Lalit Kumar Periwal & Co.
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members of **Svaksha Distillery Limited**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Svaksha Distillery Limited** ("the Company"), which comprise the Balance Sheet as at March 31st 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

Basis for Opinion

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

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including annexures to the Board's Report but does not include the financial statements and our Auditor's Report thereon.

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

In connection with our audit of financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Lalit Kumar Periwal & Co.
FRN0325872E
KOLKATA
Chartered Accountants

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with (Indian Accounting Standards) Rules, 2015, as amended. 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional 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.

Lalit Kumar Periwal & Co. FRN0325872E KOLKATA Chartered Accountants

- 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time;

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

Lalit Kumar Periwal & Co. FRN0325872E KOLKATA Chartered Accountants

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;

(g) The Company has not paid/provided for managerial remuneration during the year.

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

i. The Company does not have any pending litigations which would impact its financial position;

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

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

iv. (a) The Management has represented to us 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) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

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

(c) Based on our audit procedure conducted that are considered reasonable and appropriate in the circumstances, nothing has come to our attention that cause us to believe that the representation under sub-clause (i) and (ii) of Rule 11(e) as provided under paragraph (2) (h) (iv) (a) & (b) above, contain any material misstatement.

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

Lalit Kumar Periwal & Co.
FRN0325872E
KOLKATA
Chartered Accountants

For LALIT KUMAR PERIWAL & COMPANY.
Chartered Accountants
Firm Registration No.0325872E

Lalit Kumar Periwal & Co.
FRN0325872E
KOLKATA
Chartered Accountants

LALIT KUMAR PERIWAL

Digitally signed by LALIT KUMAR PERIWAL
DN: c=IN, o=Personal, pseudonym=3457048eb262af6dbf893aaa58d3302bfa89129ea0f0121acae906c0bf2af1c1, postalCode=711103, st=WEST BENGAL, serialNumber=edc27e7e54efa9045e44503c0e7f005a97ac7233def6a382c3a61d6f66a85aa5, cn=LALIT KUMAR PERIWAL
Date: 2022.05.24 13:11:58 +05'30'

(Lalit Kumar Periwal)
Partner
Membership No. 063702

Place: Kolkata
Date: 21st May, 2022

ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our Independent Auditors' Report of even date in respect to statutory audit of **Svaksha Distilley Limited** for the year ended 31st March 2022, we report that:

i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanation given to us, based on a phased manner, the property, plant and equipment of the Company have been physically verified by the management, which, in our opinion, is reasonable. The discrepancies, if any, noticed on such physical verification have been properly dealt with in the books of accounts.

(c) 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 are held in the name of the Company.

(d) The Company has not revalued its property, plant and equipment and intangible assets during the year.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

ii. (a) The inventory of the Company has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable, the discrepancies noticed on physical verification of the inventory as compared to book records is less than 10% and have been properly dealt with in the books of accounts.

(b) The Company has been sanctioned working capital limit in excess of Rs five crores in aggregate from a bank during the year on the basis of security of current assets. However, since the distillery plant is still under construction, commercial production from the same is yet to commence. Hence neither working capital limit has been availed by the company nor any quarterly returns or statements filed by the company with such bank.

iii. In our opinion and according to the information and explanations given to us, the Company has not made any investment, provided any security or guarantee or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms and limited liability partnership or any other parties covered. Thus, reporting under clause (iii) (a) to (f) of the Order are not applicable to the company.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with

Lalit Kumar Periwal & Co. FRN0325872E KOLKATA Chartered Accountants

respect to the loans and investments made. The Company has neither issued any guarantee nor has provided any security on behalf of any party.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, reporting under clause (v) of the Order is not applicable to the Company.

vi. Since the Company is not engaged in any manufacturing activities at present, the clause relating to maintenance of cost records under sub - section (1) of Section 148 of the Companies Act, 2013 is not applicable.

vii.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has generally been regular in depositing the undisputed statutory dues including income tax, goods & services tax, provident fund, employees state insurance and other material statutory dues during the year by the Company with the appropriate authorities and no such dues were in arrears, as at 31st March, 2022 for a period of more than six months from the date they became payable.

viii. According to the information and explanations given to us, Company has not surrendered or disclosed any transaction, previously unrecorded in the books of accounts, in the tax assessments under the Income Tax Act, 1961, as income during the year. Accordingly, the requirement to report on clause (viii) of the Order is not applicable to the Company.

ix. (a) Based on our audit procedures and on the basis of information and explanations given by the management, the Company did not default in repayment of loans or other borrowings or in the payment of interest thereon to any lender including the loans and interest which are repayable on demand.

(b) According to the information and explanations given to us and the records of the Company examined by us including representation received from the management, the Company has not been declared willful defaulter by any bank, financial institution or other lenders or government or any government authority.

('c) Term loans were applied for the purpose for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, prima facie, no funds raised on short term basis have been used for long term purposes by the Company.

(e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clauses ('e) and (f) of the Order is not applicable to the Company.

x. (a) According to the information and explanations given to us and as per the books and records examined by us, the Company has not raised money by way of initial public offer or further public offer (including debt instruments). Accordingly, reporting under clause (x) (a) of the Order is not applicable to the company.

(b) According to the information and explanations given to us and as per the books and records examined by us, the Company has complied with the requirements of Section 42 and Section 62 of the Companies Act, 2013 for making preferential allotment or private placement of the equity shares of the company and the funds have been used for the purposes for which they were raised.

Lalit Kumar Periwal & Co. FRN0325972E KOLKATA Chartered Accountants

xi. (a) To the best of our knowledge and according to the information and explanation given to us, no fraud by the Company or any fraud on the Company has been noticed or reported during the year. Accordingly, reporting under clause (xi) (a) and (b) of the Order is not applicable to the company.

(b) According to the information and explanations and representation made by the management, no whistle - blower complaints have been received during the year (and upto the date of report) by the company.

xii. In our opinion, the Company is not a nidhi Company. Accordingly, reporting under clause (xii) (a) to ('c) of the Order is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by applicable accounting standards.

xiv. (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the company issued till date of the audit report, for the period under audit have been considered by us.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph (xv) of the Order is not applicable.

xvi. (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the company. Accordingly, reporting under clause (xvi) (a) to ('c) of the Order is not applicable to the company.

(b) In our opinion there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause (xvi) (d) of the Order is not applicable.

xvii. The Company has incurred cash losses amounting to Rs 13.31 lacs in the current financial year and Rs 8.13 lacs in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, provisions of clause (xviii) of the Order are not applicable.

xix. According to the information and explanations given to us and on the basis of financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that our reporting is based on the facts up to the date of the audit report and we neither given 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.

Lalit Kumar Periwal & Co. FRN0325872E KOLKATA Chartered Accountants

xx. The Company does not fall under the criteria of Section 135 of the Companies Act, 2013. Accordingly reporting under clause (xx) (a) and (b) of the Order is not applicable.

xxi. Since the company does not have any subsidiary, associate or joint venture, preparation of Consolidated Financial Statements for the company is not required. Accordingly, reporting under clause (xxi) of the Order is not applicable.

For LALIT KUMAR PERIWAL & COMPANY.
Chartered Accountants
Firm Registration No.0325872E

LALIT KUMAR PERIWAL

Digitally signed by LALIT KUMAR PERIWAL
DN: c=IN, o=Personal, pseudonym=3457048eb262af6dbf893aaa58d3302bfa89129ea0f0121acae906c0bf2af1c1, postalCode=711103, st=WEST BENGAL, serialNumber=edc27e7e54efa9045e44503c0e7f005a97ac7233def6a382c3a61d6f66a85aa5, cn=LALIT KUMAR PERIWAL
Date: 2022.05.24 13:12:50 +05'30'

Lalit Kumar Periwal & Co. FRN0325872E KOLKATA Chartered Accountants

(Lalit Kumar Periwal)
Partner
Membership No. 063702

Place: Kolkata
Date: 21st May, 2022

ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in paragraph 2 (f) under the heading "Report on Other Legal and Regulatory Requirements" of our Independent Auditors' Report of even date in respect to the internal financial control under clause (i) of sub-section 3 of section 143 of the Act of **Svaksha Distillery Ltd** for the year ended 31 March 2022, we report that:

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

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S 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 ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Lalit Kumar Periwal & Co. FRN0325872E KOLKATA Chartered Accountants

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

For LALIT KUMAR PERIWAL & COMPANY.
Chartered Accountants
Firm Registration No.0325872E

