided any security as specified under Section 186 of the Act. Further, in our opinion, the Company has complied with the provisions of Section 186 of the Act in relation to loans given, guarantees provided and investments made.

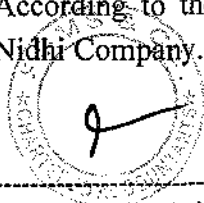




- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) According to the information and explanations given to us and on the basis of our examination of the records of the Company:
  - (a) in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including GST, Income-Tax and other statutory dues have been regularly deposited by the Company with the appropriate authorities;
  - (b) no undisputed amounts payable in respect of goods and service tax, Income-Tax and other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in the repayment of loans or borrowings or in the payment of interest thereon to any lender.
  - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has neither availed any type of loan facility from nor has been declared a willful defaulter by any bank or financial institution or government or government authority. Accordingly, clause 3(ix)(b) of the Order is not applicable
  - (c) In our opinion and according to the information and explanations given to us by the management, the company has not availed any term loan facility. Accordingly, clause 3(ix)(c) of the Order is not applicable



- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds were raised on short term basis by the Company. Accordingly, clause 3(ix)(d) of the Order is not applicable
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has no subsidiary, Associate or joint venture, as defined in the Act, during the year ended 31 March 2023. Accordingly, clause 3(ix)(e) of the Order is not applicable
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has neither raised loans during the year on the pledge of securities nor it has any subsidiary, as defined in the Act. Accordingly, clause 3(ix)(f) of the Order is not applicable
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in the Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the 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) No whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.



- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) Based on information and explanations provided to us and our audit procedures, in our opinion, in accordance of section 138 of the companies Act, the Company is not mandatorily required to have internal audit system. Accordingly, clause 3(xiv)(a)/(b) of the Order is not applicable.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clauses 3(xvi)(a)/(b) of the Order are not applicable.
- (b) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us during the course of audit, the Group does not have any CICs.
- (xvii) The Company has incurred cash losses in the current year and in the immediately preceding financial year.

Particulars	Cash losses in Current Year (₹ in thousand)	Cash losses in Previous Year (₹ in thousand)
Cash Losses incurred/earned	23.23	30.36

- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 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 realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, financial support letter from its holding company, 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 the 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) In our opinion and according to the information and explanations given to us, provisions of section 135 of the Act are not applicable to the company. Accordingly, clauses 3(xx)(a)/(b) of the Order are not applicable.

New Delhi  
24 May 2023



For PSMS & Co.  
Chartered Accountants  
Firm's registration No. 031059N

Mukesh Kumar Thakur  
Partner

Membership no.095977  
UDIN: 23095977 36734R1279

**Annexure-“B” to the Independent Auditors’ Report on the financial statements of  
Natwar Liquors Private Limited for the year ended 31st March 2023**

[Referred to in paragraph 2 (A)(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of, **Natwar Liquors Private Limited** of even date]

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of  
Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **Natwar Liquors Private Limited** (“the Company”) as of March 31, 2023 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, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements 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 (the “Guidance Note”).

**Management’s and Board of Directors’ Responsibilities for Internal Financial Controls**

The Company’s management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 the 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.



## **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements were established and maintained and whether 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, 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 judgement, 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 with reference to financial statements.

## **Meaning of Internal Financial Controls with Reference to Financial Statements**

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include 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 authorisation 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 with Reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For PSMS & Co.  
Chartered Accountants  
Firm's registration No. 031059N



New Delhi  
24 May 2023

Mukesh Kumar Thakur  
Partner

Membership no.095977  
UDIN: 23095977 B6Y JHR 12 79

**Natwar Liquors Private Limited**  
**Balance Sheet as at 31st March 2023**

	Note No.	As At 31st March 2023 (₹ in thousand)	As At 31st March 2022 (₹ in thousand)
<b>ASSETS</b>			
<b>(1) Current assets</b>			
<b>Financial Assets</b>			
(i) Cash and cash equivalents	2	22.10	104.16
<b>Total current assets</b>		<b>22.10</b>	<b>104.16</b>
<b>Total Assets</b>		<b>22.10</b>	<b>104.16</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity:</b>			
(a) Equity Share Capital	3	100.00	100.00
(b) Other Equity	4	(111.53)	(88.30)
<b>Total Equity</b>		<b>(11.53)</b>	<b>11.70</b>
<b>Liabilities</b>			
<b>(1) Non-current liabilities</b>			
<b>Financial Liabilities:</b>			
(i) Borrowings	5	-	13.70
<b>Total non current liabilities</b>		<b>-</b>	<b>13.70</b>
<b>(2) Current liabilities</b>			
<b>Financial Liabilities:</b>			
(i) Trade payables:	6		
(A) total outstanding dues of micro and small enterprises and		-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		33.63	73.26
(ii) Other financial liabilities	7	-	5.50
<b>Total current liabilities</b>		<b>33.63</b>	<b>78.76</b>
<b>Total equity and liabilities</b>		<b>22.10</b>	<b>104.16</b>

The accompanying notes 1-11 form an integral part of the financial statements.

