Soubhagya Confectionery Private Limited

Financial Statements
2023-24

INDEPENDENT AUDITORS' REPORT

TO,
THE MEMBERS OF SOUBHAGYA CONFECTIONERY PRIVATE LIMITED
Report on the Financial Statements

We have audited the accompanying financial statements of **SOUBHAGYA CONFECTIONERY PRIVATE LIMITED**, which comprise the Balance Sheet as at **31/03/2024**, the Statement of Profit and Loss, **the cash flow statement** for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Auditor's Opinion

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 **31/03/2024**, and its **Profit and it's 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.

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

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

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read such other information as and when made available to us and if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance

Responsibility of Management and Those Charged with Governance (TCWG)

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position , financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility

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

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

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

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

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

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

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

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 and are therefore the key audit matters. We describe these matters in our auditor's 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

As required by the Companies (Auditors' Report) Order,2020("the Order") issued by the Central Government of India in terms of sub section (11) of section 143 of the Companies Act, 2013. We give in the Annexure A statements on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable.

As required by Section 143 (3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss, and **the cash flow statement** dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on **31/03/2024** taken on record by the Board of Directors, none of the directors is disqualified as **31/03/2024** 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**".

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

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

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

iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The management has represented, that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on audit procedures which we considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.

v. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has the feature of recording audit trail (edit log) facility and the same has been operated from the latter half of the year for all the relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of an audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rule, 2014 is applicable from 1st April,2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable is for the financial year ended 31st March,2024.

vi. The company has not declared or paid any dividend during the year in contravention of the provisions of section 123 of the Companies Act, 2013.

FOR VASANTH PAI & CO.
(Chartered Accountants)
Firm Reg No. :0006633S

VASANTH PAI NARAVI
Proprietor
M.No.: 203437
UDIN:24203437BKBGWN4042

Date: 16/04/2024
Place: HYDERABAD

ANNEXURE - A

Reports under The Companies (Auditor's Report) Order, 2020 (CARO 2020) for the year ended on 31st March 2024

To,
The Members of SOUBHAGYA CONFECTIONERY PRIVATE LIMITED

We report that:-

Sl. No.	Comment Required on	Auditor's Opinion on Following Matter	Auditor's Remark
i (a) (A)	Property, Plant and Equipment and Intangible Assets	Whether the company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.?	The company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
i (a) (B)		Whether the company is maintaining proper records showing full particulars of intangible assets;	The Company has maintained proper records showing full particulars of Intangible assets.
i (b)		Whether these Plant and Equipment and Intangible Assets have been physically verified by the management at reasonable intervels; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of accounts?	Property, Plant and Equipment have been physically verified by the management at reasonable intervals; No material discrepancies were noticed on such verification.
i (c)		Whether the title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company, if not,provide the details thereof	According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.
i (d)		Whether the company has revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year and, if so, whether the revaluation is based on the valuation by a Registered Valuer; specify the amount of change, if change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment or intangible assets;	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 revalued its Property, plant and equipment (including Right-of-use assets) or Intangible assets or both during the year.
i (e)		Whether any proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder, if so, whether the company has appropriately disclosed the details in its financial statements;	According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
ii (a)	Inventory and other current assets	Whether physical verification of inventory has been conducted at reasonable intervals by the management and whether, in the opinion of	Physical verification of inventory has been conducted

		the auditor, the coverage and procedure of such verification by the management is appropriate; whether any discrepancies of 10% or more in the aggregate for each class of inventory were noticed and if so, whether they have been properly dealt with in the books of account?	at reasonable intervals by the management.
ii (b)		Whether during any point of time of the year, the company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets; whether the quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company, if not, give details;	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 been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company.
(iii)	Investment, Loans or Advances by Company	Whether during the year the company has made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties, if so,	As informed, the company, company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
iii (a)		whether during the year the company has provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to any other entity [not applicable to companies whose principal business is to give loans], if so, indicate-	The Company has not granted any loans, secured or unsecured, to firms, limited liability partnerships or any other parties during the year.
iii (a) (A)		The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans or advances and guarantees or security to subsidiaries, joint ventures and associates	Not Applicable
iii (a) (B)		The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans or advances and guarantees or security to parties other than subsidiaries, joint ventures and associates	Not Applicable
iii (b)		Whether the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the company's interest	Not Applicable
iii (c)		In respect of loans and advances in the nature of loans, whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular?	Not Applicable
iii (d)		If the amount is overdue, state the total amount overdue for more than ninety days, and whether reasonable steps have been taken by the company for recovery of the principal and interest?	Not Applicable
iii (e)		Whether any loan or advance in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties, if so, specify the aggregate amount of such dues renewed or extended or settled by fresh loans and the percentage of the aggregate to the total loans or advances in the nature of loans granted during the year [not applicable to companies whose principal business is to give loans];	Not Applicable
iii (f)		Whether the company has granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment, if so, specify the aggregate amount, percentage thereof to the total loans granted, aggregate amount of loans granted to Promoters, related parties as defined in clause (76) of section 2 of the Companies Act, 2013;	Not Applicable
(iv)	Loan to Directors and Investment by the Company	In respect of loans, investments, guarantees, and security whether provisions of section 185 and 186 of the Companies Act, 2013 have been complied with. If not, provide the details thereof.	While doing transaction for loans, investments, guarantees, and security provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
(v)	Deposits Accepted by the Company	In respect of deposits accepted by the company or amounts which are deemed to be deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions	Not Applicable

		of the Companies Act and the rules made thereunder, where applicable, have been complied with, if not, the nature of such contraventions be stated; if an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not	
(vi)	Maintenance of Cost records	Whether maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and whether such accounts and records have been so made and maintained?	Not Applicable
vii (a)	Statutory Dues	Whether the company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees state insurance, income-tax, sales- tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated?	The company is regular in depositing the undisputed statutory dues including provident fund, employees` state insurance, income tax, sales, tax wealth tax, service tax, custom duty, excise duty. Cess and other statutory dues applicable to the Company with the appropriate authorities. No undisputed amounts payable in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.
vii (b)		Where statutory dues referred to in sub-clause (a) have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned	There is no dispute with the revenue auhorities regarding any duty or tax payable.
(viii)	Disclosure of Undisclosed Transactions	Whether any transactions not recorded in the books of account have been surrendered of disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, if so, whether the previously unrecorded income has been properly recorded in the books of account during the year	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)	Loans or Other Borrowings	Whether the company has defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender, if yes, the period and the amount of default to be reported in the format given	No
ix (b)		Whether the company is a declared wilful defaulter by any bank or financial institution or other lender;	No
ix (c)		Whether term loans were applied for the purpose for which the loans were obtained; if not, the amount of loan so diverted and the purpose for which it is used may be reported;	Not Applicable
ix (d)		Whether funds raised on short term basis have been utilised for long term purposes, if yes, the nature and amount to be indicated;	No
ix (e)		Whether the company has taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures, if so, details thereof with nature of such transactions and the amount in each case;	No
ix (f)		Whether the company has raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies, if so, give details thereof and also report if the company has defaulted in repayment of such loans raised;	No
x (a)	Money raised by IPO, FPOs	Whether moneys raised by way of initial public offer or further public offer {including debt instruments) and term loans were applied for the purposes for which those are raised. If not, the details together with delays or default and subsequent rectification? if any, as may be applicable, be reported.	Not Applicable
x (b)		Whether the company has made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and if so, whether the requirements of section 42 and section 62 of the Companies Act, 2013 have been complied with and the funds raised have been used for the purposes for which the funds were raised,	Not Applicable

