

Independent Auditors' Report to the Members of Unichem Laboratories Limited

To
The Members,
Unichem Laboratories Limited

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

1. We have audited the accompanying standalone financial statements of Unichem Laboratories Limited ("the Company") which comprise the Balance Sheet as at 31st March, 2022, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph below, the aforesaid standalone 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 (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2022, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

3. We draw attention to note 38 of standalone financial statements regarding the EU fine matter and the Company financial exposure of ₹ 12,267.33 lakhs in the subsidiary (Niche Generics Limited, UK) in respect of which no provision for impairment is made in view of uncertainty as regards the EU fine matter. The impact on the standalone financial statements of including the above provision would be that the Company would show loss for the year of ₹ 12,273.09 lakhs and balance in other equity of ₹ 253,528.64 lakhs as at balance sheet date as against the reported figures of loss for the year of ₹ 5.76 lakhs and other equity of ₹ 265,795.97 lakhs.
4. We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on the standalone financial statements.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion, we have determined the matter described below to be the key audit matter to be communicated in our report.

5.1. Impairment test of investment in subsidiary at Ireland

Investment in subsidiary is carried in the Company's standalone financial statements at cost less impairment. The carrying value of investment made by the Company in its subsidiary (Unichem Laboratories Limited, Ireland) as per standalone financial statements is aggregating ₹ 2,104.84 lakhs as at 31st March, 2022. In case of this subsidiary, there are accumulated losses and low net-worth as at balance sheet date. Considering the overall exposure in this subsidiary, need for impairment test is a key audit matter. Based on the financial projections of the above subsidiary, the management is of the view that recoverable amount is higher than carrying value of these investments and there is no impairment of investment as at balance sheet date. For the purpose of our audit, we have considered the following aspect:

- a. Analytical review of gross margins earned by the subsidiary.
- b. Discussion with management for business outlook (including future financial projections of the above subsidiaries) and plans for overall turnaround of the subsidiary.
- c. Evaluated the performance in the current year as compared to last year and prior year achievement as compared to the budget.
- d. Discussion with the auditor of subsidiary for the basis on which they have concluded that there is no impairment of assets in the books of subsidiary

Based on our evaluation of management estimates, other information & discussion with the management, we agree with the management views and estimates and conclude that no provision for impairment is required as at date of our audit report.

Refer to note 6.1 of the standalone financial statements.

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

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

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

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

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 the fact. We have nothing to report in this regard.

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

In preparing the standalone financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone 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 standalone 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.

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

Report on Other Legal and Regulatory Requirements

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

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

- a. Except in respect of matter specified in the Basis for Qualified Opinion paragraph above, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b. Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act;
- e. The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may not have an adverse impact on the functioning of the Company;
- f. On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164(2) of the Act;
- g. With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report given in "Annexure II". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
- h. The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above;
- i. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and

- j. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer note 37(A)(i), 37(A)(ii), 37(B)(i), 37(B)(iii) and 37(B)(iv) to the standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
(b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement. Also, refer note 60 of the standalone financial statement.
 - v. As stated in note 18 to the standalone financial statements:
 - (a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act.
 - (b) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act.

For **N. A. Shah Associates LLP**
Chartered Accountants
Firm's Registration No.: 116560W/W100149

Milan Mody
Partner
Membership No.: 103286
UDIN.: 22103286AJSRSQ4129

Place: Mumbai
Date: 27th May, 2022

B Other liabilities which are remote in nature

- (i) Claims made by the ex-employees whose services have been terminated in earlier years are not acknowledged as debts. The matters are frivolous and are disputed under various forums. However, in the opinion of the management, these claims are not tenable.
- (ii) In the earlier period, one party had filed the legal case on the Company for breach of trust and claimed certain compensation / damages. During the current year, this matter is settled in favour of the Company and amount received by the Company on settlement is included in note 29.2.
- (iii) The Company is involved in certain intellectual property claims / legal proceedings filed against it by the innovators which are considered to be normal to its business. These proceedings are pending before different authorities / courts. The outcome from these claims are uncertain due to a number of factors involved in legal trial. Often, these issues are subject to uncertainties and therefore the probability of a loss, if any, being sustained and an estimate of the amount of any loss is difficult to ascertain. Although there can be no assurance regarding the outcome of any of the intellectual property claims / legal proceedings referred to in this note, the Company does not expect such liabilities to be significant.
- (iv) The Company has filed rectification letters in respect of certain income-tax refunds which have been withheld by the department. The Company is of the view that once the rectification letters are processed by the department, the refunds will be received by the Company.

In respect of matters stated in B (i) to (iv), the possibility of any liability devolving on the Company is remote and hence, no disclosure as contingent liability is considered necessary.

38 On 9th July, 2014, the European Commission ("EU") decided to impose an unjustified fine of Euro 13.96 million, jointly and severally on the Company and its subsidiary Niche Generics Ltd ("Niche") contending that they had acted in breach of EU competition law as Niche Generics Ltd had, in early 2005 (when the Company was only a part owner and financial investor in Niche) had agreed to settle a financially crippling patent litigation with Laboratories Servier. The Company vehemently denies any wrongdoing on the part of either itself or Niche. Both the Company & Niche had submitted appeals in September 2014 to the General Court of the EU seeking appropriate relief in the matter. The General Court of the EU has rejected the appeals vide Order dated 12th December, 2018 and confirmed the fine of Euro 13.96 million. The Company and its subsidiary based on legal advice and merits, have filed appeals against the decision of General Court before the Court of Justice of the EU and outcome of the appeals are awaited.

In this regard, the statutory auditors of Niche have given qualified audit opinion on the financial statement of Niche for the year ended 31st March 2022. They have stated that previously the outcome of the appeal was sufficiently uncertain that a contingent liability was deemed sufficient, however following the hearing in October 2021, and their review of the available documentation, their opinion is that it is more likely than not that Niche will be liable for the fine of Euro 13.96 million (equivalent to ₹ 11,818.62 lakhs) and hence they believe that this should be provided for in the financial statements of Niche. As per the board of Directors of Niche, there remains an inherent uncertainty as to the outcome of the appeal and therefore the Directors are of the opinion that no provision should be made at this point of time. The management has obtained the counsel view on this matter and they have stated that there has not been any formal change in position after the last hearing and the uncertainty as in the past continues. Considering the status quo, in view of the management, no provision for the aforesaid fine is considered necessary and continued to disclose the matter under contingent liability.