As per our report of even date attached  
For PSMS & Co.  
Chartered Accountants  
Firm's Registration No. 031059N

Mukesh Kumar Thakur  
Partner  
Membership No. 095977  
UDIN : 230959773643481239



For and on behalf of Board of Directors of  
Natwar Liquors Private Limited

Kewal Krishan Kohli  
Director  
DIN: 0127337

Ravi Manchanda  
Director  
DIN: 0152760

New Delhi  
24 May 2023




## Natwar Liquors Private Limited

### Statement of Profit and Loss for the year ended 31st March 2023

	<u>Note No.</u>	<u>Current Year (₹ in thousand)</u>	<u>Previous Year (₹ in thousand)</u>
<b>INCOME</b>			
Other income	8	13.70	-
<b>Total income</b>		<b>13.70</b>	<b>-</b>
<b>EXPENDITURE</b>			
Other expenses	9	36.93	30.36
<b>Total expenses</b>		<b>36.93</b>	<b>30.36</b>
Net loss before tax		(23.23)	(30.36)
Tax expenses:			
Current Tax	-	-	-
Deferred Tax	-	-	-
Net loss after tax		(23.23)	(30.36)
Other comprehensive income for the year		-	-
Total comprehensive income for the year		(23.23)	(30.36)
Earnings per equity share of face value of Rs 10 each	10		
(a) Basic earning per share (Rs)		(2.32)	(2.81)
(b) Diluted earning per share (Rs)		(2.32)	(2.81)


The accompanying notes 1-11 form an integral part of the financial statements.

As per our report of even date attached  
For PSMS & Co.  
Chartered Accountants  
Firm's Registration No. 031059N

  
Mukesh Kumar Thakur  
Partner  
Membership No. 095977  
UDIN : 23095977B6YJHR1279



For and on behalf of Board of Directors of  
Natwar Liquors Private Limited

  
Kewal Krishan Kohli  
Director  
DIN: 0127337

  
Ravi Manchanda  
Director  
DIN: 0152760

New Delhi  
24 May 2023

# Natwar Liquors Private Limited

## Statement of Changes in Equity for the year ended 31st March 2023

(₹ in thousand)

### A EQUITY SHARE CAPITAL

#### Current Year:

Balance at the beginning of the current reporting year	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting year	Changes in equity share capital during the current year	Balance at the end of the current reporting year
100.00	-	100.00	-	100.00

#### Previous Year:

Balance at the beginning of the current reporting year	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting year	Changes in equity share capital during the current year	Balance at the end of the current reporting year
100.00	-	100.00	-	100.00

### B OTHER EQUITY

Particulars	Retained Earnings		Total
<b>As at 31st March 2023</b>			
Balance at the beginning of the 1st April 2022	(88.30)	-	(88.30)
Total Comprehensive income for the year	-	(23.23)	(23.23)
<b>Balance at the end of the 31st March 2023</b>	<b>(88.30)</b>	<b>(23.23)</b>	<b>(111.53)</b>
<b>As at 31st March 2022</b>			
Balance at the beginning of the 1st April 2021	(57.94)	-	(57.94)
Total Comprehensive income for the year	-	(30.36)	(30.36)
<b>Balance at the end of the 31st March 2022</b>	<b>(57.94)</b>	<b>(30.36)</b>	<b>(88.30)</b>

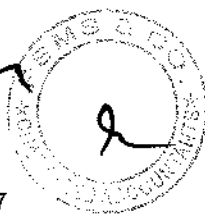
The accompanying notes 1-11 form an integral part of the financial statements.