		if not, provide details in respect of amount involved and nature of non-compliance;	
xi (a)	Reporting of Fraud During the Year	Whether any fraud by the company or any fraud on the company has been noticed or reported during the year, if yes, the nature and the amount involved is to be indicated	Based on our audit procedures and the information and explanation made available to us no such fraud noticed or reported during the year.
xi (b)		Whether any report under sub-section (12) of Section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;	According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 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.
xi (c)		Whether the auditor has considered whistle-blower complaints, if any, received during the year by the company;	We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.
xii (a)	Compliance by Nidhi Company Regarding Net Owned Fund to Deposits Ratio	Whether the Nidhi Company has complied with the Net Owned Funds to Deposits in the ratio of 1:20 to meet out the liability?	As per information and records available with us the company is not Nidhi Company.
xii (b)		Whether the Nidhi Company is maintaining ten per cent. unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability;	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
xii (c)		Whether there has been any default in payment of interest on deposits or repayment thereof for any period and if so, the details thereof;	Not Apllicable
(xiii)	Related party transactions	Whether all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act where applicable and the details have been disclosed in the financial statements, etc., as required by the applicable accounting standards?	Yes , All transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
xiv (a)	Internal audit system	Whether the company has an internal audit system commensurate with the size and nature of its business;	The company does not have an Internal Audit System
xiv (b)		Whether the reports of the Internal Auditors for the period under audit were considered by the statutory auditor;	Not Applicable
(xv)	Non cash transactions	Whether the company has entered into any non-cash transactions with directors or persons connected with him and if so, whether the provisions of section 192 of Companies Act have been complied with?	The company has not entered into any non-cash transactions with directors or persons connected with him.
xvi (a)	Requirement of Registration under 45-IA of Reserve Bank of India Act, 1934	Whether the company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and if so, whether the registration has been obtained?	The company is not required to be registered under section 45-IA of the Reserve Bank of India Act.
xvi (b)		Whether the company has conducted any Non-Banking Financial of Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act 1934;	The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
xvi (c)		Whether the company is a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, if so, whether it continues to	The Company is not a Core Investment Company (CIC) as

		fulfil the criteria of a CIC, and in case the company is an exempted or unregistered CIC, whether it continues to fulfil such criteria;	defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
xvi (d)		Whether the Group has more than one CIC as part of the Group, if yes, indicate the number of CICs which are part of the Group;	According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
(xvii)	Cash Losses	Whether the company has incurred cash losses in the financial year and in the immediately preceding financial year, if so, state the amount of cash losses;	The Company has not incurred cash losses in the current and in the immediately preceding financial year.
(xviii)	Consideration of outgoing auditors	Whether there has been any resignation of the statutory auditors during the year, if so, whether the auditor has taken into consideration the issues, objections or concerns raised by the outgoing auditors;	There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
(xix)	Material uncertainty in relation to realisation of financial assets and payment of financial liabilities	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, the auditor’s knowledge of the Board of Directors and management plans, whether the auditor is of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date;	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, 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 (a)	Compliance of CSR	Whether, in respect of other than ongoing projects, the company has transferred unspent amount to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act;	In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

xx (b)		Whether any amount remaining unspent under sub-section (5) of section 135 of the Companies Act, pursuant to any ongoing project, has been transferred to special account in compliance with the provision of sub-section (6) of section 135 of the said Act;	In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.
(xxi)	Qualifications or adverse remarks in the consolidated financial statements	Whether there have been any qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements, if yes, indicate the details of the companies and the paragraph numbers of the CARO report containing the qualifications or adverse remarks.	Not Applicable

FOR VASANTH PAI & CO.
(Chartered Accountants)
Firm Reg No. :0006633S

Place : Hyderabad
Date : 16/04/2024

VASANTH PAI NARAVI
(Proprietor)
Membership No : 203437
UDIN:24203437BKBGWN4042

"Annexure B" to the Independent Auditor's Report of even date on the Standalone Financial Statements of SOUBHAGYA CONFECTIONERY PRIVATE LIMITED.

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

We have audited the internal financial controls over financial reporting of SOUBHAGYA CONFECTIONERY PRIVATE LIMITED as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
Our audit involves performing procedures to obtain audit evidence amout the adequacy of the internal financial control system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and operating effectiveness of internal control based on the assessed risk. The procedures selected depend upon on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issues by the Institute of Chartered Accountants of India.

FOR VASANTH PAI & CO.
(Chartered Accountants)
Firm Reg No. :0006633S

VASANTH PAI NARAVI
Proprietor
M.No.: 203437
UDIN:24203437BKBGWN4042

Date : 16/04/2024
Place : HYDERABAD

SOUBHAGYA CONFECTIONERY PRIVATE LIMITED

Standalone Balance Sheet as at31st March, 2024

(₹ In lakhs)

Particulars	Note No	As at 31st March, 2024	As at 31st March, 2023
ASSETS			
(a) Non Current Assets			
Property, Plant and Equipment	3	545.93	595.88
Capital Work in Progress	3	-	0.44
Intangible Assets	4	-	0.06
Financial Assets			
Investments	5(a)	-	-
Loans and Advances	6(a)	-	
Other Financial Assets	10(a)	-	-
Other Non Current Assets	11(a)	280.04	71.85
Total Non Current Assets		**825.97**	**668.23**
(b) Current Assets			
Inventories	8	379.77	213.58
Financial Assets			
Investments	5(b)	-	-
Loans and Advances	6(b)	-	-
Trade Receivables	7	706.91	496.46
Cash and Cash Equivalents	9	150.77	327.86
Other Financial Assets	10(b)	9.40	9.69
Current Tax Assets (net)	19	-	-
Other Current Assets	11(b)	84.00	34.04
Total Current Assets		**1,330.85**	**1,081.63**
Total Assets		**2,156.82**	**1,749.86**
EQUITY AND LIABILITIES			
(a) Equity			
Share Capital	12	148.00	148.00
Other Equity	13	1,057.01	701.36
Total Equity		**1,205.01**	**849.36**
(b) Non Current Liabilities			
Financial Liabilities			
Borrowings	14(a)	-	333.83
Provisions	16(a)	20.72	-
Other Non Current Liabilities	17(a)	-	-
Deferred Tax Liabilities (net)	18	16.18	25.58
Total Non Current Liabilities		**36.90**	**359.41**
(c) Current Liabilities			
Financial Liabilities			
Borrowings	14(b)	481.80	-
Trade Payables:			
(i) Total Outstanding Dues of Micro, Small and Medium Enterprises	15	105.15	-
(i) Total Outstanding Dues other than Micro, Small and Medium Enterprises	15	322.27	474.12
Provisions	16(b)	0.48	44.14
Other Current Liabilities	17(b)	5.21	22.83
Total Current Liabilities		**914.91**	**541.09**
Total Equity and Liabilities		**2,156.82**	**1,749.86**

For Vasanth Pai & Co.	**for and on behalf of the Board of Directors**	
Chartered Accountants	**Soubhagya Confectionery Private Limited**	
Firm Registration Number: 006633S		
N. Vasanth Pai		
Proprietor		
M. No: 203437	**Vinayak Kamath**	**Venkata Rama Raju**
Place: Hyderabad	**Director**	**Director**
Date : 16.04.2024	**DIN: 09041274**	**DIN: 09700016**