Lalit Kumar Periwal & Co. FRN0325872E KOLKATA Chartered Accountants

LALIT KUMAR PERIWAL

Digitally signed by LALIT KUMAR PERIWAL
DN: c=IN, o=Personal, pseudonym=3457048eb262af6dbf893aaa58d3302bfa89129ea0f0121acae906c0bf2af1c1, postalCode=711103, st=WEST BENGAL, serialNumber=edc27e7e54efa9045e44503c0e7f005a97ac7233def6a382c3a61d6f66a85aa5, cn=LALIT KUMAR PERIWAL
Date: 2022.05.24 13:13:47 +05'30'

(Lalit Kumar Periwal)
Partner
Membership No. 063702

Place: Kolkata
Date: 21st May, 2022

SVAKSHA DISTILLERY LIMITED

CIN - U74900WB2014PLC202126

Balance Sheet as at 31st March 2022

Particulars	Note	As at 31st March 2022	As at 31st March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	5A	6,29,28,220	4,64,83,067
Capital work in progress	5B	1,37,52,08,518	31,62,78,621
Intangible Assets	6A	63,000	-
Investment Property	6B	1,08,48,014	-
Financial assets			
i) Loans		-	-
ii) Other Financial Assets	7	65,45,367	15,78,386
Other non-current assets	8	16,83,50,332	19,79,35,762
Total Non-Current Assets		1,62,39,43,451	56,22,75,836
Current Assets			
Inventories	9	1,53,00,710	-
Financial assets			
i) Cash and cash equivalents	10	1,87,03,817	5,22,056
ii) Loans	11	57,000	23,399
Other Current Assets	12	20,33,77,364	3,82,01,253
Total Current Assets		23,74,38,892	3,87,46,709
Total Assets		1,86,13,82,343	60,10,22,545
EQUITY & LIABILITIES			
EQUITY			
Equity Share capital	13	4,77,05,160	1,81,82,000
Other equity	14	42,22,23,645	7,44,64,804
Total Equity		46,99,28,805	9,26,46,804
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	15	39,62,32,583	3,94,16,465
Total Non-Current Liabilities		39,62,32,583	3,94,16,465
Current liabilities			
Financial liabilities			
Borrowings	15	92,31,11,804	44,45,81,701
Trade payables	16		
Dues to micro and small enterprises		-	-
Dues to Others		1,61,18,838	1,71,937
Other financial liabilities	17	4,74,83,012	2,13,89,946
Other Current Liabilities	18	85,07,301	28,15,692
Total current liabilities		99,52,20,955	46,89,59,276
Total Liabilities		1,39,14,53,538	50,83,75,741
TOTAL EQUITY AND LIABILITIES		1,86,13,82,343	60,10,22,545

Basis of preparation and presentation of Financial Statements 2
Significant Accounting Policies 3
Significant Judgements & Key Estimates 4
The Notes are an integral part of the Financial Statements
As per our report of even date annexed.

For LALIT KUMAR PERIWAL AND COMPANY
Chartered Accountants
FRN : 0325872E

LALIT KUMAR PERIWAL

Lalit Kumar Periwal & Co. FRN0325872E KOLKATA Chartered Accountants

SVAKSHA DISTILLERY LIMITED Kolkata

CA Lalit Kumar Periwal
Partner
Membership No.: 063702
Dated : 21.05.2022

For and on behalf of the Board
SVAKSHA DISTILLERY LIMITED

Director
SVAKSHA DISTILLERY LIMITED

Director

SVAKSHA DISTILLERY LIMITED

CIN - U74900WB2014PLC202126

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

Particulars	Note	For the year ended 31st March 2022	For the year ended 31st March 2021
INCOME			
Other Income	19	55,130	3,25,546
Total Income		55,130	3,25,546
EXPENSES			
Cost of Raw Material Consumed	20	-	-
Employee Benefit Expenses	21	-	-
Finance Costs	22	2,95,398	5,54,716
Depreciation	23	13,85,326	6,96,186
Other Expenses	24	10,90,417	5,83,485
Total Expenses		27,71,141	18,34,387
Profit before Exceptional Items & Tax		(27,16,011)	(15,08,841)
Exceptional Items		-	-
Profit before Tax		(27,16,011)	(15,08,841)
Tax Expenses:	25		
- Current Tax		-	-
- Deferred Tax		-	-
Profit for the year		(27,16,011)	(15,08,841)
Earnings per equity share of face value of Rs. 10 each			
Basic	26	(1.26)	(0.83)
Diluted	26	(1.26)	(0.83)

Basis of preparation and presentation of Financial Statements 2
Significant Accounting Policies 3
Significant Judgements & Key Estimates 4
The Notes are an integral part of the Financial Statements
As per our report of even date annexed.

For LALIT KUMAR PERIWAL AND COMPANY
Chartered Accountants
FRN : 0325872E

LALIT KUMAR PERIWAL

Digitally signed by LALIT KUMAR PERIWAL
DN: c=IN, o=Personal, pseudonym=3457048eb262af6dbf893aaa58d3302bfa89129ea0f0121acae906c0bf2af1c1, postalCode=711103, st=WEST BENGAL, serialNumber=edc27e7e54efa9045e44503c0e7f005a97ac7233def6a382c3a61d6f66a85aa5, cn=LALIT KUMAR PERIWAL
Date: 2022.05.24 17:03:30 +05'30'

Lalit Kumar Periwal & Co. FRN0325872E KOLKATA Chartered Accountants

SVAKSHA DISTILLERY LIMITED Kolkata

CA Lalit Kumar Periwal
Partner
Membership No.: 063702
Dated : 21.05.2022

For and on behalf of the Board

SVAKSHA DISTILLERY LIMITED

Director

SVAKSHA DISTILLERY LIMITED

Director

SVAKSHA DISTILLERY LIMITED

CIN - U74900WB2014PLC202126

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022

		2021-22	2020-21
A	**Cash Flow From Operating Activities**		
	Net Profit before taxation & Exceptional Items	**(27,16,011)**	(15,08,841)
	Adjustment for -		
	Depreciation	**13,85,326**	6,96,186
	Prior period adjustment	-	34,31,136
	Finance Cost	**2,95,398**	5,54,716
	Operating Profit before Working Capital Changes	**(10,35,287)**	31,73,197
	Adjustment for -		
	(Increase) / Decrease in Loans, Other Financial Assets & Other Assets	**(14,05,91,263)**	(9,38,28,096)
	(Increase) / Decrease in Inventories	**(1,53,00,710)**	-
	Increase / (Decrease) in Trade Payables & Other Liabilities	**4,51,32,908**	1,19,26,707
	Cash Generated from Operations	**(11,17,94,352)**	(7,87,28,192)
	Net Cash Flow from Operating Activities {A}	**(11,17,94,352)**	(7,87,28,192)
B	**Cash Flow From Investing Activities**		
	Purchase of Property, Plant & Equipment including CWIP	**(1,08,76,71,390)**	(16,96,99,005)
	Net Cash Flow from Investing Activities {B}	**(1,08,76,71,390)**	(16,96,99,005)
C	**Cash Flow From Financing Activities**		
	Proceeds from issue of Equity Shares by Conversion of Unsecured Loans	**37,99,98,012**	9,00,02,000
	Finance Cost	**23,03,270**	(5,54,716)
	Proceeds from Current & Non Current Borrowings (Net)	**83,53,46,221**	15,92,35,402
	Net Cash Flow from Financing Activities {C}	**1,21,76,47,503**	24,86,82,686
	Net Increase / (Decrease) in Cash & Cash Equivalents [A+B+C]	**1,81,81,761**	2,55,489
	Cash & Cash Equivalents - Opening Balance	**5,22,056**	2,66,567
	Cash & Cash Equivalents - Closing Balance	**18703817**	5,22,056

The Notes are an integral part of the Financial Statements

As per our report of even date annexed.