As at Balance Sheet date, the Company has aggregate financial exposure of ₹ 12,267.33 lakhs in Niche comprising of investment, trade receivable and corporate guarantee given to bank for loan availed by Niche. Considering the impact of on-going litigation as elaborated in the above para and accumulated losses in Niche as at Balance Sheet date, the statutory auditor of the Company are of the view that the Company would need to provide for impairment on the exposure involved of ₹ 12,267.33 lakhs. However, the Company is of the view that such provision for impairment on exposure would be required only in the event of unfavourable outcome of the appeal which itself is uncertain. On the above matter, the auditors of the Company have given qualified opinion in their audit report on standalone financial statement for the year ended 31st March, 2022.

Further, as per the management the future business outlook and projections of the subsidiary are sufficient so as not to warrant any impairment on the investments in subsidiary (Niche) unless the outcome of EU matter is not in favour of the subsidiary.

- 39** (a) Estimated amount of Contracts remaining to be executed (Net of Advances) on Capital account ₹ 13,394.57 lakhs (P.Y. ₹ 12,361.67 lakhs) and on other revenue accounts ₹ 21,147.99 lakhs (P.Y. ₹ 19,064.57 lakhs) are not provided for.
 - (b) The Company's intention is to continue to provide financial support to its subsidiaries [Niche Generics Ltd, Unichem Laboratories Ltd (Ireland) and Unichem Farmaceutica Do Brasil Ltda]. Further, pending outcome of the appeal in respect of European Commission matter (refer note 38), the Company will consider all available options to assist the subsidiary.
- 40** Credit facilities and term loan facility from Kotak Mahindra Bank availed by the Company and / or its subsidiary, Niche Generics Limited (United Kingdom), are secured by first and exclusive mortgage charge on immovable property being industrial land and building known as Unichem Laboratories Limited on plot bearing CTS No. 510 of village Oshiwara and CTS No.1 of village Majas, Prabhat Estate, Off. S. V. Road, Patel Engineering Road, Jogeshwari (West), Mumbai 400 102 and first and exclusive hypothecation charge on movable property, plant and equipment and mortgage charge on immovable properties being Industrial land and building at Goa. Subsequent to the financial year ended 31st March, 2022, the Company has created the mortgage charge on immovable properties at Goa towards credit facilities and term loan facility availed from Kotak Bank.

Further credit facilities from Citibank, N.A. availed by the Company, are secured by way of first and exclusive charge on pledge against investments in mutual funds to the extent of ₹ 3,762.79 lakhs (P.Y. ₹ 3,636.95 lakhs). Additionally, credit facilities availed by the Company from Bank of India, Axis Bank and HDFC Bank are secured against hypothecation of stock and debtors.

Additionally, all credit facilities have been registered with Registrar of Companies (ROC) within the prescribed due date except minor delay in case of registration of modification of charge on credit facility availed from Bank of India on account of procedural reasons.

INDEPENDENT AUDITOR'S REPORT

To the Members of Hindustan Construction Company Limited

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

1. We have audited the accompanying standalone financial statements of **Hindustan Construction Company Limited** and its joint operations (together referred to as 'the Company'), as listed in Annexure I, which comprise the Balance Sheet as at 31 March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of other auditors on the separate financial statements/ financial information of the joint operations as referred to in paragraph 16 of the Other Matters section below, **except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the aforesaid standalone 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 ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.**

Basis for Qualified Opinion

3. As stated in:
 - a) **Note 34** to the standalone financial statements, the Company's investments in subsidiaries as at 31 March 2022 includes non-current investment and current investments in HCC Infrastructure Company Limited ('HICL'), its wholly owned subsidiary, amounting to ₹ 1,214.65 crore and ₹ 350 crore, respectively, **stated at cost and considered fully recoverable by the management on the basis of factors stated in the aforesaid note including a valuation performed by an independent valuer.**

The subsidiary's consolidated net worth as at 31 March 2022 is substantially eroded and during the current year, **there has been significant decline in the actual results of certain key underlying assumptions considered for valuation purposes in earlier periods. The management believes that such decline is temporary in nature which does not have any material adverse impact on the fair valuation of such investment determined as above as at 31 March 2022. However, in the absence of sufficient appropriate evidence to support management's estimates of such future assumptions, we are unable to comment upon the**

adjustments, if any, that are required to the carrying value of the aforesaid investment and consequential impact, if any, on the accompanying standalone financial statements.

- b) Note 27.1 to the standalone financial statements, the Company has accounted for **managerial remuneration paid/ payable to Whole Time Directors (including Chairman and Managing Director) of the Company aggregating ₹ 41.07 crore for the financial years ended 31 March 2020, 31 March 2021 and 31 March 2022, in excess of the limits prescribed under Section 197 of the Act, in respect of which approvals from the shareholders have been obtained as prescribed, however prior approval from the lenders of the Company in accordance with Section 197 has not been obtained by the Company.**

Our audit report dated 23 June 2021 on the standalone financial statements for the year ended 31 March 2021 was also qualified in respect of this matter.

- c) Note 17.4 to the standalone financial statements, the Company's current borrowings, other current financial liabilities and liabilities of disposal group held for sale as at 31 March 2022 include balances amounting to ₹ 49.67 crore, ₹ 320.55 crore and ₹ 2.85 crore, respectively, in respect of which **confirmations from the respective banks/ lenders have not been received.** Further, confirmations from banks have not been received for balances with banks (included under cash and cash equivalents) and earmarked balances/ deposits with banks (included under bank balances other than cash and cash equivalents) as at 31 March 2022 amounting to ₹ 2.18 crore and ₹ 0.95 crore, respectively. **In the absence of such confirmations from the banks/ lenders or sufficient and appropriate alternate audit evidence, we are unable to comment on the adjustments, if any, that may be required to the carrying value of the aforementioned balances in the accompanying standalone financial statements.**

Our audit report dated 23 June 2021 on the standalone financial statements for the year ended 31 March 2021 was also qualified in respect of this matter.

- d) Note 9.1 to the standalone financial statements, the Company has **recognised net deferred tax assets amounting to ₹ 741.74 crore as at 31 March 2022, mainly on account of carried forward unused tax losses, unused tax credits and other taxable temporary differences on the basis of expected availability of future taxable profits for utilization of such deferred tax assets. However, in view of the continued losses incurred by the Company and pending the implementation of the resolution plan as referred to in Note 2(v) of the accompanying standalone financial statements, we are unable to obtain sufficient appropriate audit evidence with respect to the current projections prepared by the management and therefore, are unable to comment on any adjustments**

that may be required to the carrying value of aforesaid net deferred tax assets as at 31 March 2022.