SOUBHAGYA CONFECTIONERY PRIVATE LIMITED

Standalone Statement of Profit and Loss for the Year ended 31st March, 2024 (₹ In Lakhs)

Particulars	Note No.	For the Year ended 31st March 2024	For the year ended 31st March 2023
Income			
Revenue from Operations	20	7,816.19	6,950.32
Other Income	21	57.28	(0.94)
Total Income		**7,873.47**	**6,949.38**
Expenses			
Cost of Materials Consumed	22	6,189.17	5,656.60
Purchases of Stock in Trade		-	-
Changes in inventories of Finished goods, Stock in Trade and Work in Progress	23	(2.30)	0.91
Employee Benefit Expenses	24	389.72	297.43
Finance Costs	25	5.28	-
Depreciation and Amortisation expenses	26	69.14	129.97
Other Expenses	27	749.17	541.83
Total Expenses		**7,400.18**	**6,626.74**
Prior Period Items		**(12.97)**	
Profit before Tax		**486.26**	**322.64**
Tax Expenses			
Current Tax		126.47	108.64
Deferred Tax		(9.40)	(13.75)
MAT Credit		-	(54.14)
Total Tax Expenses		**117.07**	**40.75**
Profit after Tax for the period		**369.19**	**281.89**
Other comprehensive income			
Actuarial Gain/(Loss) on Remeasurement of Defined Benefit Obligations		**(13.54)**	**-**
Total Comprehensive Income for the period		**355.65**	**281.89**
Earnings Per Equity Share (EPS)			
Basic (Rs.)	28	**24.95**	**19.05**
Diluted (Rs.)	28	**24.95**	**19.05**

for Vasanth Pai & Co.
Chartered Accountants
Firm Registration Number: 006633S

N. Vasanth Pai
Proprietor
M. No: 203437
Place : Hyderabad
Date : 16.04.2024

for and on behalf of the Board of Directors
Soubhagya Confectionery Private Limited

Vinayak Kamath
Director
DIN: 09041274

Venkata Rama Raju
Director
DIN: 09700016

SOUBHAGYA CONFECTIONERY PRIVATE LIMITED
Standalone Statement of Changes in Equity for the month ended 31st March, 2024
(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

(a) Share Capital

Particulars	Number of Shares	Value
<u>**Equity shares of Rs. 10/- each fully paid**</u>		
Balance as at 1st April, 2022	**14,80,000**	**148.00**
Changes in equity share capital due to prior period errors	-	-
Changes in equity share capital during the current year	-	-
Balance as at 31st March, 2023	**14,80,000**	**148.00**
Changes in Equity Share Capital due to prior period errors	-	-
Changes in equity share capital during the current year	-	-
Balance as at 31st March, 2024	**14,80,000**	**148.00**

(b) Other Equity ₹ In lakhs)

Particulars				Other Comprehensive Income	Total
	Central Subsidy	Investment Utilisation Reserve	Retained Earnings	Re-measurement Gains or Losses on Employee Defined Benefit Plans	
Balance as at 1st April, 2022	**5.57**	**8.68**	**405.95**	**-**	**420.20**
Profit for the year	-	-	281.89	-	281.89
Adjustments for opening Balances	-	-	(0.73)	-	(0.73)
Expense arising from equity-settled share-based payment transactions	-	-	-	-	-
Transferred from stock options outstanding	-	-	-	-	-
Dividend on equity shares	-	-	-	-	-
Remeasurement on net defined benefit liability	-	-	-	-	-
Balance as at 31st March, 2023	**5.57**	**8.68**	**687.11**	**-**	**701.36**
Profit for the period	-	-	369.19	-	369.19
Adjustments for opening Balances	-	-	-	-	-
Expense arising from equity-settled share-based payment transactions	-	-	-	-	-
Transferred from stock options outstanding	-	-	-	-	-
Dividend on equity shares	-	-	-	-	-
Remeasurement on net defined benefit liability	-	-	-	(13.54)	(13.54)
Closing Balance as on 31st March,2024	**5.57**	**8.68**	**1,056.30**	**(13.54)**	**1,057.01**

SOUBHAGYA CONFECTIONERY PRIVATE LIMITED

Standalone Statement of Cash Flows for the Year ended 31st March, 2024 (₹ in Lakhs)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
A. Cash Flows from Operating Activities		
Profit Before Tax	**486.26**	**322.64**
Adjustments for:		
Depreciation and Amortisation Expense	69.14	129.97
Profit on sale of FA	(16.98)	
Gratuity and Leave Encashment Payment	-	
Gain /Loss on foreign exchange	(10.87)	
Discount Received		(0.95)
CSR Expenditure	4.55	
DBO - Current Service Cost	6.13	-
DBO - Interest Expense	1.92	-
Interest Income on Fixed Deposit		
Finance Costs	3.35	0.55
Operating Profit before Working Capital Changes	**543.50**	**452.21**
Adjustments for (increase)/decrease in Operating Assets		
Trade Receivables	(210.45)	113.11
Inventories	(166.19)	141.68
LT Loans and Advances	-	
ST Loans and Advances	-	(0.63)
Other Financial Assets	0.29	1.03
Other Non-Current Assets	(208.19)	(31.88)
Borrowings	481.81	-
Other Current Assets	(49.96)	(0.54)
Adjustments for increase/(decrease) in Operating Liabilities		
Cash Credit A/c (Axis Bank)	-	-
Trade Payables	(46.69)	144.43
Long Term Provisions	20.72	
Short Term Provisions	(43.66)	32.00
Other Current Liabilities	(17.62)	(19.74)
Cash Generated from Operations	**303.56**	**831.67**
Advance Tax paid	(137.61)	(87.00)
Net Cash Generated from Operating Activities (A)	**165.95**	**744.67**
B. Cash Flows from Investing Activities		
Capital Expenditure on Property, Plant and Equipment (including capital advances)	(35.67)	(6.10)
Proceeds from sale of Plant & Machinery	29.81	-
Interest Income on Fixed Deposit		-
Net Cash Used in Investing Activities (B)	**(5.86)**	**(6.10)**
C. Cash Flows from Financing Activities		
Repayment of Loans from Related Parties	(333.83)	(560.00)
Finance Costs	(3.35)	(0.55)
Net Cash provided by Financing Activities (C)	**(337.18)**	**(560.55)**
Net increase in Cash and Cash Equivalents (A+B+C)	**(177.09)**	**178.02**
Cash and Cash Equivalents at the beginning of the year	327.86	149.84
Cash and Cash Equivalents at the end of the year	**150.77**	**327.86**

for Vasanth Pai & Co.
Chartered Accountants
Firm Registration Number: 006633S

N. Vasanth Pai
Proprietor
M. No: 203437
Place : Hyderabad
Date : 16.04.2024

for and on behalf of the Board of Directors
Soubhagya Confectionery Private Limited

Vinayak Kamath
Director
DIN: 09041274

Venkata Rama Raju
Director
DIN: 09700016

SOUBHAGYA CONFECTIONERY PRIVATE LIMITED
Notes to Financial Statements for the year ended 31st March, 2024

Note 1: Corporate Information

Soubhagya Confectionery Private Limited is primarily engaged in the manufacturing of Chocolates, Cocoa Products and other similar products in nature. The Company is a Private Limited Company incorporated in India as per the provisions of the Companies Act applicable in India. The Company is a wholly owned subsidiary of Lotus Chocolate Company Limited which is listed on the Bombay Stock Exchage (BSE). The Registered office of the Company is situated at 160/A, S.V. Co-Op Industrial Estate, I.D.A, Bollaram, Telangana - 502325 India. The Company has its manufacturing facilities located at 160/A, S.V. Co-Op Industrial Estate, I.D.A, Bollaram, Telangana - 502325 India.

