

# CHAI THELA PRIVATE LIMITED

## Chai Thela Private Limited

### CHAI THELA PRIVATE LIMITED

Regd. Office: 90, Okhla Industrial Estate, Phase III, New Delhi - 110020  
CIN: U15100DL2016PTC300928, Website: www.chaithela.com  
Phone No. 011-41083720, Email Id.: accounts@chaithela.com

#### DIRECTORS' REPORT

Your Directors have pleasure in presenting their 07<sup>th</sup> Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2023.

#### FINANCIAL SUMMARY

During the year under review, the performance of your Company is as under:

(Amount in Lacs)

PARTICULARS	2022-23	2021-22
Total Income	565.09	388.51
Less: Total Expenditure	598.5	467.53
Less : Interest/Finance Cost	47.90	19.64
Gross Profit/(Loss)	(81.31)	(98.66)
Less : Depreciation	82.49	70.68
Less:- Impairment of Financial Instruments	-	-
Profit/(Loss) Before Tax	(163.80)	(169.34)
Less : Tax expense including deferred tax	6.74	5.88
Profit/(Loss) After Tax	(157.06)	(163.46)
Add: Other comprehensive income / (loss)	(2.44)	(0.38)
Total Comprehensive Income of the year Brought forward from Previous Year	(159.50)	(163.84)
Total Retained Earnings	(630.13)	(473.07)
Appropriations		
Proposed Dividend	-	-
Tax on Proposed Dividend	-	-
Transfer to General Reserve	-	-
Balance carried to Balance Sheet	(630.13)	(473.07)

#### DIVIDEND

Due to loss suffered by the Company during the year under review, no dividend has been recommended by the Board.

#### RESERVES

Due to losses of the Company for the period ended 31<sup>st</sup> March, 2023, your Directors do not propose to transfer any amount to reserves.

#### CAPITAL STRUCTURE

There is no change in the authorized and paid-up share capital of the company during the year.

The Authorized Share Capital of the Company is Rs.10,00,000/- (Rupees Ten Lacs only) divided into 1,00,000 (One Lacs) Equity Shares of Rs.10/- (Rupees Ten) each.

The paid-up share capital of the Company is Rs.1,21,960/- (Rupees One Lac Twenty-One Thousand Nine Hundred Sixty Only) divided into 12,196 (Twelve Thousand One Hundred Ninety-Six) Equity Shares of Rs.10/- (Rupees Ten) each.

#### STATE OF COMPANY'S AFFAIRS

Your Company had incurred a loss of Rs.157.06 (Lacs) in the current financial year as against the loss of Rs.163.46 (Lacs) incurred in the previous year. The Board of Directors are constantly working to improve the performance in coming times.

#### CHANGE IN THE NATURE OF BUSINESS

There is no change in the nature of the business of the Company during the year.

#### MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes and commitments affecting the financial position of the company have occurred between the end of the financial year of the company to which the financial statements relate and the date of this report.

#### DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

No significant and material orders were passed by the regulators or courts or tribunals which affect the going concern status and future operation of the Company.

#### DIRECTORS AND KEY MANAGERIAL PERSONNEL

##### (I) CHANGES IN DIRECTORS

During the year following changes took place:

- a) Mr. Pankaj Judge (DIN: 06529894), Director of the Company had resigned from the Board of the Company w.e.f. 11<sup>th</sup> October, 2022.

##### (II) CHANGES IN KEY MANAGERIAL PERSONNEL

The provisions regarding Key Managerial Personnel as provided in Section 203 of the Companies Act, 2013 read with rules framed thereunder are not applicable to the Company.

#### CONSTITUTION OF BOARD OF DIRECTORS

The Board of Directors is constituted as under:

S. No.	Name of the Director	Designation	No. of meetings attended during the year
1.	Mr. Pankaj Judge*	Director	0
2.	Mr. Rajesh Jhalani	Director	4
3.	Mr. Divya Mehrotra	Director	4
4.	Mr. Manish Ranjan	Director	4

\* Mr. Pankaj Judge (DIN: 06529894) resigned from the directorship of the Company w.e.f. 11.10.2022.

#### DETAILS OF MEETING OF THE BOARD OF DIRECTORS

During the year, 4 (Four) Board Meetings were held on 27<sup>th</sup> May, 2022, 05<sup>th</sup> August, 2022, 10<sup>th</sup> November, 2022 and 10<sup>th</sup> February, 2023.

#### DEPOSITS

The Company has not accepted any deposits under the applicable provisions of the Companies Act, 2013 and the rules framed there under.

#### AUDITORS

M/s Agiwal & Associates, Chartered Accountants, New Delhi (FRN: 000181N), Statutory Auditors of the Company, were appointed as the Statutory Auditor by the members of the Company in the 05<sup>th</sup> Annual General Meeting of the Company held on 20.10.2021 and holds office till the conclusion 10<sup>th</sup> Annual General Meeting and of the Company.

The remuneration of Statutory Auditors for each financial year during their tenure would be fixed by the Board in consultation with the Auditor.

#### AUDITORS' REPORT

The Statutory Auditor of the Company has raised his concern in Audit Report in the "Emphasis of Matters", the same is reproduced hereunder:-

Note no. 33.13 in the financial statements which indicates that the Company has accumulated losses of Rs.480.58 Lakh at the year end and its net worth has been fully eroded, the Company has incurred a net loss of Rs.157.06 during the current year and Rs.163.46 in previous year and, the Company's current liabilities exceeded its current assets by Rs.136.22 as at the balance sheet date. These conditions may indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

However, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said Note.

However, the management is of the opinion and are hopeful that the performance of the Company will be more satisfactory in coming year ahead and the promoters will infuse more fund as may be required.

## **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

There were no loans made by the Company under Section 186 of the Companies Act, 2013.

## **PARTICULARS OF CONTRACTS OR ARRANGMENTS MADE WITH THE RELATED PARTIES**

During the year under review, the Company has entered into related party transaction(s). Hence, disclosure as per **AOC- 2** is enclosed vide **Annexure-I**. However, a detailed related party disclosure as per Ind AS 24 is given in the note no. 33.6 of the standalone financial statements for the financial year 2022-23 of the Company.

## **INTERNAL CONTROL SYSTEMS**

The Company's internal control systems are adequate and commensurate with the nature and size of the Company and it ensures:

- timely and accurate financial reporting in accordance with applicable accounting standards.
- optimum utilization, efficient monitoring, timely maintenance and safety of its assets.
- compliance with applicable laws, regulations and management policies.

## **HUMAN RESOURCES AND INDUSTRIAL RELATIONS**

The Company is pleased to report that during the year under reporting, the industrial relations were cordial. The total number of employees of the Company as of 31/03/2023 was 37(Thirty-Seven).