As per our report of even date attached  
For PSMS & Co.  
Chartered Accountants  
Firm's Registration No. 031059N

For and on behalf of Board of Directors of  
Natwar Liquors Private Limited

Mukesh Kumar Thakur  
Partner  
Membership No. 095977

UDIN : 23095977 36YJHR 1279



Kewal Krishan Kohli  
Director  
DIN: 0127337

Ravi Manchanda  
Director  
DIN: 0152760

New Delhi  
24 May 2023

**Natwar Liquors Private Limited**
**Statement of Cash Flows for the year ended 31st March 2023**

	For Year Ended 31st March 2023 (₹ in thousand)	For Year Ended 31st March 2022 (₹ in thousand)
<b>(A) Cash flow from operating activities:</b>		
Net loss before tax as per statement of Profit and Loss	(23.23)	(30.36)
<b>Operating profit before working capital changes</b>	<b>(23.23)</b>	<b>(30.36)</b>
Increase/(Decrease) in Trade payable	(39.63)	52.45
Increase/(Decrease) in Other financial liabilities	(5.50)	5.50
Increase/(Decrease) in borrowings	(13.70)	13.70
<b>Adjustments for changes in working capital :</b>	<b>(58.83)</b>	<b>71.65</b>
<b>Cash generated from / (used in) operations</b>	<b>(82.06)</b>	<b>41.29</b>
Income tax (paid) / received	-	-
<b>Net cash from / (used in) operating activities</b>	<b>(82.06)</b>	<b>41.29</b>
<b>(B) Cash flow from Investing activities:</b>	-	-
Net cash from / (used in) investing activities	-	-
<b>(C) Cash flow from financing activities:</b>	-	-
Net cash from / (used in) financing activities	-	-
<b>Net increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>(82.06)</b>	<b>41.29</b>
Cash and cash equivalents at beginning of the year	104.16	62.87
Cash and cash equivalents at end of the year	22.10	104.16
	<b>(82.06)</b>	<b>41.29</b>

**Notes :**

(1) Closing Cash and cash equivalents comprise :

Cash in hand

Balance with Scheduled Banks:

- in Current Accounts

-	-
22.10	104.16
<b>22.10</b>	<b>104.16</b>

(2) The above Cash flow statement has been prepared under the indirect method set out in IND AS-7 notified u/s 133 Companies Act, 2013

(3) Figures in brackets indicate cash outgo.

The accompanying notes 1-11 form an integral part of the financial statements.

As per our report of even date attached  
For PSMS & Co.  
Chartered Accountants  
Firm's Registration No. 031059N

Mukesh Kumar Thakur  
Partner  
Membership No. 095977  
UDIN : 230959773445441279

New Delhi  
24 May 2023



For and on behalf of Board of Directors  
Natwar Liquors Private Limited

Kewal Krishan Kohli  
Director  
DIN: 0127337

Ravi Manchanda  
Director  
DIN: 0152760

## Natwar Liquors Private Limited

Notes to the financial statements for the year ended 31st March 2023

Note No.	As at 31st March 2023 (₹ in thousand)	As at 31st March 2022 (₹ in thousand)
<b>2 CASH AND CASH EQUIVALENTS</b>		
Balance with bank in current account:		
-in HDFC Bank Limited-50200047863932	22.10	104.16
<b>Total cash and cash equivalents</b>	<b>22.10</b>	<b>104.16</b>
<b>3 EQUITY SHARE CAPITAL</b>		
<b>a Authorized Share Capital</b>		
10,000 (10,000) Equity Shares of Rs.10/- each.	100.00	100.00
<b>b Issued, subscribed and paid up capital</b>		
10,000 (10,000) Equity Shares of Rs.10/- each fully paid up.	100.00	100.00
<b>Total for Issued, subscribed and paid up capital</b>	<b>100.00</b>	<b>100.00</b>

### 3.1 Terms/rights attached to Equity Shares:-

The Company has only one class of Equity Shares having par value of Rs 10/- per share. Each holder of equity share is entitled to one vote per share.

In the event of liquidation of the company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders

### 3.2 The details of shareholders holding more than 5% shares as at :

	31st March 2023		31st March 2022	
	No of shares	% held	No of shares	% held
Jagatjit Industries Limited	9,999	99.99%	9,999	99.99%
Jagatjit Industries Limited J/w Ravi Manchanda	1	0.01%	1	0.01%

### 3.3 Reconciliation of the no. of shares outstanding at the beginning and at the end of the reporting year:

Particulars	31st March 2023		31st March 2022	
	No of shares	(₹ in thousand)	No of shares	(₹ in thousand)
Equity Shares at the beginning of the year	10,000	100.00	10,000	100.00
Equity Shares at the end of	10,000	100.00	10,000	100.00