Note 2: Significant Accounting Policies

2.1 Basis of preparation of financial statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ('Ind AS'), under the historical cost basis except for certain financial instruments which are measured at fair values at the end of each reporting period as explained in the accounting policies below, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

2.2 Current vs. Non Current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. The Company classifies all other liabilities as non-current.
- Deferred tax assets and liabilities are classified as non-current assets and liabilities.
- The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

2.3 Functional currency

The financial statements are presented in Indian rupees, which is the functional currency of the Company. Functional currency of an entity is the currency of the primary economic environment in which the entity operates. All amounts are in Indian Rupee except share data, unless otherwise stated. Transactions and balances Transactions in foreign

SOUBHAGYA CONFECTIONERY PRIVATE LIMITED
Notes to Financial Statements for the year ended 31st March, 2024

currencies are initially recorded by the Company at its functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss.

2.4 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Provision and contingent liability

On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting. As at March 31, 2022 management assessed that the useful lives represent the expected utility of the assets to the Company. Further, there is no significant change in the useful lives as compared to previous year.

2.5 Fair Value Measurement

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability"

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

SOUBHAGYA CONFECTIONERY PRIVATE LIMITED
Notes to Financial Statements for the year ended 31st March, 2024

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

"Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable."

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2.6 Significant Accounting Policies

1. Revenue recognition

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

- Revenue is measured at the fair value of consideration received or receivable taking into account the amount of discounts, volume rebates and are recognised when all significant risks and rewards of ownership of the goods sold are transferred.
- Dividend income is accounted for when the right to receive the income is established.
- Difference between the sale price and carrying value of investment is recognised as profit or loss on sale/redemption on investment on trade date of transaction.
- Interest income is accrued on, time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2. Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

3. Foreign currencies

In preparing the financial statements of the Company, transactions in currencies other than the company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing

SOUBHAGYA CONFECTIONERY PRIVATE LIMITED
Notes to Financial Statements for the year ended 31st March, 2024

at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

4. Borrowing costs

Specific borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of such asset till such time the asset is ready for its intended use and borrowing costs are being incurred. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred. Borrowing cost includes interest expense, amortization of discounts, ancillary costs incurred in connection with borrowing of funds and exchange difference arising from foreign currency borrowings to the extent they are regarded as an adjustment to the Interest cost.

5. Taxation

Income tax expense consists of current and deferred tax. Income tax expense is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit; differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and taxable temporary differences arising upon the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously. A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

6. Earnings per share

The Company presents basic and diluted earnings per share (“EPS”) data for its ordinary shares. The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit attributable to equity shareholders for the year relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share.

7. Property, plant and equipment

The initial cost of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use, including relevant borrowing costs and any expected costs of decommissioning, less accumulated depreciation and accumulated impairment losses, if any. Expenditure incurred after the PPE have been put into operation, such as repairs and

SOUBHAGYA CONFECTIONERY PRIVATE LIMITED
Notes to Financial Statements for the year ended 31st March, 2024

maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred. If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

8. Expenditure during construction period

Expenditure during construction period (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) is included under Capital Work-in-Progress, and the same is allocated to the respective PPE on the completion of their construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under “Other non-current Assets”

9. Depreciation

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a straight-line basis over the useful lives as prescribed in Schedule II to the Act or as per technical assessment.

Depreciable amount for PPE is the cost of PPE less its estimated residual value. The useful life of PPE is the period over which PPE is expected to be available for use by the Company, or the number of production or similar units expected to be obtained from the asset by the Company.

The Company has componentised its PPE and has separately assessed the life of major components. In case of certain classes of PPE, the Company uses different useful lives than those prescribed in Schedule II to the Act. The useful lives have been assessed based on technical advice, taking into account the nature of the PPE and the estimated usage of the asset on the basis of management’s best estimation of obtaining economic benefits from those classes of assets.

Buildings - 30 Years
Plant and Machinery - 8 to 15 years
Electrical Equipment - 10 Years
Office Equipment - 5 Years
Computers - 3 Years
Furniture and Fixtures - 10 Years
Vehicles - 8 Years
Depreciation on additions is provided on a pro-rata basis from the month of installation or acquisition and in case of Projects from the date of commencement of commercial production. Depreciation on deductions/disposals is provided on a pro-rata basis up to the date of deduction/ disposal.

10. Intangible assets and amortisation

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective estimated useful lives on a straight-line basis, from the date that they are available for use.

Amortization

The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and thelevel of maintenance expenditures required to obtain the expected future cash flows from the asset. Design and development is amortised over a period of five years.

SOUBHAGYA CONFECTIONERY PRIVATE LIMITED
Notes to Financial Statements for the year ended 31st March, 2024

11. Inventories

Inventories are valued as follows:

• **Raw materials, fuel, stores & spare parts and packing materials:**

Valued at lower of cost and net realisable value (NRV). However, these items are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost. Cost is determined on FIFO basis.

• **Work-in- progress (WIP), finished goods and stock-in-trade:**

Valued at lower of cost and NRV. Cost of Finished goods and WIP includes cost of raw materials, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

12. Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with banks that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

13. Cash Flow Statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated.

14. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Where the Company receives non-monetary grants, the asset and the grant are accounted at fair value and recognised in the statement of profit and loss over the expected useful life of the asset.

15. Impairment of non financial assets

The carrying amounts of the Company's non-financial assets, inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash-generating unit. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit")

An impairment loss is recognized in the income statement if the estimated recoverable amount of an asset or its cash-generating unit is lower than its carrying amount. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. Goodwill that forms part of the carrying amount of an investment in an associate is not recognized separately, and therefore is not tested for

SOUBHAGYA CONFECTIONERY PRIVATE LIMITED
Notes to Financial Statements for the year ended 31st March, 2024

impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired.

An impairment loss in respect of equity accounted investee is measured by comparing the recoverable amount of investment with its carrying amount. An impairment loss is recognized in the income statement, and reversed if there has been a favorable change in the estimates used to determine the recoverable amount.

16. Employee Benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

The Company's contributions to defined contribution plans are charged to the income statement as and when the services are received from the employees.

Defined benefit plans

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the projected unit credit method consistent with the advice of qualified actuaries. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related defined benefit obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used. The current service cost of the defined benefit plan, recognized in the income statement in employee benefit expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognized immediately in income. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the income statement. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Termination benefits

Termination benefits are recognized as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense if the Company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

Other long-term employee benefits

The Company's net obligation in respect of other long term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and previous periods. That benefit is discounted to determine its present value. Re-measurements are recognized in the statement of profit and loss in the period in which they arise.