## **EXTRACT OF ANNUAL RETURN**

In terms of Sections 92(3) and 134(3)(a) of the Act, annual return is available under at the Company's website and can be viewed at the following link <https://chaitheila.com/>.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Information in accordance with the provisions of Section 134 read with the Companies (Accounts) Rules, 2014 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is annexed as **Annexure-II** and forms the part of this report.

## **RISK MANAGEMENT**

We encompass practices relating to identification, assessment, monitoring and mitigation of strategic, operational and external environment risks to achieve our key business objectives. We seek to minimize the adverse impact of risks to our business objectives and enable the Company to leverage market opportunities effectively.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirements of Section 134(3) &(5) of the Companies Act, 2013, it is hereby confirmed:

- a) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the year ended 31.03.2023;

- c) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act,2013, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) that the Directors have prepared the annual accounts on a going concern basis and
- e) that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **ANTI- SEXUAL HARASSMENT MECHANISM**

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

There were no complaints received from any employee during the year under review and no complaints were pending as on 31/03/2023.

## **MAINTENANCE OF COST RECORDS**

The provisions of Section 148 of the Companies act, 2013 are not applicable during the said period.

## **FRAUDS REPORTED BY AUDITORS**

No frauds were reported by the auditors during the period under review.

## **NON-APPLICABILITY OF PROVISIONS OF COMPANIES ACT, 2013**

The following are the provisions of the Companies Act, 2013 that are not applicable to your Company and hence the disclosure of the same is not made in the report.

1. Appointment of Independent Director.
2. Section 177 and 178 of the Companies Act, 2013 along with rules framed thereunder relating to the Audit and Nomination and Remuneration Committee, respectively.
3. As the Company does not have any subsidiary and associate Company so the clause relating to Performance and Financial position of the Subsidiary Companies or Joint Ventures or Associate Companies including Consolidated Financial Statement is not applicable.
4. Section 204 of the Companies Act, 2013 relating to appointment of Secretarial Auditor.
5. Section 135 of the Companies Act, 2013 along with rules framed thereunder relating to Corporate Social Responsibility.
6. Section 177 (9) of the Companies Act, 2013 along with rules framed thereunder relating to Vigil Mechanism.

## **STATUTORY DISCLOSURE**

No revision of financial statements or boards' report has been made in terms of Sec 131(1) of Companies Act, 2013 during the year under review.

## **ACKNOWLEDGEMENT**

Your Directors' wish to place on record its sincere appreciation and gratitude to the Company's business associates, Customers, Suppliers, Bankers and Central and State Government Authorities for their continued support and assistance and also to the esteemed shareholders of the Company, for their valuable support and patronage

**By Order of the Board  
For Chai Thela Private Limited**

**Place: New Delhi  
Date:23.05.2023**

**Manish Ranjan      Rajesh Jhalani  
Whole Time Director      Director  
(DIN: 09369460)      (DIN:00006395)**

# CHAI THELA PRIVATE LIMITED

## Annexure-I

### FORM NO. AOC-2

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis – **NIL**.
2. Details of contracts or arrangements or transactions at Arm's length basis.

#### (A)

SL. No.	Particulars	Details
	Name (s) of the related party & nature of relationship	M/s VLS Capital Limited (Holding of M/s South Asian Enterprises Limited, an ultimate holding company of Chai Thela Private Limited)
	Nature of contracts/arrangements/transaction	Taken loan(s) or security(ies) or guarantee(s) from M/s VLS Capital Limited, an ultimate holding company of Chai Thela Private Limited
	Duration of the contracts/arrangements/transaction	For a maximum tenure of 3 years from the date of approval by the members of M/s VLS Capital Limited
	Salient terms of the contracts or arrangements or transaction including the value, if any	Taken loan(s) or security(ies) or guarantee(s) from M/s VLS Capital Limited, an ultimate holding company of Chai Thela Private Limited up to an aggregate amount not exceeding Rs. 300(Lacs) (Rupees Three Hundred Lacs only) in single or multiple tranches as required from time to time at an interest rate not less than seven per cent (7%) per annum for a period of 3 years from the date of approval by the members of the VLS Capital Limited
	Date of approval by the Board	12.02.2022
	Date of approval by the Members of VLS Capital Limited	05.02.2022
	Amount paid as advances, if any	NA
	Amount taken as loan as of 31.03.2023	Rs.210 (Lacs)
	Interest paid during the FY 2022-23	Rs.10.29 (Lacs)

#### (B)

SL. No.	Particulars	Details
	Name (s) of the related party & nature of relationship	M/s South Asian Enterprises Limited
	Nature of contracts/arrangements/transaction	Taken loan/financial assistance from M/s South Asian Enterprises Limited
	Duration of the contracts/arrangements/transaction	Re-arrangement of terms regarding repayment of loan availed by the Company, including moratorium period of six-month w.e.f. 01.04.2023 and repayment of entire loan availed by the Company of Rs. 265 in six equal quarterly instalments period commencing from September, 2023.
	Salient terms of the contracts or arrangements or transaction including the value, if any	Re-arrangement of repayment terms regarding loan availed by the Company from M/s South Asian Enterprises Limited (Holding Company) for an aggregate amount of Rs.265 (Lacs) (Rupees Two Hundred Sixty-Five Lacs only) in six equal quarterly instalments period commencing from September, 2023 at an increased interest rate of 8%(Eight percent)
	Date of approval by the Board	10.11.2022
	Date of approval by the Board of South Asian Enterprises Limited	13.02.2023

SL. No.	Particulars	Details
	Amount paid as advances, if any	NA
	Amount taken as loan as of 31.03.2023	Rs.265 (Lacs)
	Interest paid during the FY 2022-23	Rs.18.63 (Lacs)

**By Order of the Board  
For Chai Thela Private Limited**

**Place: New Delhi  
Date:23.05.2023**

**Manish Ranjan  
Whole Time Director  
(DIN: 09369460)**

**Rajesh Jhalani  
Director  
(DIN:00006395)**

## Annexure-II

### ANNEXURE TO THE REPORT OF BOARD

**Particulars required under Section 134 of the Companies Act, 2013 read with The Companies (Accounts) Rules, 2014**

#### A. CONSERVATION OF ENERGY

- (i) the steps taken or impact on conservation of energy;
- (ii) the steps taken by the company for utilizing alternate source of energy;
- (iii) the capital investment on energy conservation equipment.

The company is engaged in the business restaurant services, fast food services, dining services, cloud kitchen etc. However, the Company has taken adequate steps wherever required for conservation of energy. No capital expenditure has been incurred by the company on energy conservation equipment during the year ended March 31, 2023.