### 3.4 Shareholding of Promoters as under:-

Promoter's Name	No. of shares	% of total shares	% change during the year
Jagatjit Industries Limited	9999	99.99%	-
Jagatjit Industries Limited J/w Ravi Manchanda	1	0.01%	-



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# Natwar Liquors Private Limited

Notes to the financial statements for the year ended 31st March 2023

Note No.	As at 31st March 2023 (₹ in thousand)	As at 31st March 2022 (₹ in thousand)
<b>4 OTHER EQUITY</b>		
<b>Reserves and Surplus:</b>		
<b>Retained Earnings</b>		
Opening balance	(88.30)	(57.94)
Add: Total comprehensive income for the year	(23.23)	(30.36)
Closing balance	(111.53)	(88.30)
<b>Total for other equity</b>	<b>(111.53)</b>	<b>(88.30)</b>
<b>5 BORROWINGS</b>		
(Unsecured)		
[ Refer Note 1(E)(i) ]		
Loans and advances from related parties without specifying any terms or period of repayment:		
<b>From Holding company:</b>		
-Jagatjit Industries Limited [refer footnote [i] ]	-	13.70
<b>Total for borrowings</b>	<b>-</b>	<b>13.70</b>
<b>6 TRADE PAYABLE</b>		
-Total outstanding dues of micro and small enterprises	-	-
-Total outstanding dues for less than one year of creditors other than micro and small enterprises	33.63	73.26
<b>Total for trade payable</b>	<b>33.63</b>	<b>73.26</b>

Footnote:

[i] Amounts no longer payable written back

## 6.1 Trade Payables ageing from the date of transaction as at 31st March 2023

Particulars	Not due	Outstanding for following periods from due date				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-
(iia) Others-billed	-	-	-	-	-	-
(iib) Others-unbilled	33.63	-	-	-	-	33.63
(iii) Disputed dues-MSME	-	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-	-
<b>Total for current year</b>	<b>33.63</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33.63</b>



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# Natwar Liquors Private Limited

Notes to the financial statements for the year ended 31st March 2023

Note No.	As at 31st March 2023 (₹ in thousand)	As at 31st March 2022 (₹ in thousand)
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## 6.2 Trade Payables ageing from the date of transaction as at 31st March 2022

Particulars	Not due	Outstanding for following periods from due date of payments				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-
(iia) Others-billed	-	50.25	-	-	-	50.25
(iib) Others-unbilled	23.01	-	-	-	-	23.01
(iii) Disputed dues-MSME	-	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-	-
<b>Total for current year</b>	<b>23.01</b>	<b>50.25</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>73.26</b>

## 7 OTHER FINANCIAL LIABILITIES

Tax deducted at source - 5.50

**Total for other financial liabilities - 5.50**



## Natwar Liquors Private Limited

Notes to the financial statements for the year ended 31st March 2023

<u>Note No.</u>	<u>Current Year (₹ in thousand)</u>	<u>Previous Year (₹ in thousand)</u>
<b>8 OTHER INCOME</b>		
Amounts no longer payable written back [refer footnote [i] of note 5]	13.70	-
<b>Total for other income</b>	<b>13.70</b>	<b>-</b>
<b>9 OTHER EXPENSES</b>		
Professional charges	10.88	10.29
Filing fees	1.80	0.60
Bank charges	3.60	-
Auditor's remuneration including taxes:-		
-Statutory audit fees	11.80	10.62
-Limited review fees	8.85	8.85
<b>Total for other expenses</b>	<b>36.93</b>	<b>30.36</b>
<b>10 EARNING PER EQUITY SHARE (EPS)</b>		
Net loss after tax as per Statement of Profit and Loss attributable to equity shareholders	(23.23)	(28.13)
Actual number of equity shares	10,000	10,000
Weighted average number of equity shares	10,000	10,000
(a) Basic earning per share (Rs)	(2.32)	(2.81)
(b) Diluted earning per share (Rs)	(2.32)	(2.81)
Face value per equity share (Rs)	10.00	10.00



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11 DISCLOSURE RELATED TO KEY FINANCIAL RATIOS:

Key financial ratios	Numerator	Denominator	For the year ended 31 March, 2023	For the year ended 31 March, 2022	% Variance	Reason for variance exceeding 25% as compared to preceding year
(a) Current ratio (in times)	Current assets	Current liabilities	0.66	1.32	(0.50)	-
(b) Debt-equity ratio (in times)	Total debt	Equity	-	1.17	(1.00)	-
(c) Debt service coverage ratio (in times)	Earnings available for debt service: = Net Profit after taxes + Non cash operating expenses + Interest - Non Cash Income- Profit on sale of Fixed Assets, etc.	Debt service = Interest and lease payments + Principal repayments	-	-	-	Not applicable
(d) Return on equity (in %)	Net profits after taxes	Average shareholder's equity	2.01	(2.59)	(1.78)	-
(e) Inventory turnover Ratio (in times)	Cost of material consumed + Purchase of stock -in -trade	Average inventory	-	-	-	Not applicable
(f) Trade receivables turnover ratio (in times) (refer footnote(i))	Revenue from operation	Average accounts receivable	-	-	-	Not applicable
(g) Trade payables turnover ratio (in times) (refer footnote(ii))	Net credit purchases	Average trade payables	-	-	-	Not applicable
(h) Net capital turnover ratio (in times)	Net sales	Working capital	-	-	-	Not applicable
(i) Net profit ratio (in %)	Net profits after taxes	Net sales	-	-	-	Not applicable
(j) Return on capital employed (in %)	Earning before interest and taxes	Capital employed	(0.84)	(0.23)	2.72	-



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## Natwar Liquors Private Limited

Summary of significant accounting policies and other explanatory information annexed to and forming part of the Balance Sheet as at 31<sup>st</sup> March, 2023

### Note No. 1

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#### A. Corporate Information

Natwar Liquors Private Limited( "the Company" ) is an Indian company incorporated on 6<sup>th</sup> February 2020, vide registration no. U15549DL2020PTC361481. The company is registered with the Registrar of Companies, Delhi and its registered office is situated at 4<sup>th</sup> Floor, Bhandari House, 91, Nehru Place, New Delhi-110019. The Company's main objects isto carry on the business of manufacturers, marketers, Traders, Wholesalers, Distributor, Importers and Exporters of Alcoholic and other Beverages in India or Abroad.

Company's accounts are prepared for the year from 1<sup>st</sup> April, 2022 to 31<sup>st</sup> March 2023 and previous year figures are for the year from 1<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2022.

#### (B) BASIS OF PREPARATION AND PRESENTATION

(a) The Company prepared its financial statements in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read together with Rule 4A of the Companies (Indian Accounting Standards) Rules, 2015 as amended, to the extent applicable, and the presentation requirements of Division II of Schedule III to the Companies Act, 2013.

Company's financial statements are presented in Indian Rupees which is its functional currency.

(b) The Accounts have been prepared on Going Concern Basis. The Company suffered losse in its year of incorporation and in the current year also. During the year March 31, 2023, Company suffered net loss of ₹ 23.23 thousand. In the opinion of Management, the company is exploring possibility of generation of business and there is no intention of the management to liquidate the company.

As per the assessment of the management, the going concern assumption is not affected and no material uncertainty exists in this regard in view of the above mentioned factors. The Ind AS Financial Statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting except for certain financial assets and liabilities, which have been measured at fair value as described below and as required by relevant Ind AS.



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## Natwar Liquors Private Limited

Summary of significant accounting policies and other explanatory information annexed to and forming part of the Balance Sheet as at 31<sup>st</sup> March, 2023

Note No. 1

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### (C) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) Property, plant and equipment:

Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and arrangements arising from exchange rate variations attributable to the assets. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow the entity and the cost can be measured reliably.

Depreciation on property, plant and equipment is provided using written down value method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Gains or losses arising from derecognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

#### (b) Provisions and Contingencies:

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognized nor disclosed in the financial statements.

#### (c) Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in the comprehensive income or in equity.

## Natwar Liquors Private Limited

Summary of significant accounting policies and other explanatory information annexed to and forming part of the Balance Sheet as at 31<sup>st</sup> March, 2023

### Note No. 1

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#### (i) Current tax

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

#### ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

#### (d) Revenue recognition

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

Revenue from operations includes sale of goods measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates and excluding taxes or duties collected on behalf of the government.

Interest Income from a financial asset is recognised using effective interest rate method.

Dividend Income from financial assets is recognized when company's right to receive payment is established.



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## Natwar Liquors Private Limited

Summary of significant accounting policies and other explanatory information annexed to and forming part of the Balance Sheet as at 31<sup>st</sup> March, 2023

### Note No. 1

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#### (e) Financial instruments

##### (I) Financial Assets

###### Initial recognition and measurement:

All financial assets are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition of financial assets, which 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 recognised using trade date accounting.