17. Provisions

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

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Notes to Financial Statements for the year ended 31st March, 2024

specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

18. Contingent liabilities & contingent assets

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

19. Financial instruments

a. Recognition and Initial recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issues of financial assets and financial liabilities that are not at fair value through profit or loss, are added to the fair value on initial recognition. A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

b. Classification and Subsequent measurement

Financial assets:

On initial recognition, a financial asset is classified as measured at amortised cost or FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets. A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

a. the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

b. 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.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

"a. the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management’s strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

b. how the performance of the portfolio is evaluated and reported to the Company’s management;

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Notes to Financial Statements for the year ended 31st March, 2024

c. the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

d. how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

e. the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity"

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL. Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest. For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

"a. contingent events that would change the amount or timing of cash flows;

b. terms that may adjust the contractual coupon rate, including variable interest rate features;

c. prepayment and extension features; and

d. terms that limit the Company's claim to cash flows from specified assets (e.g. nonrecourse features)"

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income,

are recognised in profit or loss.

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities: Classification, Subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

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Notes to Financial Statements for the year ended 31st March, 2024

Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

c. Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

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

d. Offsetting

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

e. Impairment

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost. At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at fair value through other comprehensive income (FVOCI) are credit impaired. A financial asset is 'credit- impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

"Evidence that a financial asset is credit impaired includes the following observable data:

a. significant financial difficulty of the borrower or issuer;

b. the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;

c. it is probable that the borrower will enter bankruptcy or other financial reorganisation; or

d. the disappearance of an active market for a security because of financial difficulties."

"The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

a. debt securities that are determined to have low credit risk at the reporting date; and

b. other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses."

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the

SOUBHAGYA CONFECTIONERY PRIVATE LIMITED
Notes to Financial Statements for the year ended 31st March, 2024

expected life of the instrument is less than 12 months). In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forwardlooking information.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). Presentation of allowance for expected credit losses in the balance sheet Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the trade receivable does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write- off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

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Notes to Financial Statements for the year ended 31st March, 2024

Note 3: Property, Plant and Equipment (₹ In Lakhs)

Description	Gross carrying value				Depreciation/Amortisation				Net carrying value	
	As at 1st April, 2023	Additions/ Adjustment	Disposals	As at 31st March, 2024	As at 1st April, 2023	Charge for the period	Disposals	As at 31st March, 2024	As at 31st March, 2024	As at 1st April, 2023
Land	24.04	-	16.98	7.06	-	-	-	-	7.06	24.04
Buildings	528.18	5.39	-	533.57	197.97	13.88	-	211.85	321.72	330.21
Furnitures & Fixtures	39.21	5.5	-	44.71	33.58	0.69	-	34.27	10.44	5.63
Plant & Machinery	864.52	22.77	-	887.29	641.65	53.46	-	695.11	192.19	222.87
Office Equipment	9.54	1.89	-	11.43	9.06	0.17	-	9.23	2.2	0.48
Electric Installations	100.53	0	-	100.53	95.49	-	-	95.49	5.04	5.04
Computers	2.29	0	-	2.29	2.18	-	-	2.18	0.11	0.11
Vehicles	0.59	0	-	0.59	0.55	-	-	0.55	0.04	0.04
Factory Equipment	26.36	0.18	-	26.54	24.65	0.1		24.75	1.79	1.71
Lab Equipment	20.94	0.37	-	21.31	15.19	0.78		15.97	5.34	5.75
Total	**1616.20**	**36.10**	**16.98**	**1635.33**	**1020.32**	**69.08**	**-**	**1089.40**	**545.93**	**595.88**

Ageing of Capital Work In Progress as on 31st March, 2024 (₹ In Lakhs)

Particulars	Amount in capital work-in-progress for a period of				Total
	< 1 year	1 - 2 years	2 - 3 years	> 3 years	
Capital Work In Progress	-	-	-	-	**-**
Total	**-**	**-**	**-**	**-**	**-**

Ageing of Capital Work In Progress as on 31st March, 2023 (₹ In Lakhs)

Particulars	Amount in capital work-in-progress for a period of				Total
	< 1 year	1 - 2 years	2 - 3 years	> 3 years	
Capital Work In Progress	-	0.25	-	0.19	**0.44**
Total	**-**	**0.25**	**-**	**0.19**	**0.44**

SOUBHAGYA CONFECTIONERY PRIVATE LIMITED
Notes to Financial Statements for the year ended 31st March, 2024

Note 4: Intangible Assets

(₹ In Lakhs)

Particulars	Total
Gross carrying value	
Balance as at 31st March, 2023	**1.16**
Balance as at 31st March, 2024	**1.16**
Amortisation	
Balance as at 31st March, 2023	**1.10**
Balance as at 31st March, 2024	**1.16**
Net carrying value	
Balance as at 31st March, 2023	**0.06**
Balance as at 31st March, 2024	**-**

Note 5: Investments

(₹ In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
(a) Non Current		
Investments carried at cost:		
(i) Equity instruments of subsidiaries (unquoted)	-	-
Investments carried at fair value through profit and loss	-	-
Investments carried at amortised cost	-	-
Total	**-**	-
(b) Current		
Investments carried at fair value through profit and loss	-	-
Investments carried at amortised cost	-	-
Total	**-**	-

Note 6: Loans and Advances

(₹ In lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
(a) Non Current		
Unsecured, Considered Good:	-	-
Loans to Related Parties	-	-
Total	**-**	-
(b) Current		
Unsecured, Considered Good:	-	-
Loans to Related Parties	-	-
Total	**-**	-

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Notes to Financial Statements for the year ended 31st March, 2024

Note 7: Trade Receivables

(₹ In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Secured, Undisputed:		
Considered Good	-	-
Considered Doubtful	-	-
Secured, Disputed:		
Considered Good	-	-
Considered Doubtful	-	-
Unsecured, Undisputed:		
Considered Good	706.91	496.46
Considered Doubtful	-	-
Valuation Allowance for Doubtful Receivables	-	-
Unsecured, Disputed:		
Considered Good	-	-
Considered Doubtful	-	-
Total	**706.91**	**496.46**

Ageing for Trade Receivables as at 31st March, 2024 (₹ In Lakhs)

Particulars	Outstanding for the following periods from due date of payment					Total
	< 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	> 3 years	
Undisputed - Considered Good	706.91	-	-	-	-	**706.91**
Undisputed - which have significant increase in the credit risk	-	-	-	-	-	**-**
Undisputed - Credit Impaired	-	-	-	-	-	**-**
Disputed - Considered good	-	-	-	-	-	**-**
Disputed - which have significant increase in credit risk	-	-	-	-	-	**-**
Disputed - Credit Impaired	-	-	-	-	-	**-**
Total	**706.91**	**-**	**-**	**-**	**-**	**706.91**

Ageing for Trade Receivables as at 31st March, 2023 (₹ In Lakhs)

Particulars	Outstanding for the following periods from due date of payment					Total
	< 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	> 3 years	
Undisputed - Considered Good	496.46	-	-	-	-	**496.46**
Undisputed - which have significant increase in the credit risk	-	-	-	-	-	**-**
Undisputed - Credit Impaired	-	-	-	-	-	**-**
Disputed - Considered good	-	-	-	-	-	**-**
Disputed - which have significant increase in credit risk	-	-	-	-	-	**-**
Disputed - Credit Impaired	-	-	-	-	-	**-**
Total	**496.46**	**-**	**-**	**-**	**-**	**496.46**

SOUBHAGYA CONFECTIONERY PRIVATE LIMITED
Notes to Financial Statements for the year ended 31st March, 2024

Note 8: Inventories

(₹ In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Raw Materials	243.63	102.84
Work in progress	28.32	33.43
Finished Goods	73.78	66.37
Stock in Trade	-	-
Stores & Spares and Fuel	17.42	-
Packing Material	16.62	10.94
(-) Provision for Obsolete Stock of Packing Material	-	-
Total	**379.77**	**213.58**