Our audit report dated 23 June 2021 on the standalone financial statements for the year ended 31 March 2021 was also qualified in respect of this matter.

4. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the

6. In addition to the matters described in the Basis for Qualified Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.

rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. **We believe that the audit evidence we have obtained and that obtained by the other auditors, in terms of their reports referred to in paragraph 16 of the Other Matters section below, is sufficient and appropriate to provide a basis for our qualified opinion.**

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors as referred to paragraph 16 below, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>(a) Assessment of going concern basis of accounting (Refer note 2(v) to the standalone financial statements)</p> <p>The Company has incurred net loss of ₹ 153.10 crore during the year ended 31 March 2022 and as of that date has accumulated losses aggregating ₹ 2,485.10 crore resulting in substantial erosion of its net worth.</p> <p>During the year, the Company continued to default on payment to its lenders as explained in aforesaid note and has overdue payments to operational creditors out of which certain operational creditors have also applied before the National Company Law Tribunal ('NCLT') for debt resolution under the Insolvency and Bankruptcy Code, 2016, none of which has been admitted so far.</p> <p>While the above factors indicate doubt on the Company's ability to continue as a going concern, however, as detailed in aforesaid note, the Company has taken into consideration the following mitigating factors in its assessment for going concern basis of accounting in preparation of the accompanying standalone financial statements:</p> <ul style="list-style-type: none"> • Expected successful implementation of the resolution plan with the lenders; • Time bound monetization of certain non-core assets; and • Company's business plan for the next twelve months. <p>Management has prepared future cash flow forecasts to assess its ability to operate as a going concern for a period of at least 12 months from the date of financial statements and concluded that the going concern basis of accounting used for preparation of the accompanying standalone financial statements is appropriate with no material uncertainty over going concern.</p> <p>We have considered the assessment of management's evaluation of going concern basis of accounting as a key audit matter due to the pervasive impact thereof on the standalone financial statements and the significant judgements and assumptions that are inherently subjective and dependent on future events, involved in preparation of cash flow projections and determination of the overall conclusion by the management.</p>	<p>Our audit procedures included but were not limited to, the following in relation to assessment of appropriateness of going concern basis of accounting:</p> <ul style="list-style-type: none"> • Obtained an understanding of the process followed by management for identifying events or conditions that could impact the Company's ability to continue as a going concern and process followed to assess the corresponding mitigating factors existing against such events or condition. Also, obtained an understanding around the methodology adopted by the Company to assess their future business performance including the preparation of a cash flow forecast for the business; • Evaluated the design and tested the operating effectiveness of key controls relating to management's assessment of going concern as above; • Obtained from the management, the projected cash flows for the next twelve months basis their future approved business plans; • Tested the appropriateness of the key assumptions used by the management that had the most material impact on the cash flow forecasts and discussed these assumptions with the management and with those charged with governance. • Performed independent sensitivity analysis to test the impact of the variations on the cash flows due to change in the key assumptions; • Inspected the relevant underlying documents for assessing the appropriateness of projected cash flow for the next 12 months; • Evaluated the management's assessment of the successful implementation of the resolution plan basis current status of requisite approvals from lenders, reading of the minutes of the meetings held and understanding obtained from the management; and • Assessed the appropriateness and adequacy of the disclosures made by the management in respect of going concern in accordance with the applicable accounting standards.

ANNEXURE III TO THE INDEPENDENT AUDITOR'S REPORT

Annexure III to the Independent Auditor's Report of even date to the members of Hindustan Construction Company Limited, on the standalone financial statements for the year ended 31 March 2022

Independent Auditor's Report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of Hindustan Construction Company Limited ('the Company') as at and for the year ended 31 March 2022, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on 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 ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness

exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Qualified opinion

8. According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at 31 March 2022:

- a) The Company did not have an appropriate internal control system with respect to compliance with the provisions of section 197 of the Companies Act, 2013 relating to obtaining prior approval from lenders for payment/accrual of remuneration exceeding the specified limits, as explained in Note 27.1 to the standalone financial statements, which has resulted in a material misstatement in the value of Company's employee benefit expenses, financial assets and its resultant impact on the loss after tax and the other equity including levy of fine, if any, on account of such non-compliance.
- b) The Company's internal financial controls system with respect to assessing the recoverability of deferred tax assets, as explained in Note 9.1 to the standalone financial statements, as per Ind AS 12 'Income taxes' were not operating effectively, which could lead to a material misstatement in the carrying value of deferred tax assets and its resultant impact on loss, other equity and related disclosures in respect thereof as at and for the year ended 31 March 2022.
- c) The Company's internal financial control system towards estimating the value in use of its investment in subsidiary to assess the requirement of recognising an impairment loss as laid down under Ind AS 109 'financial instruments' were not operating effectively, which could potentially result in a material misstatement in the carrying value of investments and dues recoverable from such subsidiary and its consequential impact on the earnings, other equity and related disclosures in the standalone financial statements.
9. A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial controls with reference to financial statements, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.
10. In our opinion, except for the possible effects of the material weakness described in paragraph 8(a) above on the achievement of the objectives of the control criteria, the Company has, in all material respects, adequate internal financial controls with reference to financial statements as at 31 March 2022, based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI, and except for the effects/ possible effects of the material weaknesses described in paragraph 8(b) and 8(c) above on the achievement of the objectives of the control criteria, the Company's internal financial controls with reference to financial statements were operating effectively as at 31 March 2022
11. We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company as at and for the year ended 31 March 2022, and these material weaknesses have affected our opinion on the standalone financial statements of the Company and we have issued a qualified opinion on the standalone financial statements.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Shashi Tadwalkar

Partner

Membership No.: 101797

UDIN: 22101797AIVRMQ5916

Place: Pune

Date: 12 May 2022

Independent Auditor's Report

To the Members of V2 Retail Limited

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

1. We have audited the accompanying standalone financial statements of V2 Retail Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report the aforesaid standalone 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 ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its loss (including other comprehensive loss), its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

3. As stated in Note 16(a) to the accompanying standalone financial statements, the Company's other equity as at 31 March 2022 includes an amount of 365.36 lakhs in the nature of capital reserve arising out of business restructuring carried out in earlier years, for which the Company's management has not been able to provide necessary reconciliation and information. In the absence of sufficient appropriate audit evidence, we are unable to comment upon the appropriateness and classification of the aforesaid balance, and the consequential impact, if any, on the financial statements. Our opinion on the standalone financial statements for the previous year ended 31 March 2021 was also modified in respect of this matter.
4. As stated in Note 35(a) to the accompanying standalone financial statements, the Company's contingent liabilities as at 31 March 2022 include certain contingent liabilities aggregating to 747.26 lakhs pertaining to litigations pending with various

authorities, for which the Company's management has not been able to provide necessary evidence in relation to probability of outflow of resources embodying economic benefits. In the absence of sufficient appropriate audit evidence, we are unable to comment upon the appropriateness and classification of the aforesaid amounts as provision or contingent liabilities as at 31 March 2022 in accordance with Ind AS 37, "Provisions, Contingent Liabilities and Contingent Assets" and the consequential impact, if any, on the total liabilities and loss as at and for the year then ended. Our opinion on the standalone financial statements for the year ended 31 March 2021 was also qualified in respect of this matter.