For LALIT KUMAR PERIWAL AND COMPANY
Chartered Accountants
FRN : 0325872E

LALIT KUMAR PERIWAL

Digitally signed by LALIT KUMAR PERIWAL Date: 2022.05.24 17:04:25 +05'30'

Lalit Kumar Periwal & Co. FRN0325872E KOLKATA Chartered Accountants

SVAKSHA DISTILLERY LIMITED Kolkata

CA Lalit Kumar Periwal
Partner
Membership No.: 063702
Place : Kolkata
Dated : 21.05.2022

For and on behalf of the Board

SVAKSHA DISTILLERY LIMITED

Director

SVAKSHA DISTILLERY LIMITED

Director

SVAKSHA DISTILLERY LIMITED

CIN - U74900WB2014PLC202126

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

a) Equity Share Capital

Balance as at 31st March 2020	1,00,00,000
Add/(Less): Changes in Equity Share Capital during the year	81,82,000
Balance as at 31st March 2021	1,81,82,000
Add/(Less): Changes in Equity Share Capital during the year	2,95,23,160
Balance as at 31st March 2022	**4,77,05,160**

b) **Other Equity**

Particulars	Reserve & Surplus		Total
	Securities Premium	Retained Earnings	
Balance as at 31st March, 2020	-	(92,77,491)	(92,77,491)
Prior Period Adjustment	-	34,31,136	34,31,136
Profit/ (Loss) for the year	-	(15,08,841)	(15,08,841)
Addition during the year	8,18,20,000	-	
Other Comprehensive Income	-	-	-
Total Comprehensive Income for the year	-	19,22,295	19,22,295
Balance as at 31st March, 2021	8,18,20,000	(73,55,196)	7,44,64,804
Profit/ (Loss) for the year	-	(27,16,011)	(27,16,011)
Other Comprehensive Income	-	-	-
Addition during the year	35,04,74,852	-	35,04,74,852
Total Comprehensive Income for the year	-	**(27,16,011)**	**(27,16,011)**
Balance as at 31st March, 2022	**43,22,94,852**	**(1,00,71,207)**	**42,22,23,645**

The Notes are an integral part of the Financial Statements
As per our report of even date annexed.

For LALIT KUMAR PERIWAL AND COMPANY
Chartered Accountants
FRN : 0325872E

LALIT KUMAR PERIWAL

Digitally signed by LALIT KUMAR PERIWAL
Date: 2022.05.24 17:05:36 +05'30'

Lalit Kumar Periwal & Co. FRN0325872E KOLKATA Chartered Accountants

SVAKSHA DISTILLERY LIMITED Kolkata

CA Lalit Kumar Periwal
Partner
Membership No.: 063702
Dated : 21.05.2022

For and on behalf of the Board

SVAKSHA DISTILLERY LIMITED

Director

SVAKSHA DISTILLERY LIMITED

Director

NOTE : 5A - PROPERTY, PLANT & EQUIPMENT

Particulars	As at 31st March 2022								
	Gross Carrying Amount				Accumulated Depreciaton				Net Carrying Amount as at 31st March,2022
	As at 1st April, 2021	*Additions*	*Disposals*	*As at 31st March,2022*	*As at 1st April, 2021*	*Depreciation Charged during the Year*	*Deductions*	*As at 31st March,2022*	
Freehold Land & Development	3,98,37,287	58,87,962	-	4,57,25,249	-	-	-	-	4,57,25,249
Vehicles	62,50,788	1,09,97,809	-	1,72,48,597	15,32,217	9,28,781	-	24,60,998	1,47,87,599
Computers	5,20,553	5,97,523	-	11,18,076	1,56,076	2,19,641	-	3,75,717	7,42,359
Office Equipment	1,46,377	1,19,751	-	2,66,128	40,355	55,584	-	95,939	1,70,189
Plant & Machinery	17,76,083	1,71,325	-	19,47,408	3,96,934	1,69,832	-	5,66,766	13,80,643
Furniture	78,982	56,108	-	1,35,090	1,421	11,488	-	12,909	1,22,181
Total	4,86,10,070	1,78,30,479	-	6,64,40,549	21,27,003	13,85,326	-	35,12,329	6,29,28,220

Particulars	As at 31st March 2021								
	Gross Carrying Amount				Accumulated Depreciaton				Net Carrying Amount as at 31st March,2021
	As at 1st April, 2020	*Additions*	*Disposals*	*As at 31st March,2021*	*As at 1st April, 2020*	*Depreciation Charged during the Year*	*Deductions*	*As at 31st March,2021*	
Freehold Land & Development	-	3,98,37,287	-	3,98,37,287	-	-	-	-	3,98,37,287
Vehicles	34,53,265	27,97,523	-	62,50,788	10,75,783	4,56,434	-	15,32,217	47,18,571
Computers	2,06,344	3,14,209	-	5,20,553	72,845	83,231	-	1,56,076	3,64,477
Office Equipment	92,236	54,141	-	1,46,377	22,328	18,027	-	40,355	1,06,022
Plant & Machinery	14,25,587	3,50,496	-	17,76,083	2,59,652	1,37,282	-	3,96,934	13,79,149
Furniture	-	78,982	-	78,982	-	1,421	-	1,421	77,561
Total	51,77,432	4,34,32,638	-	4,86,10,070	14,30,608	6,96,186	-	21,27,003	4,64,83,067

1. Refer Note 27 for information on the carrying amounts of financial and non - financial assets pledged as security for non - cuurent borrowings.
2. The title deeds of immovable properties as set out in above tables are held in the name of the company.

NOTE : 5B - CAPITAL WORK IN PROGRESS

	As at	
	31st March 2022	31st March 2021
i) Capital Work in Progress	1,37,52,08,518	31,62,78,621

ii) Ageing of Capital Work in Progress

Particulars	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Balance as at 31st March 2022					
Projects in progress	1,05,89,29,897	12,62,66,366	11,57,59,274	7,42,52,981	1,37,52,08,518
Projects temporarily suspended	-	-	-	-	-
Total	1,05,89,29,897	12,62,66,366	11,57,59,274	7,42,52,981	1,37,52,08,518
Balance as at 31st March 2021					
Projects in progress	12,62,66,366	11,57,59,274	5,29,79,921	2,12,73,060	31,62,78,621
Projects temporarily suspended	-	-	-	-	-
Total	12,62,66,366	11,57,59,274	5,29,79,921	2,12,73,060	31,62,78,621

There are no projects as on each reporting period where activity has been suspended.

There are no projects as on each reporting period which has exceeded cost as compared to the original plan or where completion is overdue.

SVAKSHA DISTILLERY LIMITED
Kolkata

Lalit Kumar Periwal & Co.
FRN0325872E
KOLKATA
Chartered Accountants

NOTE : 6A - INTANGIBLE ASSETS

As at 31st March 2022									
	Gross Carrying Amount				Accumulated Depreciaton / Amortisation				
Particulars	*As at 1st April, 2021*	*Additions*	*Disposals*	*As at 31st March,2022*	*As at 1st April, 2021*	*Depreciation Charged during the Year*	*Deductions*	*As at 31st March,2022*	Net Carrying Amount as at 31st March,2022
Computer Software	-	63,000	-	63,000	-	-	-	-	63,000

There are no Intangible Assets under development.

NOTE : 6B - INVESTMENT IN IMMOVABLE PROPERTY

As at 31st March 2022									
	Gross Carrying Amount				Accumulated Depreciaton / Amortisation				
Particulars	*As at 1st April, 2021*	*Additions*	*Disposals*	*As at 31st March,2022*	*As at 1st April, 2021*	*Depreciation Charged during the Year*	*Deductions*	*As at 31st March,2022*	Net Carrying Amount as at 31st March,2022
Office Premises	-	1,08,48,014	-	1,08,48,014	-	-	-	-	1,08,48,014

Lalit Kumar Periwal & Co.
FRN0325872E
KOLKATA
Chartered Accountants

SVAKSHA DISTILLERY LIMITED
Kolkata

NOTE 7: OTHER FINANCIAL ASSETS

	As At 31st March, 2022	As At 31st March, 2021
Security Deposits (Unsecured, considered good)	65,45,367	15,78,386
Total	65,45,367	15,78,386

NOTE 8: OTHER NON-CURRENT ASSETS

	As At 31st March, 2022	As At 31st March, 2021
Capital Advances	16,83,50,332	19,79,35,762
Total	16,83,50,332	19,79,35,762

NOTE 9 : INVENTORIES

(As valued and certified by the management)

	As At 31st March, 2022	As At 31st March, 2021
Raw Materials - Rice Broken	1,53,00,710	-
Total	1,53,00,710	-

NOTE 10: CASH AND CASH EQUIVALENTS

	As At 31st March, 2022	As At 31st March, 2021
Bank Balances:		
In Current Accounts	1,85,82,373	4,12,892
Cash in Hand	1,21,444	1,09,164
Total cash and cash equivalents	1,87,03,817	5,22,056

NOTE 11: LOANS

	As At 31st March, 2022		As At 31st March, 2021	
	Current	Non Current	Current	Non Current
Loan To Employees (Unsecured, considered good)	57,000		23,399	-
Total	57,000	-	23,399	-

11.1 No loans are due from directors or other officers of the company either severally or jointly with any person, nor any loan are due from firms or private companies respectively in which any director is a partner, a director or a member.