Note 9: Cash and Cash Equivalents

(₹ In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Canara Bank CC (Secured)	-	-
Current Accounts and Deposits	150.77	326.92
Cash in Hand	-	0.94
Total	**150.77**	**327.86**

Note 10: Other Financial Assets

(₹ In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
(a) Non Current		
Other Financial Assets	-	-
Total	**-**	**-**
(b) Current		
Security Deposit - Customers	-	-
Interest Receivable	2.79	-
Balances with Government Bodies Receivable	-	0.46
Other Financial Assets	-	0.54
Loans & Advances (Asset)	1.51	-
Other Deposits	5.10	8.69
Total	**9.40**	**9.69**

SOUBHAGYA CONFECTIONERY PRIVATE LIMITED
Notes to Financial Statements for the year ended 31st March, 2024

Note 11: Other Assets

(₹ In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
(a) Non Current		
Deposits with Government Authorities	32.33	31.62
Customs Duty Under Protest	238.74	-
Provision for Taxation	(126.16)	(108.64)
TDS Receivable	6.73	6.20
TCS Receivable	0.19	1.54
MAT Credit	-	54.13
Advance Tax	128.21	87.00
Total	**280.04**	**71.85**
(b) Current		
Advances to Suppliers	8.79	15.59
Employee Advances	0.42	1.23
GST Input Receivable (net)	48.87	-
Prepaid Expenses	0.50	-
Prepaid Annual Factory Licence Fees	0.54	-
Receivable From Promoters	6.50	-
Prepaid Insurance	1.16	-
VAT Summary (Prior to June 2, 2014)	17.22	17.22
Total	**84.00**	**34.04**

Note 12: Share Capital

(₹ In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Authorised Share Capital		
30,00,000 Equity Shares of Rs. 10/- each (30,00,000 Equity Shares of Rs. 10/- each as at 31st March'2023)	**300.00**	**300.00**
Issued, Subscribed and Fully paid-up Share Capital		
14,80,000 Equity Shares of Rs. 10/- each (14,80,000 Equity Shares of Rs. 10/- each)	**148.00**	**148.00**

(a) **Details of shareholdings of promoters**

Name of Promoters	As at 31st March, 2024			As at 31st March, 2023		
	No. of Equity Shares Held	% of Total Equity Shares	% Change during the period	No. of Equity Shares Held	% of Total Equity Shares	% Change during the period
Equity shares of Rs.10/- each fully paid						
Abhijeet Pai	-	0.00%	(41.59)%	6,15,500	41.59%	-
Ashwini Pai	-	0.00%	(7.80)%	1,15,500	7.80%	-
P. Aditya Pai	-	0.00%	(41.59)%	6,15,500	41.59%	-

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Notes to Financial Statements for the year ended 31st March, 2024

P. Aman Pai	-	0.00%	(7.80)%	1,15,500	7.80%	-
Lotus Chocolate Company Limited	14,80,000	100%	100.00%	-	0.00%	
Total	**14,80,000**	**100.00%**	**0.00%**	**14,62,000**	**98.78%**	-

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

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	No. of Equity Shares Held	% of Total Equity Shares	No. of Equity Shares Held	% of Total Equity Shares
Equity shares of Rs.10/- each fully paid				
Lotus Chocolate Company Limited	14,80,000	100.00%	-	0.00%
Abhijeet Pai	-	0.00%	6,15,500	41.59%
Ashwini Pai	-	0.00%	1,15,500	7.80%
P. Aditya Pai	-	0.00%	6,15,500	41.59%
P. Aman Pai	-	0.00%	1,15,500	7.80%
Total	**14,80,000**	**100.00%**	**14,62,000**	**98.78%**

Note 13: Other Equity

(₹ In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Capital Reserve	-	-
Securities Premium	-	-
State Investment Subsidy	-	-
Central Subsidy	5.57	5.57
Investment Utilisation Reserve	8.68	8.68
Retained Earnings	1,056.30	687.11
Other Comprehensive Income	(13.54)	-
Total	**1,057.01**	**701.36**

Note 14: Borrowings (₹ In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
(a) Non Current		
Loans from Related Parties (Unsecured)	-	333.83
Total	**-**	**333.83**
(b) Current		
Other Current Borrowings	-	-
Bank OD A/c	481.80	
Total	**481.80**	**-**

SOUBHAGYA CONFECTIONERY PRIVATE LIMITED
Notes to Financial Statements for the year ended 31st March, 2024

Note 15: Trade Payables

(₹ In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Dues to MSME	105.15	-
Dues to creditors other than MSME	322.27	474.12
Disputed dues to MSME	-	-
Disputed dues to creditors other than MSME	-	-
Total	**427.42**	**474.12**

Ageing for Trade Payables as at 31st March, 2024

(₹ In Lakhs)

Particulars	Outstanding for the following periods from due date of payment				Total
	< 1 year	1 - 2 years	2 - 3 years	> 3 years	
Undisputed dues - MSME	105.15	-	-	-	**105.15**
Undisputed dues - Others	322.27	-	-	-	**322.27**
Disputed dues - MSME	-	-	-	-	**-**
Disputed dues - Others	-	-	-	-	**-**
Total	**427.42**	**-**	**-**	**-**	**427.42**

Ageing for Trade Payables as at 31st March, 2023

(₹ In Lakhs)

Particulars	Outstanding for the following periods from due date of payment				Total
	< 1 year	1 - 2 years	2 - 3 years	> 3 years	
Undisputed dues - MSME	-	-	-	-	**-**
Undisputed dues - Others	474.12	-	-	-	**474.12**
Disputed dues - MSME	-	-	-	-	**-**
Disputed dues - Others	-	-	-	-	**-**
Total	**474.12**	**-**	**-**	**-**	**474.12**

Note 16: Provisions

(₹ In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
(a) Non Current		
Provision for Employee Benefits		
Provision for Gratuity	16.36	-
Provision for Leave Encashment	4.36	-
Total	**20.72**	**-**
(b) Current		
Provision for Employee Benefits		
Provision for Gratuity	0.36	-
Provision for Leave Encashment	0.12	-
Provision for Expenses	-	44.14
Total	**0.48**	**44.14**

SOUBHAGYA CONFECTIONERY PRIVATE LIMITED
Notes to Financial Statements for the year ended 31st March, 2024

Note 17: Other Liabilities

(₹ In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
(a) Non Current		
Other Non Current Liabilities	-	-
Total	**-**	**-**
(b) Current		
Advances from customers	0.00	0.84
GST Output Payable (net)	-	9.98
TDS Payable	4.38	1.67
Salaries Payable	-	5.75
ESI EPF PT Payable	0.83	0.03
Employee Related Payments	-	
CSR Payable	-	4.56
Outstanding Liabilities for Expenses	-	-
Total	**5.21**	**22.83**

Note 18: Deferred Tax Liabilities (Net)

(₹ In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Deferred Tax Liabilities (Net)	16.18	25.58
Total	**16.18**	**25.58**

Deferred Tax Calculations

For the Year ended 31st March 2024 (₹ In Lakhs)

Carrying Amount of PPE and Intangible Assets in Books	538.87
Less: Tax Base as per Income tax Act, 1961	453.41
Taxable Temporary Differences	**85.46**