5. As described in Note 47 to the accompanying standalone financial statements, the Company has performed physical verification of property, plant and equipment during the year ended 31 March 2022 in accordance with the phased program of conducting such verification over a period of 3 years. However, the Company is in process of performing related reconciliation of such physical verification with the underlying fixed asset register maintained by the Company in respect of property, plant and equipment with aggregate gross block of Rs 17,792.30 lakhs and net block of Rs 9,162.77 lakhs as at 31 March 2022. Pending completion of the said reconciliation, we are unable to comment on any adjustment that may be required to the carrying value of such Property, Plant and Equipment as at 31 March 2022.
6. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

17. 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.
18. 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.
19. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

20. As required by section 197(16) of the Act based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
21. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
22. Further to our comments in Annexure I, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:
 - a) We have sought and except for the matters described in the Basis for Qualified Opinion section, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;
 - b) Except for the possible effects of the matters described in the Basis for Qualified Opinion section, 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 standalone financial statements dealt with by this report are in agreement with the books of account;
 - d) Except for the possible effects of the matters described in the Basis for Qualified Opinion section, in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
 - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of section 164(2) of the Act;
 - f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion section;
 - g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2022 and the operating effectiveness of such controls, refer to our separate Report in Annexure II wherein we have expressed a modified opinion; and
 - 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. Except for the possible effects of the matters described in paragraph 4 of the Basis for Qualified Opinion section, the Company, as detailed in note 35 (a) to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2022;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2022;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2022;
 - iv. a. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind

- of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the 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 ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
- b. The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide
- any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year ended 31 March 2022.

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Jyoti Vaish
Partner
Membership No.: 096521
UDIN: 22096521AJWSQU5231

Place: New Delhi
Date: 30 May 2022

ANNEXURE I

Statement on **Impact of Audit Qualifications (for audit report with modified opinion)** submitted along with Standalone Annual Audited Financial Results

Figure in Rs. Lakh, except for per share data

Statement on impact of audit qualifications for the financial year ended 31 March 2022				
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	S. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Audited Figures (as reported after adjusting for qualifications)
	1.	Turnover /total income	64,480.89	64,480.89
	2.	Total expenditure	66,116.71	66,116.71
	3.	Net (Loss)/profit for the period	(1,290.20)	(1,290.20)
	4.	Earnings per share	(3.76)	(3.76)
	5.	Total assets	77,174.19	77,174.19
	6.	Total liabilities	51,159.72	51,159.72
	7.	Net worth	26,014.47	26,014.47
	8.	Any other financial item (as felt appropriate by the management)	Nil	Nil

II.	Audit qualification (each audit qualification separately)
a.	<p>Details of audit qualifications:</p> <p>The audit report of statutory auditors includes following qualifications on the audited financial statements/ results for the quarter/year ended March 31, 2022:</p> <p>As stated in Note 4 to the accompanying standalone financial results, the Company's other equity as at 31 March 2022 includes an amount of Rs 365.36 lakhs in the nature of capital reserve arising out of business restructuring carried out in earlier years, for which the Company's management has not been able to provide necessary reconciliation and information. In the absence of sufficient appropriate audit evidence, we are unable to comment upon the appropriateness and classification of the aforesaid balance, and the consequential impact, if any, on the financial results. Our opinion on the standalone financial results for the previous year ended 31 March 2021 was also modified in respect of this matter.</p> <p>As stated in Note 5 to the accompanying standalone financial results, the Company's contingent liabilities as at 31 March 2022 include certain contingent liabilities aggregating to Rs. 747.26 lakhs pertaining to litigations pending with various authorities, for which the Company's management has not been able to provide necessary evidence in relation to probability of outflow of resources embodying economic benefits. In the absence of sufficient appropriate audit evidence, we are unable to comment upon the appropriateness and classification of the aforesaid amounts as provision or contingent liabilities as at 31 March 2022 in accordance with Ind AS 37, "Provisions, Contingent Liabilities and Contingent Assets" and the consequential impact, if any, on the accompanying statements. Our opinion on the standalone financial results for the year ended 31 March 2021 was also qualified in respect of this matter.</p> <p>As described in Note 10 to the accompanying standalone financial statements, the Company has performed physical verification of property, plant and equipment during the year ended 31 March 2022 in accordance with the phased program of conducting such verification over a period of 3 years. However, the Company is in process of performing related reconciliation of such physical verification with the underlying fixed asset register maintained by the Company in respect of property, plant and equipment with aggregate gross block of Rs 17,792.30 lakhs and net block of Rs 9,162.77 lakhs as at 31 March 2022. Pending completion of the said reconciliation, we are unable to comment on any adjustment that may be required to the carrying value of such Property, Plant and Equipment as at 31 March 2022.</p>
b.	<p>Frequency of qualification: Whether appeared first time/repetitive/since how long continuing</p> <p>Repetitive- Qualification stated in (i) is continuing from the financial year ended 31 March 2011. Qualification stated in (ii) is continuing from the financial year ended 31 March 2012. However, the figure mentioned has been updated.</p>

c. For audit qualification(s) where the impact is quantified by the auditor, Management's Views:

Management's view: not applicable

d. For audit qualification(s) where the impact is not quantified by the auditor:**(i) Management's estimation on the impact of audit qualification:**

Not quantified

(ii) If management is unable to estimate the impact, reasons for the same:

- a) The Company restructured its business in the financial year 2010-11 resulting in creation of capital reserve amounting to Rs. 60,523.24 lakh. The aforementioned reserve has been reconciled except for Rs. 365.36 lakh which the Company is in the process of reconciling. However, the management believes that there is no impact of the same on standalone statement of profit and loss.
- b) Out of contingent liabilities existing as at 31 March 2022, certain liabilities aggregating to Rs. 747.26 lakh are under appeal with different authorities at different levels. Whilst the impact of contingent liabilities on these results can only be ascertained on the settlement of such cases/disputes, management has broadly assessed based on available information/documents that based on the merits of such cases, the Company has reasonably good chances on succeeding and accordingly, no provision has been recognised in these standalone financial results.
- c) The Company has performed physical verification of property, plant and equipment during the year ended 31 March 2022 in accordance with the phased program of conducting such verification over a period of 3 years. However, the Company is in process of performing related reconciliation of such physical verification with the underlying fixed asset register maintained by the Company in respect of property, plant and equipment with aggregate gross block of Rs. 17,792.30 lakhs and net block of Rs. 9,162.77 lakhs as at 31 March 2022. However the management does not impact resultant adjustments to be material to the financial statements.