NOTE 12: OTHER CURRENT ASSETS

	As At 31st March, 2022	As At 31st March, 2021
Advances to Suppliers & Service Providers	10,78,999	13,09,059
Balances with Government & Statutory Authorities	20,19,74,571	3,68,92,194
Prepaid Expenses	2,83,334	-
Interest Receivable	40,460	-
Total	20,33,77,364	3,82,01,253

SVAKSHA DISTILLERY LIMITED Kolkata

Lalit Kumar Periwal & Co. FRN0325872E KOLKATA Chartered Accountants

NOTE 13: SHARE CAPITAL

	As At 31st March, 2022		As At 31st March, 2021	
	No. of Shares	Amount	No. of Shares	Amount
13.1 Authorized Share Capital				
Equity Shares of Rs. 10/- each	60,00,000	6,00,00,000	60,00,000	6,00,00,000
Cumulative Redeemable Preference Shares of Rs. 100/- each (CRPS)	4,00,000	4,00,00,000	4,00,000	4,00,00,000
Total		10,00,00,000		10,00,00,000
13.2 Issued, Subscribed and Fully Paid Up Capital				
Equity Shares of Rs. 10 each fully paid-up (Previous Year 18,18,200 Equity Shares @10/- Each)	47,70,516	4,77,05,160	18,18,200	1,81,82,000
Total		4,77,05,160		1,81,82,000

13.3 The details of Equity Shareholders holding more than 5% shares :

	As At 31st March, 2022		As At 31st March, 2021	
Name of Shareholder	No. of Shares	% of Shares	No. of Shares	% of Shares
BCL Industries Ltd	35,77,885	75.00	13,28,200	73.05
E-Edit Infotech Pvt. Ltd.	6,20,167	13.00	1,50,000	8.25
Svarna Infrastructure & Builders Pvt. Ltd.	3,82,464	8.02	1,50,000	8.25
Pankaj Kumar Jhunjhunwala	99,999	2.10	99,999	5.50
Shweta Mittal	89,999	1.89	89,999	4.95

13.4 The reconciliation of the number of shares outstanding is set out below:

Particulars	As At 31st March, 2022	As At 31st March, 2021
Equity Shares outstanding at the beginning of the year	18,18,200	10,00,000
Add: Equity Shares issued during the year	29,52,316	8,18,200
Equity Shares outstanding at the end of the year	47,70,516	18,18,200

13.5 Rights, Preferences and restrictions attached to the Equity Shares

The equity shares of the company with face value of Rs.10/- each rank pari-passu in all respects, including voting rights and entitlement to dividend.
In the event of liquidation of the company, the holders of Equity Share will be entitled to receive remaining assets of the company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of Equity Shares held by the share holders.
No equity shares have been reserved for issue under options and contracts/commitments for the sale of shares/disinvestments as at the Balance Sheet date.

No equity shares have been bought back by the Company during the period of 5 years preceeding the date as at which the Balance Sheet is prepared.
No securities convertible into Equity/Prefernce shares have been issued by the Company during the year.
No calls are unpaid by any Director / Officer of the Company during the year.

13.6 BCL Industries Ltd is the Holding Company of the Company.

13.7 Pursuant to the provisions of Section 62 of the Companies Act, 2013 & other applicable provisions and rules, the Board of Directors and equity shareholders of the Company approved the issue and allotment of 8,18,200 equity shares of Rs 10/- each at a premium of Rs 100/- per share to BCL Industries Ltd, holding Company, towards conversion of unsecured loan amounting to Rs 9,00,02,000/- from them in the previous year. The equity shares so issued and alloted rank pari passu with the existing equity shares of the Company.

13.8 Pursuant to the provisions of Section 62 of the Companies Act, 2013 & other applicable provisions and rules, the Board of Directors and equity shareholders of the Company approved the issue and allotment of 1,41,792 equity shares of Rs 10/- each at a premium of Rs 113/- per share to BCL Industries Ltd, holding Company, towards conversion of unsecured loan amounting to Rs1,74,40,416/- from them during the current year. The equity shares so issued and alloted on 30th June,2021, rank pari passu with the existing equity shares of the Company.

13.9 Pursuant to the provisions of Section 62 of the Companies Act, 2013 & other applicable provisions and rules, the Board of Directors and equity shareholders of the Company approved the issue and allotment of 21,07,893 equity shares of Rs 10/- each at a premium of Rs 119/- per share to BCL Industries Ltd , holding Company, 4,70,167 equity shares of Rs.10/-each at a premium Rs.119/-per share to Svarna Infrastructure and Builders Pvt Ltd, 2,32,464 equity shares of Rs.10/-each at a premium Rs.119/- per share to E-Edit Infotech Pvt Ltd towards conversion of unsecured loan amounting to Rs27,19,18,197/- , Rs.6,06,51,543/- and Rs.2,99,87,856/- respectively from them during the current year. The equity shares so issued and alloted on 1st March,2022 rank pari passu with the existing equity shares of the Company.

13.10 The details of shareholding of the Promoters--

	As At 31st March, 2022		As At 31st March, 2021	
Name of Shareholder	No. of Shares	% of Shares	No. of Shares	% of Shares
BCL Industries Ltd	35,77,885	75.00	13,28,200	73.05
E-Edit Infotech Pvt. Ltd.	6,20,167	13.00	1,50,000	8.25
Svarna Infrastructure & Builders Pvt. Ltd.	3,82,464	8.02	1,50,000	8.25
Pankaj Kumar Jhunjhunwala	99,999	2.10	99,999	5.50
Shweta Mittal	89,999	1.89	89,999	4.95

NOTE 14: OTHER EQUITY

	As At 31st March, 2022		As At 31st March, 2021	
Share Premium				
Balance at the beginning of the year	8,18,20,000		-	
Received During the Year	35,04,74,852		8,18,20,000	
Balance at the end of the year		43,22,94,852		8,18,20,000
Retained Earnings				
Balance at the beginning of the year	(73,55,196)		(92,77,491)	
Add: Prior Period Adjustment	-		34,31,136	
Add: Profit / (Loss) for the year	(27,16,011)		(15,08,841)	
Balance at the end of the year		(1,00,71,207)		(73,55,196)
		42,22,23,645		7,44,64,804

14.1 Securities Premium : The amount received in excess of face value of the Equity Shares is recognised as Securities Premium. It is utilised in accordance with the provisions of Companies Act, 2013.
14.2 Retained Earnings : Represents accumulated profits / (losses) of the Company and remaining undistributed as on date.

Lalit Kumar Periwal & Co. FRN0325872E KOLKATA Chartered Accountants

SVAKSHA DISTILLERY LIMITED Kolkata

NOTE 15: BORROWINGS

	As At 31st March, 2022		As At 31st March, 2021	
	Non Current	Current	Non Current	Current
Term Loans From Banks - Secured				
15.1. Axis Bank				
Secured by hypothecation of vehicle financed by them, Interest @ 8.5% P.A repayable in 48 Installments	-	-	-	3,11,876
15.2. ICICI Bank Limited				
Secured by hypothecation of vehicle financed by them, Interest @ 8.7% P.A repayable in 48 Installments	-	98,325	98,325	1,90,020
15.3. HDFC Bank Ltd.				
Secured by hypothecation of vehicle financed by them, Interest @ 7.60% P.A repayable in 54 Installments	4,30,013	1,62,120	5,92,133	1,50,215
15.4. HDFC Bank Ltd.				
Secured by hypothecation of vehicle financed by them, Interest @ 7.60% P.A repayable in 54 Installments	11,92,839	4,33,167	16,26,007	4,01,562
15.5. Kotak Mahindra Bank Limited				
Secured against equitable mortgage of office premises situated at DLF Galleria, Unit 517, 5th floor, Kol-156, Interest @ 8.25% P.A repayable in 120 monthly Installments	69,09,638	5,24,800	71,00,000	-
15.6. HDFC Bank Ltd.				
Secured by hypothecation of vehicle financed by them, Interest @ 6.80% P.A repayable in 57 Installments	4972351	1154897	-	-
15.7. HDFC Bank Ltd.				
Secured by hypothecation of vehicle financed by them, Interest @ 7.51 % P.A repayable in 58 Installments	15,65,487	3,57,490	-	-
15.8 HDFC Bank Ltd.				
Secured by hypothecation of vehicle financed by them, Interest @ 7.51% P.A repayable in 58 Installments	11,62,256	2,65,409	-	-
15.9 Union Bank of India--Term Loan (Refer Note 15.14)	35,00,00,000	-	-	-
Sub Total	36,62,32,583	29,96,207	94,16,465	10,53,673
15.10. Unsecured Loans				
From Holding Company	-	81,18,29,456	-	43,95,28,028
From Bodies Corporate	-	10,82,86,140	-	40,00,000
Sub Total	-	92,01,15,596	-	44,35,28,028
15.11. Preference Shares	3,00,00,000	-	3,00,00,000	
Sub Total	3,00,00,000	-	3,00,00,000	-
Total	39,62,32,583	92,31,11,804	3,94,16,465	44,45,81,701

15.12. Unsecured loans from bodies corporate are repayable on demand.

15.13. Rights, Preferences and restrictions attached to the Preference Shares

11% CRPS of Rs. 100/- each are redeemable at a premium of Rs 37/- per share, shall be non-participating, shall have priority with respect to payment of dividend or repayment of capital vis-à-vis Equity Shares of the company, shall not participate in surplus fund, shall not participate in surplus assets and Profit on winding up which may remain after the entire capital has been repaid, shall be entitled to dividend on cumulative basis, shall not be converted into Equity Shares and shall have voting rights in accordance with the law.