Carrying Amount of Provision for Defined Benefit Obligations in Books	21.19
Less: Tax Base as per Income tax Act, 1961	-
Deductible Temporary Differences	**21.19**

Taxable Temporary Differences (net)	**64.27**
Deferred Tax Liability	16.18
Less: Already Provided	25.58
Charged to the Statement of Profit & Loss	**(9.40)**

SOUBHAGYA CONFECTIONERY PRIVATE LIMITED
Notes to Financial Statements for the year ended 31st March, 2024

Note 19: Current Tax Assets (Net) (₹ In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Current Tax Assets	-	-
Total	**-**	**-**

Note 20: Revenue from Operations (₹ In Lakhs)

Particulars	For the Year ended 31st March 2024	For the year ended 31st March, 2023
Revenue From Operations	7,816.19	6,950.32
Total	**7,816.19**	**6,950.32**

Note 21: Other Income (₹ In Lakhs)

Particulars	For the Year ended 31st March 2024	For the year ended 31st March, 2023
Interest Income	5.20	0.01
Interest Income - Others	1.38	
Discount Received	-	0.95
(Gain)/Loss on Foreign Exchange Transactions	10.87	(1.90)
Profit on Sale of Land	12.83	-
Prior Period income		
Profit on Sale of Plant & Machinery	4.15	
Advances Written Back	0.63	-
Expenses Written Back	0.04	
Creditors Written Back	22.18	-
Nominal Assets Write Up	0.00	-
Total	**57.28**	**(0.94)**

Note 22: Cost of Materials Consumed (₹ In Lakhs)

Particulars	For the Year ended 31st March 2024	For the year ended 31st March, 2023
Raw Materials		
Opening Stock	102.83	254.54
Purchases (Raw Materials)	6,145.54	5,515.83
Less: Closing Stock	243.63	113.77
Cost of Raw Materials Consumed (A)	**6,004.74**	**5,656.60**
Packing Materials		
Opening Stock	10.94	-
Purchases (Packing Materials)	190.11	-
Less: Closing Stock	16.62	-
Cost of Packing Materials Consumed (B)	**184.43**	**-**
Total Cost of Materials Consumed (A+B)	**6,189.17**	**5,656.60**

*Cost of Raw Materials consumed for FY 22-23 includes Consumption of Raw Materials, Packing Materials and Consumables. The same has been disaggregated in the current period.

SOUBHAGYA CONFECTIONERY PRIVATE LIMITED
Notes to Financial Statements for the year ended 31st March, 2024

Note 23: Changes in inventories of Finished Goods, Work in progress and Stock in Trade

(₹ In Lakhs)

Particulars	For the Year ended 31st March 2024	For the year ended 31st March, 2023
Finished Goods		
Opening Stock	66.37	75.77
Less: Closing Stock	73.78	66.37
(Increase) / Decrease in Inventories of Finished Goods (A)	**(7.41)**	**9.40**
Work in Progress		
Opening Stock	33.43	24.94
Less: Closing Stock	28.32	33.43
(Increase) / Decrease in Inventories Work in Progress (B)	**5.11**	**(8.49)**
Total (Increase) / Decrease in Inventories (A+B)	**(2.30)**	**0.91**

Note 24: Employee Benefit Expenses

(₹ In Lakhs)

Particulars	For the Year ended 31st March 2024	For the year ended 31st March, 2023
Salaries and Bonus	120.08	73.04
Performance Linked Incentive	-	-
Directors Remuneration	-	
Wages - Contracted Labour	246.04	203.21
DBO - Current Service Cost	6.12	-
Leave Encashment - CSC		
Interest Expense on DBO	-	-
Contribution to EPF and ESI	4.90	4.02
Employee Relocation Expenses	-	-
Packers & Movers Charges for Employee	0.59	
Staff Welfare	11.95	17.16
Traveling Exps Bus Booking	0.04	
Full and Final Settlement	-	-
Total	**389.72**	**297.43**

SOUBHAGYA CONFECTIONERY PRIVATE LIMITED
Notes to Financial Statements for the year ended 31st March, 2024

Note 25: Finance Costs

(₹ In Lakhs)

Particulars	For the Year ended March 2024	For the year ended March, 2023
Interest on Working Capital	2.29	-
Interest Expense on DBO	1.94	
Interest on Statutory Liabilities	-	
Bank Charges	1.05	
(Gain)/Loss on Foreign Exchange Transactions	-	
Total	**5.28**	**-**

Note 26: Depreciation and Amortisation Expense

(₹ In Lakhs)

Particulars	For the Year ended March 2024	For the year ended March, 2023
Depreciation Expense	69.08	128.87
Amortisation Expense	0.06	1.10
Total	**69.14**	**129.97**

Note 27: Other Expenses

(₹ In Lakhs)

Particulars	For the Year ended 31st March 2024	For the year ended 31st March, 2023
Selling Expenses		
Marketing and Other Selling Expenses	2.18	-
Freight Outwards	309.82	196.54
Total Selling Expenses (A)	**312.00**	**196.54**
Administrative Expenses		
Travelling and Conveyance	11.41	3.97
Unpaid Calls, written off	-	-
Hotel Accomodation Expenses	-	-
Professional Charges	35.65	10.79
Rates and Taxes	9.46	6.91
Packing & Forwarding Charges	0.01	-
RTA Service Charges	0.05	-
Insurance	2.18	1.22
Postage, Telephone & Courier Charges	2.82	0.50
Statutory Audit Fees	1.25	1.25
Certification Fees	0.05	0.58
Training Expenses	-	-
CSR Expenditure	-	4.56
Fees for Increase in Authorised Share Capital	-	-
General Expenses	4.96	11.63
Office Maintenance Expenses	4.94	3.77
Commission and Brokerage	-	31.38
Advertisement Expenses	-	-

SOUBHAGYA CONFECTIONERY PRIVATE LIMITED
Notes to Financial Statements for the year ended 31st March, 2024

Rent	1.86	2.54
Provision for Doubtful Debt	2.90	-
Fixed Deposit Written Off	-	-
Debtors Written Off	0.31	3.70
FSSC Transfer Audit & Certification Charges	-	-
Calibraton Charges	1.15	-
Expenses Written Back	-	-
Cross Charge	29.88	-
Advances Written Off	2.39	-
Interest Expense on DBO	0.16	-
Interest Paid on GST	-	-
Advances Written back	-	-
Interest on Statutory Liabilities	-	3.19
Bank Charges	-	0.55
Deposits Written Off	1.06	-
Incineration Charges	0.13	0.55
Generator Hire Charges	12.02	-
Total Administrative Expenses (B)	**124.64**	**87.09**
Operating Expenses		
Consumption of Stores and Spares - Refer (a) below	32.47	-
Consumables	(0.31)	
Consumption of Power and Fuel - Refer (b) below	220.32	193.05
Repairs & Maintenance	20.58	15.46
Security Charges	16.17	8.40
Freight Inward-GST Payable	0.21	-
Factory Maintenance	18.49	39.24
Ware House Expenses	-	-
Annual Factory Licence Fees	-	-
Transit Insurance	-	-
Electrical Inspection Charges 2024	-	-
Other Manufacturing Expenses	4.60	2.05
Total Operating Expenses (C)	**312.53**	**258.20**
Total Other Expenses (A+B+C)	**749.17**	**541.83**

(a) Consumption of Stores and Spares (₹ In Lakhs)

Particulars	For the Year ended 31st March 2024	For the Year ended 31st March 2023
Opening Stock	-	-
Consumables Purchase	49.89	-
Less: Closing Stock	17.42	-
Consumption of Stores and Spares	**32.47**	**-**

SOUBHAGYA CONFECTIONERY PRIVATE LIMITED
Notes to Financial Statements for the year ended 31st March, 2024

(b) Consumption of Power and Fuel

(₹ In Lakhs)

Particulars	For the Year ended 31st March 2024	For the Year ended 31st March 2023
Power Charges	212.53	191.95
Fuel Consumption:		
Opening Stock	7.79	-
Purchases (Fuel)	-	1.10
Less: Closing Stock	-	-
Consumption of Power and Fuel	**220.32**	**193.05**

Note 28: Earnings Per Share (Amounts in Rs.)