#### B. TECHNOLOGY ABSORPTION

- (i) the Company is taking continuous efforts towards technology absorption.
- (ii) The benefits derived like product improvement, cost reduction, product development;
- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- NIL
  - (a) The details of the technology imported; - NIL
  - (b) The year of import; - NIL
  - (c) Whether the technology been fully absorbed; - NIL
  - (d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and
- (iv) The expenditure incurred on Research and Development

No R&D has been carried out and no technology has been imported by the Company during the financial year ended March 31, 2023.

#### C. FOREIGN EXCHANGE EARNINGS AND OUTGO (IN INR)

- a) Foreign Exchange Earned : Nil
- b) Foreign Exchange Used : Nil

**By Order of the Board  
For Chai Thela Private Limited**

**Place: New Delhi  
Date: 23.05.2023**

**Manish Ranjan  
Whole Time Director  
(DIN: 09369460)**

**Rajesh Jhalani  
Director  
(DIN:00006395)**

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF CHAI THELA PRIVATE LIMITED

#### Report on the Audit of the Financial Statements

##### Opinion

We have audited the accompanying Financial Statements of CHAI THELA PRIVATE LIMITED (the "Company"), which comprise the Balance Sheet as at March 31, 2023, 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 the "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with 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, 2023 and its loss, total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

##### Basis for Opinion

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

##### Emphasis of Matters

We draw attention to the following matters in the Notes to the financial statements:

Note no. 33.13 in the financial statements which indicates that the Company has accumulated losses of Rs.480.58 Lakh at the year end and its net worth has been fully eroded, the Company has incurred a net loss of Rs.157.06 during the current year and Rs.163.46 in previous year and, the Company's current liabilities exceeded its current assets by Rs.136.22 as at the balance sheet date. These conditions may indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said Note.

Our opinion is not modified in respect of these matters.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the Financial Statements and our auditor's report thereon.

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

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

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

##### 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, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with

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

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless 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 is also responsible for overseeing the Company's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial 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 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 Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may



reasonably be thought to bear on our independence, and where applicable, related safeguards.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) 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 Flows dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid Financial Statements comply with the 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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section of 197(16) of the Act, as amended;

In our opinion and best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors for the year ended March 31, 2023 is in accordance with the provisions of section 197 read with Schedule V to the Act;

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has informed and explained to us the pending litigations have no adverse effect on its financial position in its Financial Statements as of 31<sup>st</sup> March, 2023.
  - ii. The Company has made provision as required under applicable law or accounting standards for material foreseeable losses, if any. The Company did not have any long-term derivative contracts.
  - iii. There has been no requirement to transfer any amount to the Investor Education and Protection Fund by the Company during the year ended 31<sup>st</sup> March, 2023.
  - iv. (a) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the Financial Statements, no funds (which are material either individually or in the aggregate) 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 (which are material either individually or in the aggregate) 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.

- v. The Company has not declared any dividend during the year ended on 31<sup>st</sup> March, 2023, hence this reporting requirement is not applicable to the Company.
  - vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
2. 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 B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Agiwal & Associates  
Chartered Accountants  
(Firm's Registration No. 000181N)

CA P. C. Agiwal  
Partner  
(Membership No. 080475)  
UDIN: 23080475BGWKS2064

Place: Delhi  
Date: May 23, 2023

## ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of CHAI THELA PRIVATE LIMITED of even date)

### 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")

We have audited the internal financial controls with reference to Financial Statements of **CHAI THELA PRIVATE LIMITED** (the "Company") as of March 31, 2023 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls with reference to Financial Statements 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 (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### 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 on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI 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 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 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 internal financial controls with reference to Financial

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

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

## Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control 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 control with reference to Financial Statements 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 with reference to Financial Statements

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 with reference to Financial Statements to future periods are subject to the risk that the internal financial control 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.

## Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to Financial Statements and such internal financial controls with reference to Financial Statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to Financial Statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For Agiwal & Associates  
Chartered Accountants  
(Firm's Registration No. 000181N)

CA P. C. Agiwal  
Partner  
(Membership No. 080475)  
UDIN: 23080475BGWKS2064

Place: Delhi  
Date: May 23, 2023

## ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of CHAI THELA PRIVATE Limited of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i. In respect of the Company's property, plant and equipment, right-of-use assets and intangible assets:
  - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of

property, plant and equipment and relevant details of right-of-use assets.

- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a program of physical verification of property, plant and equipment and right-of-use assets so to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, there are no immovable properties, and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (d) The Company has not revalued any of its property, plant and equipment (including right-of-use assets) and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. (a) The management conducts physical verification of inventories at reasonable intervals during the year, in our opinion, the coverage and procedures of such verification is appropriate. As informed to us no material discrepancies were noticed on such verification.
- (b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- iii. During the year, the Company has provided security to Companies. The Company has not made investments in Companies Firms and Limited Liability Partnerships during the year. Further the Company has not provided any guarantee or granted loans any advances in the nature of loans, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or any other parties. With respect to such investments, security, and loans:

In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest has been regular as per stipulation. According to the information and explanations given to us in respect of loans granted during the year, there is no overdue amount for more than ninety days as at the Balance Sheet date. In our opinion and according to the information and explanations given to us, Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable. According to the information explanation provided to us, the Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Hence, the requirements under paragraph 3(iii) of the Order are not applicable to the Company.
- iv. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi. The maintenance of cost records has not been specified by the Central Government under subsection (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.
- vii. In respect of statutory dues:
  - (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise,

## CHAI THELA PRIVATE LIMITED

Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

Hence, the provision stated in paragraph 3(xvi) (a) to (b) of the Order is not applicable to the Company.

- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.  
(b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.  
(c) In our opinion and according to the information and explanations given to us, Term Loans were applied for the purpose for which the loans were obtained.  
(d) On an overall examination of the Financial Statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.  
(e) On an overall examination of the Financial Statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.  
(f) The Company does not have any subsidiary, associate or joint venture and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.  
(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.  
(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.  
(c) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. As per the information and explanations and records made available by the management of the Company and audit procedure performed, for the related parties transactions entered during the year, the Company has complied with the provisions of Section 177 and 188 of the Act, where applicable, As explained, details of related parties transactions are disclosed as per the applicable Accounting Standards.
- xiv. In our opinion and based our examination, the Company does not require to comply with provision of section 138 of the Companies Act.
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.  
(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable. xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xvii. The Company has incurred cash losses of Rs.74.57 lakh during the financial year covered under our audit and cash losses of Rs.92.78 lakh during the immediately preceding the financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. According to the information and explanations given to us and based on our examination of financial ratios, ageing and expected date of realisation of financial assets and payment of liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that a material uncertainty exists as on the date of audit report. However, the Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- xx. According to the information and explanations given to us, the provisions of section 135 of the Companies Act, 2013 are not applicable to the Company. Hence, the provisions of the paragraph (xx)(a) to (b) of the Order is not applicable to the Company.
- xxi. The reporting under clause 3(xxi) of the order is not applicable in respect of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

For Agiwal & Associates  
Chartered Accountants  
(Firm's Registration No. 000181N)

CA P. C. Agiwal  
Partner  
(Membership No. 080475)  
UDIN: 23080475BGWKS2064

Place: Delhi  
Date: May 23, 2023

# CHAI THELA PRIVATE LIMITED

## Statement of Asset and Liabilities as at 31st March, 2023 Balance Sheet as at 31st March, 2023

(₹ in lakhs)

S. No.	Particulars	Note No.	As at 31st March 2023 (Audited)	As at 31st March 2022 (Audited)
	<b>ASSETS</b>			
(1)	<b>Non-Current Assets</b>			
	(a) Property, Plant and Equipment	3	49.75	46.35
	(b) Right of Use Asset	3A	206.39	181.17
	(c) Intangible Assets	3B	0.58	0.50
	(d) Capital work-in-progress		-	-
	(e) Other Intangible assets		-	-
	(f) Investment in property (leasehold)		-	-
	(g) Financial Assets			
	(i) Loans	4	-	-
	(ii) Investment	5	-	-
	(iii) Other financial assets	6	25.89	27.52
	(g) Deferred tax asset (Net)	7	24.11	17.37
	(h) Other Non current Asset		-	-
			<b>306.72</b>	<b>272.91</b>
(2)	<b>Current Assets</b>			
	(a) Inventories	8	11.19	14.07
	(b) Financial Assets			
	(i) Loan	9	-	-
	(ii) Trade Receivable	10	8.66	11.13
	(iii) Cash and cash equivalents	11	0.22	2.44
	(iv) Other Bank balances	11A	-	-
	(v) Other Financial assets	12	0.69	-
	(c) Current Tax Assets (Net)	13	0.25	0.59
	(d) Other current assets	14	17.01	10.04
			<b>38.02</b>	<b>38.27</b>
	<b>Total Assets</b>		<b>344.74</b>	<b>311.18</b>
	<b>EQUITY AND LIABILITIES</b>			
	<b>Equity</b>			
	(a) Equity Share capital	15	1.22	1.22
	(b) Other Equity	16	(481.80)	(322.30)
			<b>(480.58)</b>	<b>(321.08)</b>
(1)	<b>LIABILITIES</b>			
	<b>Non-Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	17	478.79	70.00
	(ii) Lease Liability	17A	169.89	117.29
	(ii) Other financial liabilities		-	-
	(b) Provisions	18	2.40	0.97
	(c) Other non-current liabilities		-	-
			<b>651.08</b>	<b>188.26</b>
(2)	<b>Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	19	5.70	266.32
	(ii) Lease Liability	20	36.50	63.88
	(iii) Trade payables		-	-
	i) Due to micro enterprises and small enterprises		-	-
	ii) Due to other	21	65.33	52.62
	(b) Other financial liabilities	22	35.46	38.36
	(c) Other current liabilities	23	31.21	22.80
	(d) Provisions	24	0.04	0.02
	(e) Current Tax Liabilities (Net)		-	-
			<b>174.24</b>	<b>444.00</b>
	<b>Total Equity and Liabilities</b>		<b>344.74</b>	<b>311.18</b>

Significant Accounting Policies and Notes forming part of accounts  
The notes referred to above are an integral part of these financial statements

1 -33

As per our report of even date

**For Agiwal & Associates**  
(F.R.N.000181N)  
Chartered Accountants

For and on behalf of the Board

**P.C. Agiwal**  
Partner  
Membership No. 080475

Manish Ranjan  
Wholetime Director  
DIN: 09369460

Rajesh Jhalani  
Director  
DIN: 00006395

Place : New Delhi  
Date: 23/05/2023



# CHAI THELA PRIVATE LIMITED

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

(₹ in lakhs)

S. No.	Particulars	Note No.	For the year ended 31st March 2023	For the year ended 31st March 2022
I	Revenue From Operations	25	539.67	363.48
II	Other Income	26	25.42	25.03
III	Total Income (I+II)		<b>565.09</b>	<b>388.51</b>
IV	<b>EXPENSES</b>			
	Purchase of Stock-in-Trade		184.38	150.42
	Changes in Inventories of Stock-in-Trade	27	2.89	(0.42)
	Employee benefits expense	28	105.66	68.82
	Finance costs	29	47.90	19.64
	Depreciation and amortization expense		82.49	70.68
	Other expenses	30	305.57	248.71
	Total expenses (IV)		<b>728.89</b>	<b>557.85</b>
V	Profit/(loss) before exceptional items and tax (III- IV)		(163.80)	(169.34)
VI	Exceptional Items		-	-
VII	Profit/(loss) before tax (V-VI)		(163.80)	(169.34)
VIII	Tax expense:	32		
	(1) Current tax		-	-
	(2) Tax adjustment for earlier Year		-	-
	(2) Deferred tax		6.74	5.88
IX	Profit (Loss) for the period (VII-VIII)		(157.06)	(163.46)
X	Other Comprehensive Income			
	A (i) Items that will not be reclassified to profit or loss			
	Gain / (Loss) arising on Defined Employee Benefits		(2.44)	(0.38)
	Gain / (Loss) arising on fair valuation of Investment			
	(ii) Income tax relating to items that will not be reclassified to profit or loss			
XI	Other comprehensive income / (loss) (i+ii)		(2.44)	(0.38)
XII	Total Comprehensive Income for the period (IX+XI) (Comprising Profit (Loss) and Other Comprehensive Income for the period)		(159.50)	(163.84)
	Owners of the Parent Company			
	Non-Controlling Interests			
XIII	Earnings per equity share			
	(1) Basic	31	(1,287.80)	(1,340.25)
	(2) Diluted		(1,287.80)	(1,340.25)

Significant Accounting Policies and Notes forming part of accounts  
The notes referred to above are an integral part of these financial statements

1 -33

As per our report of even date

**For Agiwal & Associates**

(F.R.N.000181N)