On 23rd July 2018, the Preference Shareholders of the company have accorded sanction for variation in the rights of the CRPS to the extent that the period of redemption shall be considered as 13 years from the respective due dates of allotment (previously 3 years) keeping in view the future business plan of the company and to conserve its financial resources due to commercial expediency and owing to the development and expansion plans.

15.14 Secured by hypothecation of Plant & Machinery and miscellaneous Fixed Assets and exclusive charge on entire current assets of the company both present and future. Industrial land admeasuring 15.96 acres and 4.95 acres in the name of the company and under construction factory building situated at the industrial land has also been given as collateral securities. Industrial land admeasuring 6.10 acres in the name of M/s Svarna Infrastructure & Builders Pvt Ltd , a promotor company is also mortgaged as collateral security. Corporate Guarantee of the holding company & M/s Svarna Infrastructure and Builders Pvt Ltd , a promoter company has been given to the Bank. Term loan is repayble in 27 quarterly installments after a moratorium of 11 months, first installment being due on June'2023, interest is payable @ 9% p.a.

15.15. Current maturities of Long Term Borrowings as per above disclosure - Current Financial Year Rs.29,96,207/-. Previous Financial Year Rs.10,53,673/-.

15.16. Charge for secured loan taken from Kotak Mahindra Bank is yet to be registered in the name of the Company with Registrar of Companies.

Lalit Kumar Periwal & Co. FRN0325872E KOLKATA Chartered Accountants

SVAKSHA DISTILLERY LIMITED Kolkata

NOTE 16 : TRADE PAYABLES

	As At 31st March 2022	As At 31st March 2021
Trade Payables for goods and services		
Micro, Small & Medium Enterprises	-	-
Trade Payable - others	1,61,18,838	1,71,937
Total	1,61,18,838	1,71,937

16.1 There is no principal amount and interest overdue to Micro and Small Enterprises. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company.

16.2 DISCLOSURE AS REQUIRED UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

Particulars	As At 31st March, 2022	As At 31st March, 2021
1 Principal amount due and remaining unpaid	-	-
2 Interest due on above and the unpaid interest	-	-
3 Interest paid	-	-
4 Payment made beyond the appointed day during the year	-	-
5 Interest due and payable for the period of delay	-	-
6 Interest accrued and remaining unpaid	-	-
7 Amount of further interest remaining due and payable in succeeding year	-	-

16.3 Ageing for trade payable

	As at 31st March 2022						
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	-	-	-	-	-	-	-
Others	10,000	1,53,00,710	8,08,128				1,61,18,838
Disputed Dues - MSME	-	-	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-	-	-
Balance at the end of the year	**10,000**	**1,53,00,710**	**8,08,128**	-	-	-	**1,61,18,838**

	As at 31st March 2021						
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	-	-	-	-	-	-	-
Others	10,000	-	1,61,937	-	-	-	1,71,937
Disputed Dues - MSME	-	-	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-	-	-
Balance at the end of the year	**10,000**	-	**1,61,937**	-	-	-	**1,71,937**

NOTE 17 : OTHER CURRENT FINANCIAL LIABILITIES

	As At 31st March, 2022	As At 31st March, 2021
Interest Accured and Due on borrowings	76,55,522	50,56,854
Employee Related Liability	15,83,092	5,70,634
Retention Money	4894512	17,71,990
Amount Payable for Capital Goods	32949886	1,39,90,468
Security Deposit	400000	-
Total	4,74,83,012	2,13,89,946

NOTE 18 : OTHER CURRENT LIABILITIES

	As At 31st March, 2022	As At 31st March, 2021
Statutory Dues Payable	85,07,301	28,15,692
	85,07,301	28,15,692

Lalit Kumar Periwal & Co. FRN0325872E KOLKATA Chartered Accountants

SVAKSHA DISTILLERY LIMITED Kolkata

NOTE 19 : OTHER INCOME	For the year ended 31st March 2022	31st March 2021
Interest on Fixed Deposit & Security Deposit	**45,438**	21,093
Miscellaneous Income	**2,668**	3,04,453
Interest - Others	**7,024**	-
Total	**55,130**	3,25,546

NOTE 20 : COST OF RAW MATERIAL CONSUMED	31st March 2022	31st March 2021
Inventory at the beginning of the Year	-	-
Add: Purchase during the Year	**1,53,00,710**	-
Less: Inventory at the end of the Year	**1,53,00,710**	
Consumed during the Year	-	-

NOTE 21: EMPLOYEE BENEFIT EXPENSES	31st March 2022	31st March 2021
Salaries	**1,28,20,807**	55,50,374
Contribution to Provident and Other Funds (Refer Note Below)	**67124**	-
Staff Welfare Expenses	**12,26,028**	2,13,179
	1,41,13,959	57,63,553
Less : Transferred to Capital work-in progress (Pre-operative expenses)	**1,41,13,959**	57,63,553
Total	-	-

The Company makes contribution towards Provident Fund to a defined contribution retirement plan for qualifying employees. The Provident Fund plan is operated by statutory authorities. Under the said scheme, the company is required to contribute a specific percentage of pay roll costs in respect of eligible employees to the retirement benefit scheme to fund the benefit. The amount recognized as an expense for Provident Fund for current year is Rs. 53795/- (Previous Year - Nil).

NOTE 22: FINANCE COSTS	31st March 2022	31st March 2021
Interest to Banks	**2,95,398**	3,10,656
Interest to Term Loan	**6,04,110**	-
Interest to others	**6,96,53,362**	2,93,17,767
Other Financial Charges	**67,91,400**	2,44,060
	7,73,44,270	2,98,72,483
Less : Transferred to Capital work-in progress (Pre-operative expenses)	**7,70,48,872**	2,93,17,767
Total	**2,95,398**	5,54,716

NOTE 23: DEPRECIATION	31st March 2022	31st March 2021
Depreciation	**13,85,326**	6,96,186
Total	**13,85,326**	6,96,186

NOTE 24: OTHER EXPENSES	31st March 2022	31st March 2021
Repairs & Maintenance	**1,04,711**	32,840
Telephone	**1,15,869**	10,220
Travelling & Conveyance	**8,26,366**	3,41,243
Site Maintainance	**61,81,135**	14,55,417
Power & Fuel (at Site)	**62,10,654**	-
Vehicle Expenses	**9,78,885**	5,62,808
Rate & Taxes	**2,01,076**	1,30,641
Professional Fees	**38,06,516**	14,43,207
Printing & Stationary	**2,96,872**	74,730
- Audit Fees	**10,000**	10,000
Freight & Transportation Charges	**15,660**	1,68,560
Miscellaneous Expenses	**1,09,67,477**	14,29,868
	2,97,15,221	56,59,534
Less : Transferred to Capital work-in progress (Pre-operative expenses)	**2,86,24,805**	50,76,050
Total	**10,90,417**	5,83,485

Lalit Kumar Periwal & Co. FRN 325872E KOLKATA Chartered Accountants

SVAKSHA DISTILLERY LIMITED Kolkata

NOTE 25: TAX EXPENSES

	31st March 2022	31st March 2021
Current Tax	-	-
Deferred Tax	-	-
Total	-	-

25.1 Reconciliation of estimated Income tax expense at statutory Income tax rate to income tax expense reported in statement of Profit & Loss

	31st March 2022	31st March 2021
Profit before income tax expense	**(27,16,011)**	(15,08,841)
Statutory Income Tax rate*	**26.00%**	26.00%
Estimated Income Tax Expense	**(7,06,163)**	(3,92,299)
Tax effect of adjustments to reconcile expected Income tax expense to reported Income tax expense		
Others	**(7,06,163)**	(3,92,299)
Income tax expense in Statement of Profit & Loss	-	-

* Applicable Income Tax rate for Financial Year 2022 & 2021 is 26 % & 26 % respectively .