Particulars	For the Year ended 31st March 2024	For the Year ended 31st March 2023
Net Profit after Tax attributable to Equity Shareholders	3,69,18,916.17	2,81,88,950.31
Weighted Average Number of Equity Shares for the period (Basic and Diluted)	14,80,000.00	14,80,000.00
Basic EPS	**24.95**	**19.05**
Dilutive EPS	**24.95**	**19.05**

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

*Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the company (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

Note 29: Contingent Liabilities

(₹ In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Contingent Liabilities not provided for on account of Custom Duty under protest against order dated 17-12-2019 passed by the commissioner of customs Hyderabad.	238.74	238.74

*The amount under protest was paid on 23rd May, 2023 though the final decision by the court is not yet pronounced. The management is of the opinion that the decision shall be in the favour of the entity. Thus, the amount paid is classified under **Note 11: Other Current Assets**.

SOUBHAGYA CONFECTIONERY PRIVATE LIMITED
Notes to Financial Statements for the year ended 31st March, 2024

Note 30: Corporate Social Responsibility

(₹ In Lakhs)

Particulars	For the Year ended 31st March 2024	For the Year ended 31st March 2023
Amount required to be spent (YTD)	-	4.56
Amount spent during the period	-	4.56
Shortfall at the end of the period	**-**	**-**
Total of previous year's Shortfall	**-**	-
Reason for Shortfall	NA	NA
Nature of CSR Activities	NA	PM Care's Fund

Note 31: Capital Management

The Company's objectives when managing capital are to
a. Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
b. Maintain an optimal capital structure to reduce the cost of capital.
In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company's capital structure is largely equity based. It monitors capital on the basis of the following gearing ratio: Net debt divided by Total 'equity' (as shown in the balance sheet).

Particulars	For the Year ended 31st March 2024	For the Year ended 31st March 2023
Net Debt	481.80	333.83
Total Equity	1,205.01	849.36
Net Debt to Equity Ratio	**0.40**	**0.39**

SOUBHAGYA CONFECTIONERY PRIVATE LIMITED
Notes to Financial Statements for the year ended 31st March, 2024

Note 32: Analytical Ratios

Ratio	Numerator	Denominator	For the Year ended March 2024	For the year ended March, 2023	Variance
Current Ratio (in times)	Total current assets	Total current liabilities	1.45	2.07	-30%
Debt-Equity Ratio (in times)	Total debt	Total equity	-	0.39	-100%
Debt Service Coverage Ratio (in times)	PAT + Non-cash operating expenses + Interest	Interest payments + Principal repayments	NA	NA	NA
Return on Equity Ratio (in %)	Profit for the year less Preference dividend (if any)	Average total equity	31.13%	39.85%	-22%
Inventory Turnover Ratio (in times)	Revenue from operations	Average inventory	18.71	24.44	-23%
Trade Receivables Turnover Ratio (in times)	Revenue from operations (credit sales)	Average trade receivables	11.22	12.57	-11%
Trade Payables Turnover Ratio (in times)	Cost of material consumed	Average trade payables	18.72	14.07	33%
Working Capital Turnover Ratio (in times)	Revenue from operations	Average working capital	14.88	10.45	42%
Net Profit Ratio (in %)	Profit for the year	Revenue from operations	4.72%	4.06%	16%
Return on Capital Employed (in %)	Profit before tax and Long Term Finance Costs	Total Equity + Long Term Debt	40.35%	27.32%	48%

SOUBHAGYA CONFECTIONERY PRIVATE LIMITED
Notes to Financial Statements for the year ended 31st March, 2024

Note 33: Related Party Disclosures

A. List of Related Parties
I. Parent Companies
1. Lotus Chocolate Company Limited
2. Reliance Retail Limited

II. Previous Directors
1. Abhijit Pai
2. Nivedita Pai

B. Transactions during the year

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
1. Purchases from		
Lotus Chocolate Company Limited	802.20	300.15
Reliance Retail Limited	2.52	-
2. Sales to		
Lotus Chocolate Company Limited	93.42	35.33
Reliance Retail Limited	-	-

C. Closing Balances

(₹ In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
1. Unsecured Loans		
Abhijeet Pai	-	166.92
Nivedita Pai	-	166.92
2. Other Receivables		
Lotus Chocolate Company Limited	-	-
3. Other Payables		
Lotus Chocolate Company Limited	69.49	6.12

SOUBHAGYA CONFECTIONERY PRIVATE LIMITED
Notes to Financial Statements for the year ended 31st March, 2024

Note 34: Foreign Currency Exposure

The Company is exposed to foreign exchange risk arising from foreign currency transactions, mainly in the nature of purchases denominated in foreign currencies. As a policy, the Company does not hedge any of its exposure to foreign currency. The Company's exposure to foreign currency risk at the end of the reporting period are as follows:

Note 35: Financial Risk Management

The Company's activities expose it to market risk, credit risk and liquidity risk. Company's overall risk management focus on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

1. Market Risk

Market risk is the risk of loss of the future earnings, fair values or future cash flows that may result from a change in the price of a financial instruments. The value of a financial instrument may change as a result of changes in the interest rates. Foreign currency exchange rates, commodity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including instruments and deposits, foreign currency receivables, payable and borrowings.

2. Credit Risk

Credit risk arises when a customer or counter party does not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk its operating activities (primarily trade receivables) and from its financing / investing activities. Including deposits with banks. The company has a prudent and conservative process for managing its credit risk arising in the course of its business activities. The company is receiving payments regularly from its customers and hence the Company has no significant credit risk.

3. Liquidity Risk

Liquidity risk is defined as the risk that the company will not be able to settle or meet obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company’s treasury team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts based on expected cash flows.

Note 36: Segment Information

Since the company is operating in only one reportable segment, hence Segment reporting is not applicable.

Note 37: Previous year’s figures have been regrouped/reclassified wherever necessary, to confirm to current period’s classification.

Note 38: Other Statutory Information

a. The Company does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
b. The Company does not have any transactions with companies struck off.
c. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
d. The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
e. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

SOUBHAGYA CONFECTIONERY PRIVATE LIMITED
Notes to Financial Statements for the year ended 31st March, 2024

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

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

g. The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

h. The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. The quarterly returns or statements filed by the Company with the banks or financial institutions are in agreement with the books of accounts.

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

For Vasanth Pai & Co.
Chartered Accountants
Firm Registration Number: 006633S

N. Vasanth Pai
Proprietor
M. No: 203437

for and on behalf of the Board of Directors
Soubhagya Confectionery Private Limited

Vinayak Kamath
Director
DIN: 09041274

Venkata Rama Raju
Director
DIN: 09700016

Place: Hyderabad
Date : 16.04.2024