###### Subsequent measurement:

###### i) Financial assets carried at amortised cost (AC)

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.

###### ii) Financial assets at fair value through other comprehensive income (FVTOCI)

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.

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

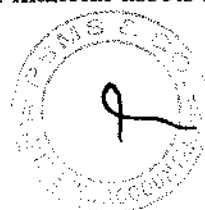
A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

###### Impairment of financial assets

The Company assesses impairment based on expected credit loss (ECL) model to the following:

Financial assets at amortised cost

Financial assets measured at fair value through Other Comprehensive income



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## Natwar Liquors Private Limited

Summary of significant accounting policies and other explanatory information annexed to and forming part of the Balance Sheet as at 31<sup>st</sup> March, 2023

### Note No. 1

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The Company follows 'simplified approach' for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Company uses historical loss experience to determine the impairment loss allowance on the portfolio of trade receivables. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

### (II) Financial liabilities

#### Initial recognition and measurement:

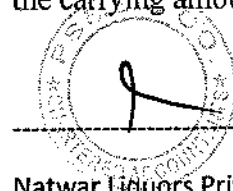
All financial liabilities are recognized initially at fair value and in case of loans and borrowings and payables, net of directly attributable cost. Fees of recurring nature are directly recognised in profit or loss as finance cost.

#### Subsequent measurement:

Financial liabilities are subsequently carried at amortized 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.

#### (D) Critical accounting judgements and key sources of estimation uncertainty:

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



## Natwar Liquors Private Limited

Summary of significant accounting policies and other explanatory information annexed to and forming part of the Balance Sheet as at 31<sup>st</sup> March, 2023

### Note No. 1

#### i) Estimated useful lives of tangible assets:

Property, plant and equipment are depreciated over the estimated useful lives of the assets, after taking into account their estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation for future periods is adjusted if there are significant changes from previous estimates.

#### ii) Provisions:

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

### (E) NOTES TO THE ACCOUNTS

#### (i) Related Party Disclosures

(a) As per Ind AS-24, the disclosure of transactions with the related parties are given below:

List of related parties where control exists and related parties with whom transactions have taken place and relationship:

S.No.	Name of related party	Relationship
1.	Jagatjit Industries Limited	Holding Company
2.	Kewal Krishan Kohli	Director
3.	Ravi Manchanda	Director



Handwritten signatures of the directors, Kewal Krishan Kohli and Ravi Manchanda.

## Natwar Liquors Private Limited

Summary of significant accounting policies and other explanatory information annexed to and forming part of the Balance Sheet as at 31<sup>st</sup> March, 2023

### Note No. 1

#### (b) Transactions during the year with related parties

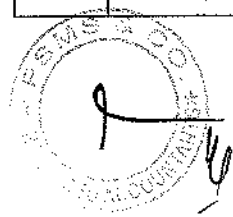
S. No.	Description	Year Ended	Holding Company (₹ in thousand)
1.	Borrowings received	March 31, 2023	-
		March 31, 2022	120.00
2.	Reimbursements of expenses claimed towards registration of Trade Mark, professional fees, advertisement and other related expenses and taxes.	March 31, 2023	5.50
		March 31, 2022	106.30
3.	Amounts no longer payable written back	March 31, 2023	13.70

#### (ii) Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Based on the information available with the Company, the balance due to micro and small enterprises as defined under the MSMED Act, 2006 is Rs. Nil and no interest has been paid or is payable under the terms of the MSMED Act, 2006.

#### (iii) Auditors Remuneration including taxes (₹ in thousand)

S.No	Nature of payments	Current Year (₹ in thousand)	Previous Year (₹ in thousand)
1.	Statutory audit	11.80	10.62
2.	Limited audit review	8.85	8.85
3.	Professional fees	4.13	3.54



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## Natwar Liquors Private Limited

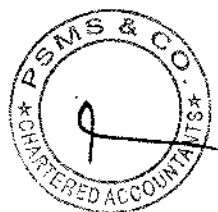
Summary of significant accounting policies and other explanatory information annexed to and forming part of the Balance Sheet as at 31<sup>st</sup> March, 2023


### Note No. 1

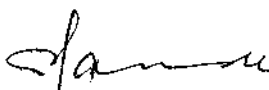
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- (iv) Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification/disclosure.

For and on behalf of the Board of Directors  
Natwar Liquors Private Limited



  
Kewal Krishan Kohli  
Director  
DIN: 0127337

  
Ravi Manchanda  
Director  
DIN: 0152760

New Delhi  
24 May 2023