NOTE 26: EARNING PER SHARE (EPS)

	31st March 2022	31st March 2021
Face Value per Equity Share (Rs)	**10.00**	10.00
Profit /(Loss) attributed to Equity Shareholders of the Company (Rs.)	**(27,16,011)**	(15,08,841)
Weighted Average number of Equity Shares	**21,58,754**	18,18,200
Basic & Diluted Earnings per Share (Rs.)	**(1.26)**	(0.83)

Lalit Kumar Periwal & Co. FRN0325872E KOLKATA Chartered Accountants

SVAKSHA DISTILLERY LIMITED Kolkata

NOTE 27: Assets pledged as security

The carrying amounts of assets pledged as security for current and non current borrowings are as follows :

Particulars	Refer Note No.	As at 31st March 2022	As at 31st March 2021
Non-current			
Freehold Land & Development	5A	4,57,25,249	-
Vehicles	5A	1,47,87,599	47,18,571
Plant & Machinery	5A	13,80,643	-
Capital Work in Progress	5B	1,37,52,08,518	-
Investment in Immovable Property - Office Premises	6B	1,08,48,014	-
Total non-currents assets pledged as security		1,44,79,50,023	47,18,571
Current			
Inventories	9	1,53,00,710	-
Cash and cash equivalents	10	1,87,03,817	-
Other Current Assets	12	20,33,77,364	-
Total currents assets pledged as security		23,73,81,891	-
Total assets pledged as security		1,68,53,31,914	47,18,571

NOTE 28: Fair Value Measurement

Categories of Financial Assets & Financial Liabilities as at 31st March 2022 and 31st March 2021

Particulars	31st March 2022			31st March 2021		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
Financial Assets						
Cash and Cash Equivalents			1,87,03,817			5,22,056
Loans			57,000			23,399
Security Deposits			65,45,367			15,78,386
Total Financial Assets	-	-	2,53,06,184	-	-	21,23,841
Financial Liabilities						
Borrowings			1,31,93,44,387			48,39,98,166
Trade Payables			1,61,18,838			1,71,937
Other Financial Libilities			4,74,83,012			2,13,89,946
Total Financial Liabilities	-	-	1,38,29,46,237	-	-	50,55,60,049

NOTE 28: Fair Values of Financial Assets and Financial Liabilities measured at Amortised Cost

Lalit Kumar Periwal & Co. FRN0375872E KOLKATA Chartered Accountants

SVAKSHA DISTILLERY LIMITED Kolkata

NOTE 28.1

The management assessed that the fair values of cash and cash equivalents, trade payables, short term borrowings and other financial liabilities approximates their carrying amounts largely due to the short-term maturities of these instruments.

NOTE 28.2

The management considers that the carrying amounts of Financial Assets and Financial Liabilities recognised at nominal cost / amortised cost in the financial statements approximate their fair values.

NOTE 29: Related Party Disclosures

29.1 As per Ind AS 24, the disclosures of transactions with the related parties are given below:

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

Name of the Related Party	Relationship
BCL Industries Ltd	Holding Company
Mr Pankaj Jhunjhunwala	Key Managerial Personnel
Mrs Shweta Jhunjhunwala	Key Managerial Personnel
Mr Kushal Mittal	Key Managerial Personnel

29.2 Transactions during the year with related parties **(Fig in Rs.)**

Sr No	Nature of Transactions		Holding Company
(A)	Interest Paid		**6,61,64,119**
		Previous Year	2,83,75,877
(B)	Advances Received (Net)		**37,23,01,428**
		Previous Year	15,66,90,436
(C)	Issue & Allotment of Equity Shares of the Company at premium		**28,93,58,613**
		Previous Year	9,00,02,000

29.3 Closing Balance **(Fig in Rs.)**

	Relationship	As At 31st March, 2022	As At 31st March, 2021
Advances Payable	Holding Company	**81,18,29,456**	43,95,28,028

29.4 The transactions with related parties are carried out in the normal course of business made on terms equivalent to those that prevail in arm's length transactions.

Lalit Kumar Periwal & Co. FRN0325872E KOLKATA Chartered Accountants

SVAKSHA DISTILLERY LIMITED Kolkata

NOTE 30:- Financial Risk Management

Financial risk management of the Company has been receiving attention of the top management of the Company. The management considers finance as the lifeline of the business and therefore, financial management is carried out meticulously on the basis of detailed management information systems and reports at periodical intervals extending from daily reports to long-term plans. Importance is laid on liquidity and working capital management with a view to reduce over-dependence on borrowings and reduction in interest cost. Various kinds of financial risks and their mitigation plans are as follows:

NOTE 30.1

Credit Risk

Credit risk is the risk that counterparty will not meet its obligations leading to financial loss. The Company has an established credit policy and a credit review mechanism. Credit exposure is undertaken only with large reputed business houses and with no history of default against payments. Based on the business model, macro economic enviroment of the business and past trends, the management has determined nil percentage for any class of financial asset under expected credit loss.

NOTE 30.2

Liquidity Risk

The Company determines its liquidity requirement in the short, medium and long term. This is done by drawings up cash forecast for short term and long term needs.

The Company manages its liquidity risk in a manner so as to meet its normal financial obligations without any significant delay or stress. Such risk is managed through ensuring operational cash flow while at the same time maintaining adequate cash and cash equivalent position. The management has arranged for diversified funding sources and adopted a policy of managing assets with liquidity monitoring future cash flow and liquidity on a regular basis. Surplus funds not immediately required are invested in certain mutual funds and fixed deposit which provide flexibility to liquidate. Besides, it generally has certain undrawn credit facilities which can be assessed as and when required; such credit facilities are reviewed at regular basis.

NOTE 30.2.1

Maturity Analysis for financial liabilities

a The following are the remaining contractual maturities of financial liabilities as at 31st March 2022

Particulars	On Demand	Less than 6 months	6 months to 1 year	1 years to 5 years	More than 5 years	Total
Borrowings	920115596	1265757	1730450	219319482	176913102	1,31,93,44,387
Trade payables		1,61,18,838				1,61,18,838
Other financial liabilities	3,82,44,398	92,38,614				4,74,83,012
Total	95,83,59,995	2,66,23,209	17,30,450	21,93,19,482	17,69,13,102	1,38,29,46,238

b The following are the remaining contractual maturities of financial liabilities as at 31st March 2021

Particulars	On Demand	Less than 6 months	6 months to 1 year	1 years to 5 years	More than 5 years	Total
Borrowings	443528028			94,16,465	30000000	48,29,44,493
Trade payables		1,71,937				1,71,937
Other financial liabilities	1,57,62,458	56,27,488				2,13,89,946
Total	45,92,90,486	57,99,425	-	94,16,465	3,00,00,000	50,45,06,376

c The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements (if any). The interest payments on variable interest rate loans in the tables above reflect market forward interest rates at the respective reporting dates and these amounts may change as market interest rates change. Except for these financial liabilities, it is not expected that cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts. When the amount payable is not fixed, the amount disclosed has been determined with reference to conditions existing at the reporting date.

NOTE 30.3

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two type of risks: Foreign Exchange Risk, Interest Rate Risk.

NOTE 30.3.1

Foreign Exchange Risk

Foreign Exchange Risk is the exposure of the Company to the potential impact of movements in foreign exchange rates. The management has assessed that exposure of the Company in foreign currency at the end of the year is Rs. Nil (2021: Rs. Nil)

NOTE 30.3.2

Interest Rate Risk

The Company's long term borrowings and short term borrowing carries fixed rate of interest. The management has assessed that exposure of the Company in interest rate risk at the end of the year is Rs. Nil (2020: Rs. Nil)

NOTE 31:- Capital Management

The Company's objective to manage its capital is to ensure continuity of business while at the same time provide reasonable returns to its various stakeholders but keep associated costs under control. In order to achieve this, requirement of capital is reviewed periodically with reference to operating and business plans that take into account capital expenditure and strategic Investments. Sourcing of capital is done through judicious combination of equity/internal accruals and borrowings, both short term and long term. Net debt (total borrowings less investments and cash and cash equivalents) to equity ratio is used to monitor capital.