Chartered Accountants

**For and on behalf of the Board**

**P.C. Agiwal**

Partner

Membership No. 080475

Place : New Delhi

Date: 23/05/2023

**Manish Ranjan**

Wholetime Director

DIN: 09369460

**Rajesh Jhalani**

Director

DIN: 00006395

# CHAI THELA PRIVATE LIMITED

## Cash Flow Statement for the year ended 31st March, 2023

(₹ in lakhs)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
<b>A. Cash Flow from Operating Activities</b>		
Profit/(loss) before tax	(163.78)	(169.34)
Adjustments for:-		
Dividend Income	-	-
Depreciation	82.49	70.68
Employee benefits expense	(2.44)	(0.38)
Interest Income	(2.40)	(1.92)
Finance Cost	47.90	19.64
<b>Operating Profit before Working Capital Changes</b>	<b>(38.23)</b>	<b>(81.32)</b>
Adjustments for:		
(Increase) / Decrease in Inventories	2.89	(0.42)
Other financial assets	0.94	12.08
Trade Payable	12.72	9.79
Trade Receivable	2.47	(0.68)
Other financial liabilities	(2.90)	27.34
Other current liabilities	(1.94)	(8.05)
Provisions	1.45	(0.38)
Other non-current liabilities	-	-
Other current assets	(6.98)	0.13
<b>Cash Generated from Operations</b>	<b>(29.58)</b>	<b>(41.51)</b>
Tax paid	0.34	(0.20)
<b>Net Cash generate / (used in) Operating Activities</b>	<b>(29.24)</b>	<b>(41.71)</b>
<b>B. Cash Flow from Investing Activities</b>		
Additions in Fixed Assets	(30.17)	(27.14)
Sale of Investments	-	-
Purchase of Investments	-	-
Investment in property (leasehold)	-	-
Right of Use Asset	(81.04)	16.24
Dividend Income	-	-
Interest Received	2.40	1.92
Investment in bank deposits (having original maturity for more than 3 months)	-	-
<b>Net Cash generate / (used in) Investing Activities</b>	<b>(108.81)</b>	<b>(8.99)</b>
<b>C. Cash Flow from Financing Activities</b>		
Interest paid	(37.56)	(19.64)
Increase / (Decrease) in Long Term Borrowings	408.79	(111.07)
Increase / (Decrease) in Short Term Borrowings	(260.63)	266.32
Increase / (Decrease) in Lease Liability	25.22	(86.21)
Financial Assets	-	-
<b>Net Cash generated/ (used in) Financing Activities</b>	<b>135.82</b>	<b>49.40</b>
<b>Net increase/ (decrease) in Cash &amp; Cash Equivalents</b>	<b>(2.23)</b>	<b>(1.29)</b>
<b>Cash &amp; Cash Equivalents at the beginning of the year</b>	<b>2.44</b>	<b>3.73</b>
<b>Cash &amp; Cash Equivalents at the end of the year</b>	<b>0.21</b>	<b>2.44</b>
<b>Note:</b>		
1 The above Cash Flow Statement has been prepared under the 'Indirect Method' set out in the Accounting Standard 3 "Cash Flow Statement" issued by the Institute of Chartered Accountants of India.		
2 Cash & Cash Equivalents		
Cash on Hand	0.20	0.57
Current Account	0.01	1.86
Overdraft	-	-
Cash and Bank balances as per Note 11	<b>0.21</b>	<b>2.44</b>

As per our report of even date  
Significant Accounting Policies and Notes forming part of accounts 1 -33

As per our report of even date  
**For Agiwal & Associates**  
(F.R.N.000181N)  
Chartered Accountants

For and on behalf of the Board

**P.C. Agiwal**  
Partner  
Membership No. 080475  
Place : New Delhi  
Date: 23/05/2023

**Manish Ranjan**  
Director  
DIN: 09369460

**Rajesh Jhalani**  
Director  
DIN: 00006395

# CHAI THELA PRIVATE LIMITED

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

### A. Equity Share Capital

#### (1) Current reporting period

(₹ in lakhs)

Balance as at 1st April, 2022	Changes in Equity Share Capital due to prior period errors	Restated Balance as at 1st April, 2022	Changes in equity share capital during the current year	Balance as at 31st March, 2023
1.22	-	1.22	-	1.22

#### (2) Previous reporting period

(₹ in lakhs)

Balance at 1st April, 2021	Changes in Equity Share Capital due to prior period errors	Restated Balance as at 1st April, 2021	Changes in equity share capital during the previous year	Balance as at 31st March, 2022
1.22	-	1.22	-	1.22

### B. Other Equity

#### (1) Current reporting period

(₹ in lakhs)

Particulars	Reserves and Surplus		Other Comprehensive Income		
	Security Premium	Retained Earnings	Fair Value Gain on Equity Instruments through Other Comprehensive Income	Remeasurement of Defined Benefit Plans	Total
Balance as at 1st April, 2022	149.78	(473.07)	-	0.99	(322.30)
Changes in accounting policy/ prior period errors	-	-	-	-	-
Restated balance as at 1st April, 2022	149.78	(473.07)	-	0.99	(322.30)
Profit for the year	-	(157.06)	-	(2.44)	(159.50)
Other Comprehensive Income (net of tax)	-	-	-	-	-
Total comprehensive income for the current year	-	(157.06)	-	(2.44)	(159.50)
Balance as at 31st March, 2023	149.78	(630.13)	-	(1.45)	(481.80)

#### (2) Previous reporting period

(₹ in lakhs)

Particulars	Reserves and Surplus		Other Comprehensive Income		
	Security Premium	Retained Earnings	Fair Value Gain on Equity Instruments through Other Comprehensive Income	Remeasurement of Defined Benefit Plans	Total
Balance as at 1st April, 2021	149.78	(309.61)	-	1.37	(158.46)
Changes in accounting policy/ prior period errors	-	-	-	-	-
Restated balance as at 1st April, 2021	149.78	(309.61)	-	1.37	(158.47)
Profit for the year	-	(163.46)	-	(0.38)	(163.84)
Other Comprehensive Income (net of tax)	-	-	-	-	-
Total comprehensive income for the previous year	-	(163.46)	-	(0.38)	(163.84)
Balance as at 31st March, 2022	149.78	(473.07)	-	0.99	(322.30)

For Agiwal & Associates

(F.R.N.000181N)

Chartered Accountants

P.C. Agiwal

Partner

Membership No. 080475

Place : New Delhi

Date: 23/05/2023

For and on behalf of the Board

Manish Ranjan

Wholetime Director

DIN: 09369460

Rajesh Jhalani

Director

DIN: 00006395

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2023

### 1. Corporate Information

Chai Thela Private Limited (CTPL, The Company) was incorporated on 4<sup>th</sup> June, 2016 with CIN: U15100DL2016PTC300928. Chai Thela Private Limited is a private limited company and is further classified as a Company limited by Shares. The company is incorporated and registered under Companies Act, 2013 by the Registrar of Companies (ROC), Delhi. The official address for the registered office of the company is at 90, Okhla Industrial Estate, Phase-III, New Delhi 110020.