(iii) Auditor's comments on (i) and (ii) above:

Since management could not ascertain the impact, the auditors have given qualifications in their auditor's report.

III Signatories:

Yours Sincerely,
For V2 Retail Limited

Ram Chandra Agarwal
Chairman & Managing Director
DIN00491885

Akash Agarwal
Chief Financial Officer

Lalit Kumar
Audit Committee Chairman

For Walker Chandiook & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

Jyoti Vaish
Partner
Membership No. 096521

Place: New Delhi
Date: 30 May 2022

Annexure II as referred to in paragraph 22(g) of the Independent Auditor's Report of even date to the members of V2 Retail Limited, on the standalone financial statements for the year ended 31 March 2022

Independent Auditor's Report on the internal financial controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of V2 Retail Limited ('the Company') as at and for the year ended 31 March 2022, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors 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 (the 'Guidance Note') 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 the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and

if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or

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

Qualified opinion

8. According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the operating effectiveness of the Company's internal financial controls with reference to financial statements as at 31 March 2022:

- a) The Company's internal financial controls over retention of adequate information towards reconciliation of capital reserve in accordance with accounting principles generally accepted in India were not operating effectively, which could lead to a potential material misstatement in Other equity in the accompanying financial statements.
- b) The Company's internal financial controls over retention of adequate information towards estimating provisions and contingent liabilities with respect to outstanding litigations were not operating effectively, which could result in an inappropriate assessment of the accuracy and completeness of provisions and contingent liabilities, which is not in accordance with Indian Accounting Standard 37 - Provisions, Contingent Liabilities and Contingent Assets.
- c) The Company's internal financial controls system over the reconciliation of physically verified property, plant and equipment with the books of account were not operating effectively, which could lead to a potential material misstatement in the carrying value of the PPE and its consequential impact on earnings, other equity and related disclosures in the accompanying financial statements.

9. A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial controls with reference to financial statements, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.
10. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements as at 31 March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal financial controls stated in the Guidance Note issued by the ICAI, and except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company's internal financial controls with reference to financial statements were operating effectively as at 31 March 2022.
11. We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company as at and for the year ended 31 March 2022, and these material weaknesses mentioned in paragraph 8(a), 8(b) and 8(c) have affected our opinion on the standalone financial statements of the Company and we have issued a qualified opinion on the standalone financial statements.

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Jyoti Vaish
Partner
Membership No.: 096521
UDIN: 22096521AJWSQU5231

Place: New Delhi
Date: 30 May 2022

INDEPENDENT AUDITORS' REPORT

To the Members of VISA Steel Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Qualified Opinion

1. We have audited the standalone financial statements of VISA Steel Limited ("the Company") which comprise the standalone balance sheet as at March 31, 2022, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the 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, **except for the effect of matter referred to in Basis of Qualified Opinion paragraph 2 below, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.**

Basis for Qualified Opinion

2. We draw attention to Note 16B of the accompanying Standalone Financial Statements with regard to non-recognition of interest expense on the borrowings of the Company. The accumulated interest not provided as on March 31, 2022 is ₹ 8,496.93 million (including ₹ 1,459.69 million for FY 2016-17, ₹ 1,552.29 million for FY 2017-18, ₹ 1,465.46 million for FY 2018-19, ₹ 1,443.39 million for FY 2019-20, ₹ 1,286.83 million for FY 2020-21, ₹ 1,289.27 million for the year ended March 31, 2022) **which is not in accordance with the requirement of Ind AS 23: 'Borrowing Cost' read with Ind AS 109: 'Financial Instruments'**.

Had the aforesaid interest expense been recognized, finance cost for the year ended March 31, 2022 would have been ₹ 1,528.99 million instead of the reported amount of ₹ 239.72 million. Total expenses for the year ended March 31, 2022 would have been ₹ 9,747.31 million instead of the reported amount of ₹ 8,458.04 million. Net loss after tax for the year ended March 31, 2022 would have been ₹ 1,814.96 million instead of the reported amount of ₹ 525.69 million. Total Comprehensive Income for the year ended March 31, 2022 would have been ₹ (1,815.28) million instead of the reported amount of ₹ (526.01) million, other equity would have been ₹ (12,743.77) million against reported ₹ (4,246.84) million, other current financial liability would have been ₹ 10,562.84

million instead of reported amount of ₹ 2,065.91 million and Loss per share for the year ended March 31, 2022 would have been ₹ 15.67 instead of the reported amount of ₹ 4.54.

The above reported interest has been calculated using Simple Interest rate.

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

Material Uncertainty Relating to Going Concern

4. We draw attention to Note - 35 to the standalone financial statements regarding the preparation of the statement on a going concern basis, for the reason stated therein. The Company has accumulated losses and has also incurred losses during the year ended March 31, 2022. As on date, the Company's current liabilities are substantially higher than its current assets and the Company's net worth has also been fully eroded.

Further, State bank of India (SBI), a financial creditor had filed an application before National Company Law Tribunal (NCLT) Kolkata bench for initiating Corporate Insolvency Resolution Process (CIRP) under Insolvency and Bankruptcy Code (IBC), which was dismissed by NCLT SBI preferred an appeal before National Company Law Appellate Tribunal (NCLAT) New Delhi which has directed the NCLT to restore the application and proceed further in accordance with law. The order of NCLAT has been challenged by the Company in the Hon'ble Supreme Court by way of a Civil Appeal and the same has been admitted on 9 September 2021. Oriental Bank of Commerce, since merged with Punjab National Bank, has also filed an application before NCLT for initiating CIRP under IBC against the Company.

These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities including potential liabilities in the normal course of business. All the assets including non-current assets and liabilities are still being carried at their book value except Capital Work in Progress which has been restated at its recoverable value.