Particulars	31st March 2022	31st March 2021
Net Debt	**48,39,98,166**	48,39,98,166
Total Equity	**46,99,28,805**	9,26,46,804
Net Debt to Equity Ratio	**1.03**	5.22

SVAKSHA DISTILLERY LIMITED Kolkata

Lalit Kumar Periwal & Co. Chartered Accountants FRN0325872E KOLKATA

NOTE 32 :- Ratio Analysis and its Elements

Ratios	Numerator	Denominator	31st March, 2022	31st March, 2021	% Change	Reason for Variance
• Current Ratio	Current Assets	Current Liabilities	0.24	0.08	188.76	Increase in current assets
• Debt-Equity Ratio	Total Debt	Shareholder's Equity	1.03	5.22	(80.28)	Increase in shareholders equity
• Debt-Service Coverage Ratio	Earnings available for debt service	Debt service	Since, the Company's distillery plant is under construction and yet to commence production, these ratios have not been calculated.			
• Return on Equity Ratio	Net Profits after taxes – Preference Dividend = Profit for the year	Average Total Equity				
• Inventory Turnover Ratio	Cost of goods sold or Sales	Average Inventory				
• Trade Receivable Turnover Ratio	Net credit sales	Average Trade Receivable				
• Trade Payable Turnover Ratio	Net credit purchases	Average Trade Payables				
• Net Capital Turnover Ratio	Net sales	Working capital				
• Net Profit Ratio	Net Profit = Profit for the year	Net sales				
• Return on Capital Employed	Earnings before interest and taxes	Capital Employed				
• Return on investment	Interest (Finance Income)+ Dividend	Investments + Fixed Deposits				

NOTE 33 :- Other Statutory Information

a The Company has not revalued its Property, Plant and Equipment (including Right-of-Use Assets) and intangible assets during the year.

b The Company has not give any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment granted to promoters, directors, KMPs and related parties.

c The Company does not have any Benami property. Further, there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

d The Company has not been declared as a wilful defaulter by any bank or financial institution or government or any government authority.

e The Company does not have transactions with any struck off companies during the year.

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

g The company has not filed any Scheme of Arrangements in terms of sections 230 to 237 of the Companies Act, 2013 with any Competent Authority.

h 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

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

j The Company has not entered into 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.

k The company is not covered under section 135 of the Companies Act and as such Corporate Social Responsibility (CSR) provisions are not applicable to the Company.

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

Lalit Kumar Periwal & Co. FRN0325872E KOLKATA Chartered Accountants

SVAKSHA DISTILLERY LIMITED Kolkata

NOTE 34:-Contingent Liabilities & Contingent Assets

The Company does not have any Contingent Liabilities & Contingent Assets.

NOTE 35:- The Company has assessed the possible impact of COVID 19 on its financial results based on the internal and external information available up to the date of approval of these financial results and concluded no adjustment is required in these results. The Company continues to monitor the future economic conditions.

NOTE 36:- The accounts of certain short term & long term advances and current liabilities are subject to confirmation / reconciliation and adjustment, if any. The management does not expect any material difference affecting the current year's financial statements. In the opinion of the management, the Current Assets, Loans & Advances are expected to realise at least the amonut at which they are stated if realised in the ordinary course of business and provisions for all known liabilities has been adequately made in the books of accounts.

NOTE 37:-Previous year figures have been regrouped / rearranged wherever considered necessary.

For LALIT KUMAR PERIWAL & COMPANY
Chartered Accountants
FRN : 0325872E

LALIT KUMAR PERIWAL

Digitally signed by LALIT KUMAR PERIWAL
DN: c=IN, o=Personal,
pseudonym=3457048eb262af6dbf893aaa58d3302bfa89129ea0f0121acae906c0bf2af1c1,
postalCode=711103, st=WEST BENGAL,
serialNumber=edc27e7e54efa9045e44503c0e7f005a97ac7233def6a382c3a61d6f66a85aa5,
cn=LALIT KUMAR PERIWAL
Date: 2022.05.24 17:07:30 +05'30'

CA Lalit Kumar Periwal
Partner
Membership No.: 063702

Place : Kolkata
Dated : 21.05.2022

Lalit Kumar Periwal & Co. FRN0325872E KOLKATA Chartered Accountants

SVAKSHA DISTILLERY LIMITED Kolkata

For and on behalf of the Board

SVAKSHA DISTILLERY LIMITED

Director

SVAKSHA DISTILLERY LIMITED

Director

SVAKSHA DISTILLERY LIMITED

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

1. CORPORATE AND GENERAL INFORMATION

Svaksha Distillery Limited was incorporated on 12th June, 2014 as a Public Limited Company in India under the Companies Act 2013. It is a subsidiary of BCL Industries Limited (BCL). The Company has been set up to carry out business of distillery, manufactures, formulators, processors etc.

2. BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENT

2.1. Statement of Compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ("the Act"), read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended), other relevant provisions of the Act and other accounting principles generally accepted in India.

These financial statements have been approved by the Board of Directors in their meeting held on 21st May, 2022.

2.2. Basis of Measurement

The Company maintains accounts on accrual basis following the historical cost convention, except for followings:

- Certain Financial Assets and Liabilities is measured at Fair value/ Amortized cost

2.3. Functional and Presentation Currency

The Financial Statements are presented in Indian Rupee (INR), which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

2.4. Use of Estimates and Judgments

The preparation of financial statements in conformity with Ind AS requires judgments, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

2.5. Presentation of Financial Statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 ("the Act"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Accounting Standards.

2.6. Operating Cycle for current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1. The Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

An asset is classified as current when it is:

- Expected to be realized or intended to sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized 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 the 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 respectively.

SVAKSHA DISTILLERY LIMITED * Kolkata

Lalit Kumar Periwal & Co. * FRN0325872E KOLKATA Chartered Accountants

2.7. Measurement of Fair Values

A number of 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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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 input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 — Inputs which are unobservable inputs for the asset or liability.

External valuers are involved for valuation of significant assets & liabilities. Involvement of external valuers is decided by the management of the company considering the requirements of Ind AS and selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

SVAKSHA DISTILLERY LIMITED * Kolkata

Lalit Kumar Periwal & Co. FRN0325872E KOLKATA Chartered Accountants

SVAKSHA DISTILLERY LIMITED

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

3. ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all the periods presented in the financial statements.

3.1. INVENTORIES

Raw materials are stated at the lower of cost and estimated net realizable value. Cost comprises of expenditure incurred in the normal course of business in bringing such inventories to their present location and condition. Cost is determined on weighted average basis.

3.2. CASH AND CASH EQUIVALENTS

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

For the purpose of the statement of cash flows, cash and cash equivalents includes cash on hand, term deposits and other short-term highly liquid investments, net of bank overdrafts as they are considered an integral part of the Company's cash management. Bank overdrafts are shown within short term borrowings in the balance sheet.

3.3. INCOME TAX

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Current and deferred tax is recognized in the statement of profit & loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

3.3.1. Current Tax:

Current tax liabilities (or assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the taxation authorities using the tax rates (and tax laws) that have been enacted or substantively enacted, at the end of the reporting period.

3.3.2. Deferred Tax

- Deferred Tax assets and liabilities is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.
- Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes (i.e., tax base). Deferred tax is also recognized for carry forward of unused tax losses and unused tax credits.
- Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.
- The carrying amount of deferred tax assets is reviewed at the end of each reporting period. The Company reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or that entire deferred tax asset to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.
- Deferred tax relating to items recognized outside the Statement of Profit and Loss is recognized either in other comprehensive income or in equity. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.
- Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

3.4. PROPERTY, PLANT AND EQUIPMENT

3.4.1. <u>Tangible Assets</u>

3.4.1.1. <u>Recognition and Measurement:</u>

- Property, plant and equipment held for use in the production or/and supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost, less any accumulated depreciation and accumulated impairment losses (if any).

SVAKSHA DISTILLERY LIMITED Kolkata

Lalit Kumar Periwal & Co. FRN0325872E KOLKATA Chartered Accountants

- Cost of an item of property, plant and equipment acquired comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting any trade discounts and rebates, any directly attributable costs of bringing the assets to its working condition and location for its intended use and present value of any estimated cost of dismantling and removing the item and restoring the site on which it is located.
- In case of self-constructed assets, cost includes the costs of all materials used in construction, direct labour, allocation of directly attributable overheads, directly attributable borrowing costs incurred in bringing the item to working condition for its intended use, and estimated cost of dismantling and removing the item and restoring the site on which it is located. The costs of testing whether the asset is functioning properly, after deducting the net proceeds from selling items produced while bringing the asset to that location and condition are also added to the cost of self-constructed assets.
- If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.
- Profit or loss arising on the disposal of property, plant and equipment are recognized in the Statement of Profit and Loss.

3.4.1.2. Subsequent Measurement:

- Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the cost incurred will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced.
- Major Inspection/ Repairs/ Overhauling expenses are recognized in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any Unamortized part of the previously recognized expenses of similar nature is derecognized.

3.4.1.3. Depreciation:

- Depreciation on Property, Plant & Equipment is provided under Written Down Method at rates determined based on the useful life of the respective assets and the residual values in accordance with Schedule II of the Companies Act, 2013 or as reassessed by the Company based on the technical evaluation.
- Depreciation on additions (disposals) during the year is provided on a pro-rata basis i.e., from (up to) the date on which asset is ready for use (disposed of).
- Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

3.4.1.4. Disposal of Assets

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognized in the statement of profit and loss.