The Company is engaged in the business of restaurants and running quick service restaurant food chain in the name "Chai Thela". The company is a subsidiary of South Asian Enterprises Limited w.e.f. 23<sup>rd</sup> August, 2021.

### 2. Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 2.1 Statement of Compliance with Ind AS

In accordance with the notification dated 16th February, 2015, issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) with effect from 1st April, 2020 with restatement of previous year figures presented in this financial statements. Accordingly, the financial statements have been prepared in accordance with Ind AS prescribed under Section 133 of the Companies Act, 2013 ("Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

The Company has adopted all the applicable Ind AS and the adoption was carried out in accordance with Ind AS-101 First time adoption of Indian Accounting Standards.

The transition was carried out from Generally Accepted Accounting Principles in India which comprised of applicable Accounting Standards specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, other pronouncements of the Institute of Chartered Accountants of India (ICAI), relevant applicable provisions of the Companies Act, 1956, and the Companies Act, 2013 to the extent applicable ("Previous GAAP").

These financial statements for the year ended 31st March, 2023 are the first financial statements of the Company prepared in accordance with Ind AS. The date of transition to Ind AS is 1st April, 2020.

All the Ind AS issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are approved for issue by the Board of Directors has been considered in preparing these financial statements.

#### 2.2 Basis of Preparation of Financial Statements

These financial statements are prepared on the accrual basis of accounting, under the historical cost convention except for the following:

- i) Certain financial assets and financial liabilities measured at fair value; and
- ii) Defined benefits plan - plan assets measured at fair value.

There is no change in the system of accounting as being consistently followed from earlier years unless otherwise stated except application of Ind AS w.e.f. transition date i.e. 01.04.2020.

All assets and liabilities have been classified as current or non-current as per company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of operations and time between procurement of raw material and realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities

#### 2.3 Use of Estimates and Judgments

The preparation of the Financial Statements in conformity with GAPP requires management to make estimates, judgments and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenditure during the period. Management believes that the estimates made in the preparation of the financial statements are prudent and reliable. Actual results might differ from the estimates. Difference between the

actual results and estimates are recognized in the period in which results are known / materialized.

#### 2.4 Property, plant and equipment (PPE) and Capital work-in-progress (CWIP)

##### Transition to Ind AS

The Company has elected to continue with carrying value of all Property, plant and equipment and Capital work-in-progress (CWIP) under the previous GAAP as deemed cost as at the transition date i.e. 1st April, 2020.

Under the previous GAAP, Property, plant and equipment were stated at their original cost (net of accumulated depreciation and impairment) adjusted by revaluation of certain assets.

The Property, plant and equipment (PPE) and Capital work-in-progress (CWIP) are stated at cost net of cenvat credit and/or at revalued price less accumulated depreciation and Accumulated Impairment.

Interest on borrowings used to finance the construction of qualifying assets are capitalized as part of the cost of the asset until such time that the asset is ready for its intended use.

Depreciation on Property, plant and equipment (PPE) is provided on written down value method as prescribed under Part C of Schedule II to the Companies Act, 2013. The additional depreciation, on increase in cost on account of revaluation, is transferred to Retained Earnings from Revaluation Reserve and is thus not charged to statement of Profit & Loss of the year.

Useful life of assets is considered on the basis of schedule-II of Companies Act 2013.

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

All other repair and maintenance costs are recognized in the Statement of Profit and Loss as incurred.

Depreciation/amortization on assets added, sold or discarded during the year is provided on pro-rata basis.

#### 2.5 Intangible assets (Computer Software)

##### Transition to Ind AS:

The Company has elected to continue with carrying value of computer software under the previous GAAP, as deemed cost as at the transition date i.e. 1st April, 2020. Under the previous GAAP, computer software was stated at their original cost (net of accumulated amortization and accumulated impairment, if any).

Intangible assets expected to provide future enduring economic benefits are recorded at the consideration paid for acquisition of such assets and are carried at cost of acquisition less accumulated amortization and impairment, if any.

Intangible assets: Computer software is amortized over a period of four years.

#### 2.6 Revenue Recognition and Expenses

- (i) Revenue is recognized to the extent it is probable that economic benefits would flow to the Company and the revenue can be reliably measured, regardless of when the revenue proceeds is received from customers.
- (ii) Revenue is measured at the fair value of the consideration received/receivable taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the Government.
- (iii) Revenue from rendering restaurant services is recognized when the related services are performed and billed to the customer and is net of GST, as applicable.
- (iv) All other Income are accounted for on accrual basis.

#### 2.7 Expenses

- (i) All expenses are accounted for on accrual basis.

#### 2.8 Inventory

- a) Cost of inventory comprises of purchase price, cost of conversion and other cost that have been incurred in bringing the inventories to their respective present location and condition. Interest costs are not included in value of inventory.

##### Inventories are valued as under:

Finished Goods are carried at lower of cost or net realizable value. Cost of finished goods is determined following first in first out method.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2023

### 2.9 Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

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

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

External valuers are involved for valuation of significant assets, such as properties. Involvement of external valuers is decided by the management after discussion with and approval by the Company's management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

### 2.10 Financial instruments

Financial assets and financial liabilities are recognised in the Balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. The financial assets include equity and debt securities, trade and other receivables, loans and advances, cash and bank balances and derivative financial instruments.

Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in the following categories:

- 1) At amortised cost,
- 2) At fair value through other comprehensive income (FVTOCI), and
- 3) At fair value through profit or loss (FVTPL).

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- 1) The asset is held within a business model whose objective is to hold the asset for collecting contractual cash flows, and
- 2) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

Equity investments

All equity investments in the scope of Ind AS 109 are measured at fair value except in case of investment in subsidiary carried at deemed cost and associate carried at cost.

Deemed cost is the carrying amount under the previous GAAP as at the transition date i.e. 1st April, 2020. Equity instruments included within the FVTPL category, if any, are measured at fair value with all changes recognized in profit or loss. The Company may make an irrevocable election to present in OCI subsequent changes in the fair value.

The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. When the fair value has been determined based on level 3 inputs, the difference between the fair value at initial recognition and the transaction price is deferred and after initial recognition deferred difference is recognised as gain or loss to the extent it arises from change in input to valuation technique. If the Company decides to classify an equity instrument at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in OCI.

There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

De-recognition

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset.

### 2.11 Employees Benefits

(i) Short term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short term employee benefits to be paid in exchange for employee services are recognized as an expense as the related service is rendered by employees.