The appropriateness of assumption of going concern, and evaluation of recoverable value of its non-current assets is critically dependent upon the debt resolution of the Company which is under process, the Company's ability to raise requisite finance, generate cash flows in future to meet its obligations and to earn profits in future. The ability of the Company to continue as a going concern is solely dependent on the successful outcome of these conditions, which are not wholly within the control of the Company.

The Management of the Company has prepared these financial statements on a going concern basis based on their assessment of the successful outcome of the debt resolution which will enhance the Company's viability, till then the Company's operations continue under conversion arrangement.

Our opinion is not qualified in respect to the above matters.

Emphasis of Matter

5. We draw attention to the following matters:

Refer Note - 34 to the standalone financial statements regarding accounting for transfer of Special Steel Undertaking, pursuant to the Scheme of Arrangement ("the scheme") approved by the NCLT vide its order dated July 8, 2019, all the assets and liabilities of the Special Steel Undertaking of VISA Steel Limited ("transferor Company") has been transferred to and vested in the VISA Special Steel Limited, (a wholly owned step down subsidiary) ("VSSL" or "transferee Company") at their respective book values on a going concern basis from April 1, 2013 being the appointed date. Effective date of the scheme is July 13, 2019 being the date on which certified copy of the order sanctioning the said scheme is filed with the Registrar of Companies, Cuttack.

On January 17, 2020, Hon'ble Supreme Court of India vide its ex-parte order in Civil Appeal No. 56 of 2020 filed by SBI, has ordered issuance of notice and in the meanwhile stayed the aforesaid NCLT Order. The NCLT Order had been given effect to and stood implemented by the Company prior to January 17, 2020.

To give the impact of the sanctioned scheme, the Standalone Financial Statement of the Company for the year ended March 31, 2019 were revised and the same were approved by the Board of Directors in their meeting held on October 18, 2019 and audited by us on which we have issued our qualified

audit report dated October 18, 2019 and same were approved by the members in their meeting held on December 23, 2019. In compliance to the sanctioned schemes, the Company had transferred various income, expenses, assets and liabilities related to Special Steel Undertaking to VSSL from 1st April 2013 resulting in accumulated receivable of ₹ 3,962.58 million from VSSL as on March 31, 2022 (previous year ₹ 3,776.91 million). Since the matter is pending with Hon'ble Supreme Court, the impact of the sanctioned scheme considered as above on financial statements including aforesaid receivable from a subsidiary VSSL is dependent on the final judgment of the Hon'ble Supreme Court.

Our opinion is not qualified in respect to the above matter.

Information Other than the Standalone Financial Statements and Auditors' Report Thereon

6. The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the annual report but does not include the standalone financial statements and our auditors' report thereon.

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

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

Key Audit Matters

7. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

- 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 Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. Materiality is the magnitude of misstatements in the standalone 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.
 11. 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.
 12. 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.
 13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law

or regulation precludes public disclosure about the matter or when in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

14. As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
15. 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, except for the matter referred to in paragraph 2 above, 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 standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, except for the matter referred to in paragraph 2 above, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
 - g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - h) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act.
 - i) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the

Basis for Qualified opinion

8. According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Company's internal financial controls with reference to the standalone financial statements as at March 31, 2022:

The Company's internal financial controls relating to application of appropriate policies and procedures that provide reasonable assurance that transactions are recorded as necessary to permit preparation of the standalone financial statements in accordance with generally accepted accounting principles were not operating effectively which resulted in non-recognition of interest expense as indicated in Note 15B to the standalone financial statements.

9. A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial controls with reference to the standalone financial statements, such that there is a reasonable possibility that a material misstatement of the company's annual or interim standalone financial statements will not be prevented or detected on a timely basis.

Qualified opinion

10. In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to the standalone financial statements and except for the effects of the material weakness described in the Basis for Qualified

Opinion paragraph above, such internal financial controls with reference to the standalone financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Explanatory paragraph

11. We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the standalone financial statements of Visa Steel Limited which comprise the Balance Sheet as at March 31, 2022, and the related Statement of Profit and Loss including other comprehensive income and Cash Flow Statement and the Statement of changes in equity for the year ended, and a summary of significant accounting policies and other explanatory information. Resultant impact of this material weakness has been appropriately considered in our audit of the March 31, 2022 standalone financial statements of VISA Steel Limited and this report affect our report dated May 30, 2022, which expressed a qualified opinion on those standalone financial statements.

For Singhi & Co.

Chartered Accountants
Firm's Registration No.302049E

(Pradeep Kumar Singhi)

Partner
Membership No. 050773
UDIN: 22050773AJWXSG8497

Place: Kolkata

Date: May 30, 2022

INDEPENDENT AUDITOR'S REPORT

To The Members of Imagicaaworld Entertainment Limited

Report on the Audit of the Standalone Ind AS financial statements

Adverse Opinion

We have audited the standalone Ind AS financial statements of Imagicaaworld Entertainment Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2022, the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, because of the significance of the matters described in the *Basis for Adverse Opinion* section of our report, the aforesaid financial statements do not give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its loss, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Adverse Opinion

1. We draw attention to Note 32 of the standalone financial statements which states that:
 - a) The Company has incurred a net loss of ₹ 25,212.14 Lakhs during the year ended March 31, 2022 and as of that date, the net worth of the Company has been fully eroded.
 - b) The Resolution Plan as envisaged in the said Note is subject to the successful winning of the Swiss Challenge by the bidder, approval of the shareholders in the Extraordinary General Meeting to be held on 10th June, 2022 and subject to fulfillment of the terms and conditions of "Investment Agreement" and "Debt Restructuring cum Settlement Agreement."

In the absence of sufficient appropriate audit evidence in support of the management assessment and pending final outcome of the Resolution Plan, there is indication that a material uncertainty exists that may cast a significant doubt on the Company's ability to continue as a going concern and, therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

2. We draw attention to Note 33 of the standalone financial statements. In the absence of impairment testing during the current year, we are unable to comment whether the carrying values of the Property, Plant and Equipment, intangible asset and investments as at 31st March, 2022 are recoverable and whether any further provision would be required for the same.

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion on the financial statements.

Material Uncertainty Related to Going Concern

Refer the "Basis for Adverse Opinion" section of this Report.

Key Audit Matters

Key audit matters are those matters that in our professional judgment were of most significance in our audit of the standalone financial statements for the financial year ended 31st March, 2022. Except for the matters described in the Basis for Adverse Opinion section, we have determined that there are no other key audit matters to communicate in our report.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the financial statements and our auditor's report thereon. The other information as stated above is expected to be made available to us after the date of this Auditor's Report.