3.4.1.5. Capital Work in Progress

Capital work-in-progress is stated at cost which includes expenses incurred during construction period, interest on amount borrowed for acquisition of qualifying assets and other expenses incurred in connection with project implementation in so far as such expenses relate to the period prior to the commencement of commercial production.

3.4.1.6. Intangible Assets

Software which is not an integral part of related hardware, is treated as Intangible Assets and are stated at cost on initial recognition and subsequently measured at cost less accumulated amortization and impairment loss, if any. Subsequent costs are included in the asset's carrying amount only when it is probable that future economic benefits associated with the cost incurred will flow to the company and the cost of item can be measured reliably. All other expenditure is recognized in the Statement of Profit and Loss.

3.4.1.7. Amortisation

Software are amortised over a period of 5 years.

The amortization period and the amortization method are reviewed at least at the end of each financial year. If the expected useful life of the assets is significantly different from previous estimate, the amortization period is changed accordingly.

SVAKSHA DISTILLERY LIMITED Kolkata

Lalit Kumar Periwal & Co. FRN 0325872E KOLKATA Chartered Accountants

3.4.1.8. Investment Properties

Investment properties are properties held to earn rentals or for capital appreciation, or both. They are measured initially at their cost of acquisition, including transaction costs. The cost comprises purchase price, borrowing cost if capitalization criteria are met, and directly attributable cost of bringing the asset to its working condition for the indented use.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Company. All other repair and maintenance costs are recognized in the statement of profit and loss as incurred.

Investment properties are subsequently measured at cost less accumulated depreciation and impairment losses if any. Depreciation on investment properties is provided on the straight line method based on a technical evaluation and management assessment. Useful life as per management estimate is given below –

Asset Category	Useful life (In years)
Buildings - Office Premises	80 years

The residual values, useful lives and method of depreciation are reviewed at the end of each financial year.

3.5. REVENUE RECOGNITION

Revenue is recognized based to the extent it is probable that the economic benefit will flow to the company and revenue can be reliably measured regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment,and excludes taxes & duties collected on behalf of the Government and is reduced for estimated customer returns, rebates and other similar allowances.

3.5.1. Sale of Products:

The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and significant risk and reward incidental to sale of products is transferred to the buyer, usually on delivery of the goods.

3.5.2. Other Income:

3.5.2.1. Interest Income: For all debt instruments measured either at amortized cost or at fair value through other comprehensive income (FVTOCI), interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset.

3.5.2.2. Other Income: Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably.

3.6. EMPLOYEE BENEFITS

3.6.1. Short Term Benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided. Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period.

3.6.2. Defined Contribution Plan

Defined contribution plans such as Provident Fund, ESI etc are charged to the statement of profit and loss as and when incurred.

3.7. BORROWING COSTS

- Borrowing Costs consists of interest and other costs that an entity incurs in connection with the borrowings of funds. Borrowing costs also includes foreign exchange difference to the extent regarded as an adjustment to the borrowing costs.

SVAKSHA DISTILLERY LIMITED Kolkata

Lalit Kumar Periwal & Co. FRN0325872E KOLKATA Chartered Accountants

- Borrowing costs directly attributable to the acquisition or construction of a qualifying asset are capitalized as a part of the cost of that asset that necessarily takes a substantial period of time to complete and prepare the asset for its intended use or sale.

- Transaction costs in respect of long term borrowing are amortized over the tenure of respective loans using Effective Interest Rate (EIR) method. All other borrowing costs are recognized in the statement of profit and loss in the period in which they are incurred.

3.8. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.8.1. Financial Assets

- <u>Recognition and Initial Measurement:</u>

  All financial assets are initially recognized when the company becomes a party to the contractual provisions of the instruments. A financial asset is initially measured at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

- <u>Classification and Subsequent Measurement:</u>

  For purposes of subsequent measurement, financial assets are classified in four categories:
  - Measured at Amortized Cost;
  - Measured at Fair Value Through Other Comprehensive Income (FVTOCI);
  - Measured at Fair Value Through Profit or Loss (FVTPL); and
  - Equity Instruments designated at Fair Value Through Other Comprehensive Income (FVTOCI).

  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.

  - <u>Measured at Amortized Cost</u>: A debt instrument is measured at the amortized cost if both the following conditions are met:
    - The asset is held within a business model whose objective is achieved by both collecting contractual cash flows; and
    - The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

    After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade receivables, cash and bank balances, loans and other financial assets of the company.

  - <u>Measured at FVTOCI</u>: A debt instrument is measured at the FVTOCI if both the following conditions are met:
    - The objective of the business model is achieved by both collecting contractual cash flows and selling the financial assets; and
    - The asset's contractual cash flows represent SPPI.

    Debt instruments meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at fair value with any gains or losses arising on remeasurement recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains or losses. Interest calculated using the effective interest method is recognized in the statement of profit and loss in investment income.

  - <u>Measured at FVTPL</u>: FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL. In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss. Equity instruments which are, held for trading are classified as at FVTPL.

  - <u>Equity Instruments designated at FVTOCI</u>: For equity instruments, which has not been classified as FVTPL as above, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. In case the company decides to classify an equity

SVAKSHA DISTILLERY LIMITED Kolkata

Lalit Kumar Rai & Co. FRN0325872E KOLKATA Chartered Accountants instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment.

- Derecognition:

The Company derecognizes a financial asset on trade date only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

- Impairment of Financial Assets:

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS – 109 requires expected credit losses to be measured through a loss allowance. The company recognizes impairment loss for trade receivables that do not constitute a financing transaction using expected credit loss model, which involves use of a provision matrix constructed on the basis of historical credit loss experience. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

3.8.2. Financial Liabilities

- Recognition and Initial Measurement:

Financial liabilities are classified, at initial recognition, as at fair value through profit or loss, loans and borrowings, payables or as derivatives, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

- Subsequent Measurement:

Financial liabilities are measured subsequently at amortized cost or FVTPL. A financial liability is classified as 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 recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

- Derecognition:

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

3.8.3. Offsetting financial instruments

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

3.9. Earnings Per Share

Basic Earnings per share (EPS) amounts are calculated by dividing the profit for the year attributable to equity holders 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 adjusted for the effects of potential equity 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.

3.10. Impairment of Non-Financial Assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value being higher of value in use and net selling price. Value in use is computed at net present value of cash flow expected over the balance useful lives of the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (Cash Generating Units – CGU).

An impairment loss is recognized as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in earlier accounting period is reversed if there has been an improvement in recoverable amount.

3.11. Provisions, Contingent Liabilities and Contingent Assets

SVAKSHA DISTILLERY LIMITED * Kolkata

Lalit Kumar Periwal & Co. FRN0325872E KOLKATA Chartered Accountants

3.11.1. Provisions

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

3.11.2. Contingent Liabilities

Contingent liability is a possible obligation arising from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events but is not recognized because it is not possible that an outflow of resources embodying economic benefit will be required to settle the obligations or reliable estimate of the amount of the obligations cannot be made. The Company discloses the existence of contingent liabilities in Other Notes to Financial Statements.

3.11.3. Contingent Assets

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits. Contingent Assets are not recognized though are disclosed, where an inflow of economic benefits is probable.

3.12. Non-Current Assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets are not depreciated or amortized.

4. SIGNIFICANT JUDGEMENTS AND KEY SOURCES OF ESTIMATION IN APPLYING ACCOUNTING POLICIES

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. Information about Significant judgments and Key sources of estimation made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

- **Recognition of Deferred Tax Assets**: The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgment is required in assessing the impact of any legal or economic limits.
- **Useful lives of depreciable/ amortizable assets:** Management reviews its estimate of the useful lives of depreciable/ amortizable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to actual normal wear and tear that may change the utility of plant and equipment.
- **Provisions and Contingencies:** The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Indian Accounting Standards (Ind AS) 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events is applied best judgment by management regarding the probability of exposure to potential loss.
- **Impairment of Financial Assets:** The Company reviews its carrying value of investments carried at amortized cost annually, or more frequently when there is indication of impairment. If recoverable amount is less than its carrying amount, the impairment loss is accounted for.
- **Fair value measurement of financial Instruments:** When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The input to these models are taken from observable markets where possible, but where this not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility.

SVAKSHA DISTILLERY LIMITED * Kolkata

Lalit Kumar Periwal & Co. FRN 0322587E KOLKATA Chartered Accountants