(ii) Post employment benefits

**Defined contribution plans:**

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The company makes specified monthly contributions towards provident fund. The Company's contribution is recognized as an expense in the statement of profit and loss during the period in which employee renders the related service.

**Defined benefit plan:**

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2023

have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted.

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

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

When the calculation results in a benefit to the Company, the recognized asset is limited to the net total of any unrecognized actuarial losses and past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

Actuarial gains and losses are recognized in the other comprehensive income

### (iii) Long term employment benefits

The Company's net obligation in respect of long-term employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the projected unit credit method and is discounted to its present value and the fair value of any related assets is deducted. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

### (iv) Compensated absences

The employees can carry-forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

Short term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit & Loss for the year in which the related service is rendered.

### (V) Estimation of Defined benefit obligations

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each financial year end. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans, the actuary considers the interest rates of government bonds. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

## 2.12 Borrowing Costs

Borrowing costs attributable to the qualifying assets are capitalized up to the period such assets are ready for the intended use and commenced commercial production. All other borrowing cost is charged to the Statement of Profit & Loss in the period in which they are incurred.

## 2.13 Foreign Currency Transactions and Translations

- Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of transaction. Monetary items denominated in foreign currency at the year end are translated at year end rates.
- Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.
- In respect of monetary items which are covered by forward exchange contracts, the difference between the year end and

the rate on the date of contract is recognized as exchange difference and the premium on such forward contracts is recognized over the life of the forward contract.

- The exchange differences arising on settlement/translation are recognized in the Statement of Profit and Loss.

## 2.14 Taxes on Income

### (a) Current Tax

Tax on income for the current period is determined on the basis of taxable income computed in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which give future economic benefit in the form of adjustment to future income tax liability is considered as an asset to the extent there is convincing evidence that the company will pay normal income tax.

### (b) Deferred Tax

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

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of an asset or liability in a transaction (other than a business combination) affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets are recognised for the carry forward of unused tax losses and unused tax credit to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised on all taxable temporary differences.

## 2.15 Impairment of Non-financial Assets

- No financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.
- An impairment loss is recognised for the amount by which the assets' carrying amount exceeds its recoverable amount, costs of disposal and value in use.
- For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or group of assets (cash generating units).
- Non financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of the each reporting period.

## 2.16 Leases

The Company lease asset classes primarily consist of leases for space taken on lease for operating its restaurants. The Company assesses whether a contract contains a lease, at inception of a contract. At the date of commencement of the lease, the company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term. The lease liability is initially measured at amortized cost at the present value of the future lease payments

### Transition

The Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2020 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2023

### As a lessor

Lease income from operating leases where the Company is a lessor is recognized in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

### 2.17 Provisions, Contingent Liabilities and Contingent Assets

- (i) Provision is recognized in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered probable.
- (ii) Provision is recognized in the accounts in respect of present probable obligations, the amount of which can be reliably estimated.
- (iii) Provisions are not recognised for future operating losses.
- (iv) Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company.
- (v) A contingent asset is not recognized in the financial statements.
- (vi) Provisions and contingent liabilities are reviewed at each balance sheet date.

### 2.18 Segment Reporting

#### Primary Segment

Based on the guiding principles given in the Ind AS-108 "Segment Reporting" issued by ICAI, the Company's operated only in one segment i.e. running of restaurant chain.

#### Segment Identification

Business segments have been identified on the basis of the nature of products/ services, the risk return profile of individual business, the organizational structure and the internal reporting system of the company.

The operating segments are reported after taken into consideration of aggregation criteria and quantitative threshold as mentioned in Para 12 and 13 of Ind AS 108.

### 2.19 Earnings Per Share

Basic earnings per share is computed by dividing the profit/ (loss) after tax (including the post tax effect of extra ordinary items, if any) by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of extra ordinary items, if any) by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares which could be issued on the conversion of all dilutive potential equity shares.

### 2.20 Cash and Cash Equivalents

Cash and cash equivalents Cash and cash equivalents in the Balance sheet comprise cash on hand, cheques on hand, balance with banks on current accounts and short term, highly liquid investments with an original maturity of three months or less and which carry insignificant risk of changes in value.

For the purpose of the Cash Flow Statement, Cash and cash equivalents consist of Cash and cash equivalents, as defined above and net of outstanding book overdrafts as they are considered an integral part of the Company's cash management

### 2.21 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payment and item of income or expenses associated with investing or financing flows. The cash flows operating, investing and financing activities of the company are segregated.

### 2.22 Investment Property:

An investment property shall be measured initially at its cost. Transaction costs shall be included in the initial measurement.

The cost of a purchased investment property comprises its purchase price and any directly attributable expenditure. Directly attributable expenditure includes, for example, professional fees for legal services, property transfer taxes and other transaction costs

Cost model after initial recognition, an entity shall measure all of its investment properties in accordance with Ind AS 16's requirements for cost model, other than those that meet the criteria to be classified as held for sale (or are included in a disposal group that is classified

as held for sale) in accordance with Ind AS 105, Non-current Assets Held for Sale and Discontinued Operations. Investment properties that meet the criteria to be classified as held for sale (or are included in a disposal group that is classified as held for sale) shall be measured in accordance with Ind AS 105.

When measuring the fair value of investment property in accordance with Ind AS 113, an entity shall ensure that the fair value reflects, among other things, rental income from current leases and other assumptions that market participants would use when pricing investment property under current market conditions.

This Standard requires all entities to measure the fair value of investment property, for the purpose of disclosure even though they are required to follow the cost model. An entity is encouraged, but not required, to measure the fair value of investment property on the basis of a valuation by an independent valuer who holds a recognized and relevant professional qualification and has recent experience in the location and category of the investment property being value

### 2.23 Insurance claims and liquidated damages

Insurance claims are accounted as and when admitted/settled. Subsequent changes in value, if any, are provided for.

### 2.24 Key accounting estimates and Judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on ongoing basis. Any changes to accounting estimates are recognized prospectively. Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

- (a) Provision and contingent liability: On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.
- (b) Allowance for impairment of financial asset: Judgments are required in assessing the recoverability of overdue loans / investment and determining whether a provision against those loans / investments is required. Factors considered include the aging of past dues, value of collateral and any possible actions that can be taken to mitigate the risk of non-payment.
- (c) Recognition of deferred tax assets: Deferred tax assets are recognized for unused tax-loss carry forwards and unused tax credits to the extent that realization of the related tax benefit is probable. The assessment of the probability with regard to the realization of the tax benefit involves assumptions based on the history of the entity and budgeted data for the future.
- (d) Property, plant and equipment and Intangible Assets: Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values as per schedule II of the Companies Act, 2013 or are based on the Company's historical experience with similar assets and taking into account anticipated technological changes, whichever is more appropriate.
- (e) The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.
- (f) Defined benefit plans: The cost of defined benefit plans and the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long - term nature, a defined benefit obligation is highly sensitive to changes in these assumptions.