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

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

When we read the other information as stated above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 on "The Auditors Responsibilities relating to Other Information".

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

material misstatement, whether due to fraud or error.

In preparing the financial statements, management 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 the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and, except for the possible effects of the matter described in the Basis for Adverse Opinion section above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) Except for the effects / possible effects of the matters described in the Basis for Adverse Opinion section above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account maintained for the purpose or preparation of the financial statements.
 - d) Except for the matter described in the Basis for Adverse Opinion section above, in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) The matters described in the Basis for Adverse Opinion section above, in our opinion, may have an adverse effect on the functioning of the Company.
 - f) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
 - g) The adverse remarks relating to the maintenance of

accounts and other matters connected therewith are as stated in the Basis for Adverse Opinion section above.

- h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.
- i) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any managerial remuneration during the year.

- j) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 29 to the Standalone Financial Statements.
- (ii) Except for the possible effects of the matter described in the Basis for Adverse Opinion section above, the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 47(c) to the Standalone Financial Statements.
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company – Refer Note 47(d) to the Standalone Financial Statements.

- (iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entity

(“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries – Refer Note 47(a) to the Standalone Financial Statements;

- (b) The managements has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries – Refer Note 47(b) to the Standalone Financial Statements; and
- (c) In our opinion and based on the audit procedures, we have considered reasonable and appropriate in the circumstances; nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- (v) The Company has not declared or paid dividend during the year.

For **V. Sankar Aiyar & Co.**,
Chartered Accountants
(FRN 109208W)

(S. Nagabushanam)
(M.No.107022)

Place: Mumbai
Date: May 25, 2022

UDIN: 22107022AJNWUJ5031

applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Adverse Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2022:

- 1) The Company has prepared its financial statements on going concern basis. However:
 - a) The Company's operations have been severely affected on account of Covid 19.
 - b) The Company has incurred a net loss of ₹ 25,212.14 Lakhs during the year ended March 31, 2022 and as of that date, the net worth of the Company has been fully eroded.
 - c) The Resolution Plan as envisaged in the said Note is subject to the successful winning of the Swiss Challenge by the bidder, approval of the shareholders in the Extraordinary General Meeting to be held on 10th June 2022 and subject to fulfillment of the terms and conditions of Investment Agreement and Debt Restructuring and Settlement Agreement.

In the absence of sufficient appropriate audit evidence in support of the management assessment and pending final outcome of the Resolution Plan, there is indication that a material uncertainty exists that may cast a significant doubt on the Company's ability to continue as a going

concern and, therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

- 2) The Company has not carried out impairment testing of its Property, Plant & Equipment, Intangible Assets and Investments during the current year in accordance with the significant accounting policies of the Company.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, because of the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has not maintained adequate and effective internal financial controls over financial reporting as of March 31, 2022, based on the internal control over financial reporting

criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2022 standalone financial statements of the Company, and these material weaknesses have affected our opinion on the financial statements of the Company and we have issued an adverse opinion on the standalone financial statements.

For V. Sankar Aiyar & Co.,
Chartered Accountants
(FRN 109208W)

(S. Nagabushanam)
(M.No.107022)

Place: Mumbai
Date: May 25, 2022

UDIN: 22107022AJNWUJ5031

To,

Members of

Coffee Day Enterprises Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Disclaimer of Opinion

We were engaged to audit the accompanying standalone financial statements of Coffee Day Enterprises Limited ('the Company'), which comprise the standalone balance sheet as at March 31, 2022, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (collectively referred to as the 'standalone financial statements').

We do not express an opinion on the accompanying standalone financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the standalone financial statements.

Basis for Disclaimer of Opinion

1. We have not been provided with sufficient evidence with respect to recoverability of dues from group companies amounting to INR 1,676 Crores (refer Note 7B of the standalone financial statement). Further, we have not been provided appropriate evidence about the recognition of fair value of the estimated loss allowance on corporate guarantee given to its subsidiary as required by Ind AS 109, 'Financial Instruments'. We are therefore unable to comment on the recoverability of the stated balance from group companies, fair value of estimated loss allowance on corporate guarantee given to a subsidiary, and the impact on the standalone financial statement.
2. It is observed that there has been a change in the percentage of shares held by the Company in two of its subsidiaries as of March 31, 2022, vis-à-vis March 31, 2019, due to the invocation of shares by the lenders of the subsidiaries. However, while considering the amount invested in the subsidiaries, the Management of the Company has considered the erstwhile shareholding pattern prior to dilution as the Management believes that the change in shareholding is temporary in nature and the shares pledged will be redeemed back by the Company (refer to Note 6 of the standalone financial statement).

However, these shares have been transferred to such lenders before March 31, 2022. We have been informed that the lenders have not sold any of the shares invoked and consequently have not made any adjustments to the loan outstanding. Accordingly, the Management believes that it is not possible to attribute any sale value to the invoked shares. Consequently, the impact of the said transfer on the book value of invoked shares of INR 156 Crores on the standalone financial statements cannot be ascertained.

3. The Management of the Company has determined that no impairment is required to be recognized on its investments in subsidiaries, associates and joint ventures with a carrying value of INR 1,865 Crore as at March 31, 2022, as required by Ind AS 36, 'Impairment of Assets', particularly consequent to developments during this period (as detailed in Note 41 of the standalone financial statement). Consequently, the value of investments held by the Company in a subsidiary, which is the holding company of this step subsidiary, is required to be assessed for impairment. We have not been provided with the indicators used and the assessment performed by the Management in not considering impairment in respect of its subsidiaries, associates and joint ventures. We are therefore unable to comment on whether the value of investments recognized in the standalone financial statement is appropriate.
4. Attention is drawn to Note 14 of the standalone financial statement, wherein instances of non-compliance with certain debt covenants including interest & principal repayment defaults have been described. We also draw attention to the fact that the Company has not obtained the balance confirmations on loans from lenders. In the absence of adequate and sufficient audit evidence to establish the amounts payable to the lenders, we are unable to provide our opinion on the correctness of these amounts reflected in the standalone financial statement and also on their consequential impact including potential tax liabilities. We have been informed that during the year certain lenders have exercised their right to recall the loan and some lenders have initiated legal action to recover dues. However, in the absence of the adequate evidence, we are unable to comment on the consequential adjustments that might impact this Statement on account of non-compliance with debt covenants. Further, in view of the loan recall notices, legal disputes and pending one-time settlement with the lenders of the Company, the Management has not recognised interest on the loans outstanding as of March 31, 2022 aggregated to INR 68.30 Crores. As the loan recall letters provided by the lenders requires payment of interest and penal interest, non-provision of such interest is not in line with the accrual concept of accounting.

5. The Statement has been prepared by the Management and Board of Directors using the going concern assumption (Refer Note 39 of the standalone financial statement). The matters detailed in the above paragraphs may have a consequential implication on the Company's ability to continue as a going concern. We are therefore unable to comment on whether the going concern basis for preparation of the standalone financial statement is appropriate.

Emphasis of Matter

1. In a letter dated July 27, 2019, signed by late Mr. V. G. Siddhartha, the Promoter and then Chairman and Managing Director of the Company, which has come to light, it was inter-alia stated that the Management and auditors were unaware of all his transactions. The Board of Directors had initiated an investigation into the circumstances leading to the statements made in the letter and to scrutinize the books of accounts of the Company and its subsidiaries.

The investigation report submitted to the Board of Directors on July 24, 2020, has concluded that Mysore Amalgamated Coffee Estates Limited ('MACEL') a related entity owes a sum of INR 3,535 Crore to the subsidiaries of CDEL as on July 31, 2019, of which a sum of INR 842 Crore was due to the subsidiaries as of March 31, 2019, leaving a balance of INR 2,693 Crore as incremental outstanding which needs to be addressed. Further, the Board of the Company in the board meeting on August 21, 2020, appointed Retired Hon'ble Justice Sri K L Manjunath, former Judge of Hon'ble High Court of Karnataka to suggest and oversee actions for recovery of the dues from MACEL and to help on any other associated matters. Due to the demise of Sri K. L. Manjunath, the Board, in their meeting held on February 7, 2022 appointed Hon'ble Mr. Justice H N Nagamohandas, a retired Judge of High Court of Karnataka, to suggest and oversee actions for recovery of the dues from MACEL and to help on any other associated matters.

2. We draw attention to the Note 40 of the standalone financial statement, wherein the Company has stated that Corporate Insolvency Resolution Process has been initiated in NCLT against one of its key step-down subsidiary, M/s. SICAL Logistics Limited (SLL), pursuant to which an Interim Resolution Professional has been appointed to look into the affairs of the key step-down subsidiary. The Management is of the view that the recoverability of above amount from SLL can be ascertained only after the receipt of initial report from the Resolution Professional and accordingly no provision is made against the same.

3. We draw attention to Note 29 of the standalone financial statement, detailing facts relating to the sale of Way2Wealth Securities Private Limited and its certain subsidiaries. Based on the sale agreement, Rs. 4.63 Crore is receivable by the company in form of preceding year's tax refunds and SEBI deposits from the purchaser (Shriram Ownership Trust) in form of reimbursement, subject to realisation. Further a sum of Rs. 0.77 Crore has been withheld by the purchaser per the agreement. Exceptional Loss of Rs. 46.50 Crore has been recognised on the said sale transaction during the financial year 2020-21.
4. As detailed in Note 38 of the standalone financial statement, the Company for the year 2019-20 has filed an application seeking a onetime exemption from registering itself as a Non-Banking Financial Company (NBFC) as required by Section 45-IA of the Reserve Bank of India Act, 1934 and other related provisions. As at the date of this Statement a response from the Reserve Bank of India is awaited. In the absence of such exemption, we are unable to comment on the compliance with the aforesaid regulations and consequential impact, if any on the standalone financial statement.
5. A show cause notice has been served on the company in May 2021 under Rule 4 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 in the matter of shares held by the company and its subsidiaries in Mindtree Limited (Refer Note 42 of the standalone financial statement) and on December 7, 2021 by SEBI in the matter of transfer of funds by Subsidiaries of the Company to Mysore Amalgamated Coffee Estates Limited (MACEL) (Refer Note 43 of the standalone financial statement). We are informed that the matter is being discussed with the legal counsels and appropriate representation will be made before the authorities.

Our opinion is not modified in respect of the above matters.

Other Matters

We further draw your attention to the Note 45 to the standalone financial statement, which describes the extent to which the COVID-19 pandemic will impact the company's financial results. The same will depend on future developments, which are highly uncertain.

Information other than the Standalone Financial Statements and Auditor's Report thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the financial statements and our auditors' report thereon.

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

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

Management's Responsibilities for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our responsibility is to conduct an audit of the standalone financial statements in accordance with Standards on Auditing and to issue an auditor's report. However, because of the matter described in the Basis for Disclaimer

of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these standalone financial statements.

We are independent in accordance with the ethical requirements in accordance with the Code of ethics and provisions of the Act, that are relevant to our audit of the standalone financial statements and we have fulfilled our other ethical responsibilities in accordance with the code of ethics and the requirements under the Act.

Report on Other Legal and Regulatory Requirement

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - a. As stated in Basis for Disclaimer of Opinion section above, we sought but were unable to obtain all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. Due to the possible effects of the matters described in the Basis of Disclaimer opinion section above, we are unable to state whether 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 standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account, except for matters described in the Basis of Disclaimer paragraph.
 - d. Due to the possible effects of the matter described in the Basis for Disclaimer Opinion and the Emphasis of Matter Section above, we are unable to state whether the aforesaid standalone IND AS financial statements comply with the Indian accounting standards specified under section 133 of the Act read with relevant rules issued thereunder.
 - 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.

**Annexure B to the Independent Auditors' report on the standalone financial statements of Coffee Day
Enterprises Limited for the year ended March 31, 2022**

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

We have audited the internal financial controls with reference to financial statements of the Company as of March 31, 2022, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial

controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Basis for Disclaimer of Opinion

Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph in our main audit report, we are unable to obtain sufficient and appropriate evidence to provide a basis for our opinion on

whether the Company has adequate internal financial controls over financial reporting with reference to these Ind AS financial statements as at March 31, 2021 and whether such internal financial controls were operating effectively. Accordingly, we do not express an opinion on the internal financial controls over financial reporting with reference to the standalone financial statements of the Company.

Disclaimer of Opinion

Due to the possible effects of the matters described in the “Basis for Disclaimer of Opinion” paragraph above, we are unable to obtain sufficient and appropriate evidence to provide a basis for our opinion on whether the Company has adequate internal financial controls over financial reporting with reference to these Ind AS financial statements as at March 31, 2022.

For **Venkatesh & Co.,**
Chartered Accountants
Firm registration number: 004636S

Sd/-
CA Dasaraty V
Partner
Membership Number: 026336
Chennai, May 30, 2022
UDIN: 22026336AJXXPS4076