# CHAI THELA PRIVATE LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2023

### NOTE - 3 Property, Plant & Equipment

(₹ in lakhs)

Description	Vehicle	Furniture & Fixtures	Office Equipment	Computers	Total
<b>Gross Carrying value as at April 1, 2021</b>	-	85.00	37.95	8.15	131.10
Additions	1.80	14.03	9.63	1.26	26.73
Addition through business transfer	-	-	-	-	-
Deduction	-	-	-	-	-
<b>Gross Carrying value as at March 31, 2022</b>	<b>1.80</b>	<b>99.03</b>	<b>47.57</b>	<b>9.41</b>	<b>157.83</b>
<b>Gross Carrying Value as at April 1, 2022</b>	1.80	99.03	47.57	9.41	157.83
Additions	6.40	11.74	10.13	1.77	30.03
Addition through business transfer	-	-	-	-	-
Deduction	-	-	-	-	-
<b>Gross Carrying value as at March 31, 2023</b>	<b>8.20</b>	<b>110.77</b>	<b>57.70</b>	<b>11.18</b>	<b>187.86</b>
<b>Accumulated depreciation as at April 1, 2021</b>	-	51.43	26.96	6.64	85.03
Depreciation for the year	0.28	16.83	7.82	1.51	26.45
Adjustments	-	-	-	-	-
Deduction	-	-	-	-	-
<b>Accumulated depreciation as at March 31, 2022</b>	<b>0.28</b>	<b>68.27</b>	<b>34.77</b>	<b>8.15</b>	<b>111.48</b>
<b>Accumulated depreciation as at April 1, 2022</b>	0.28	68.27	34.77	8.15	111.48
Depreciation for the year	1.22	14.61	9.18	1.62	26.62
Adjustments	-	-	-	-	-
<b>Accumulated depreciation as at March 31, 2023</b>	<b>1.50</b>	<b>82.88</b>	<b>43.95</b>	<b>9.77</b>	<b>138.10</b>
<b>Net Carrying Value</b>					
As at 31st March, 2022	1.52	30.76	12.80	1.27	46.35
As at 31st March, 2023	<b>6.70</b>	<b>27.89</b>	<b>13.75</b>	<b>1.41</b>	<b>49.75</b>

### NOTE: 3A

#### Right-of-use assets:

(₹ in lakhs)

Description	Right of Use Asset	Total
<b>Gross Carrying value as at April 1, 2021</b>	348.10	348.10
Additions	87.88	87.88
Addition through business transfer	-	-
Deduction	(104.11)	(104.11)
<b>Gross Carrying value as at March 31, 2022</b>	<b>331.87</b>	<b>331.87</b>
Gross Carrying Value as at April 1, 2022	331.87	331.87
Additions	109.07	109.07
Addition through business transfer	-	-
Deduction/ Adjustements	(28.03)	(28.03)
<b>Gross Carrying value as at March 31, 2023</b>	<b>412.91</b>	<b>412.91</b>
<b>Accumulated Depreciation &amp; Impairment</b>		
<b>Accumulated depreciation as at April 1, 2021</b>	106.51	106.51
Depreciation for the year	44.19	44.19
Adjustments	-	-
Deduction	-	-
<b>Accumulated depreciation as at March 31, 2022</b>	<b>150.70</b>	<b>150.70</b>
<b>Accumulated depreciation as at April 1, 2022</b>	150.70	150.70
Depreciation for the year	55.82	55.82
Adjustments	-	-
<b>Accumulated depreciation as at March 31, 2023</b>	<b>206.52</b>	<b>206.52</b>
<b>Net Carrying Value</b>		
As at 31st March, 2022	181.17	181.17
As at 31st March, 2023	<b>206.39</b>	<b>206.39</b>

# CHAI THELA PRIVATE LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2023

### Note : 3 (B)

#### Intangible Assets

(₹ in lakhs)

Description	Software	Total
<b>Gross Carrying value as at April 1, 2021</b>	0.20	0.20
Additions	0.41	0.41
Addition through business transfer	-	-
Deduction	-	-
<b>Gross Carrying value as at March 31, 2022</b>	<b>0.61</b>	<b>0.61</b>
Gross Carrying Value as at April 1, 2022	0.61	0.61
Additions	0.13	0.13
Addition through business transfer	-	-
Deduction	-	-
<b>Gross Carrying value as at March 31, 2023</b>	<b>0.74</b>	<b>0.74</b>
<b>Accumulated Depreciation &amp; Impairment</b>		
<b>Accumulated depreciation as at April 1, 2021</b>	0.06	0.06
Depreciation for the year	0.05	0.05
Adjustments	-	-
Deduction	-	-
<b>Accumulated depreciation as at March 31, 2022</b>	<b>0.11</b>	<b>0.11</b>
<b>Accumulated depreciation as at April 1, 2022</b>	0.11	0.11
Depreciation for the year	0.05	0.05
Adjustments	-	-
<b>Accumulated depreciation as at March 31, 2023</b>	<b>0.16</b>	<b>0.16</b>
<b>Net Carrying Value</b>		
As at 31 March, 2022	0.50	0.50
As at 31st March, 2023	<b>0.58</b>	<b>0.58</b>

(₹ in lakhs)

PARTICULARS	As at 31st March 2023	As at 31st March 2022
<b>Note - 4 Loan</b>		
<b>Unsecured</b>		
<b>Considered Good</b>		
Inter-Corporate Loan	-	-
<b>Total</b>	-	-

#### NOTE - 5 Investment in Equity (At fair value through OCI)

<b>A - Non trade -Fully paid up</b>		
<b>UNQUOTED</b>		
<b>(At fair value through OCI)</b>		
<b>Total</b>	-	-
<b>Total Non-Current Investment</b>	-	-

#### Note - 6 Other Financial Assets

(unsecured, considered good unless otherwise stated)

Deposit with U P Vat Authorities	0.50	0.50
Security Deposit Rent	25.39	27.02
<b>Total</b>	<b>25.89</b>	<b>27.52</b>

#### Note -7 Deferred Tax Asset

(₹ in lakhs)

PARTICULARS	As at 31st March 2023	As at 31st March 2022
<b>Deferred Tax</b>		
a. Deferred Tax Liabilities		
- Depreciation on Fixed Asstes	24.11	17.37
- Ind AS Impact	-	-
b. Deferred Tax Assets		
- Employee Benefits	-	-
- Provision for bad & doubtful debts	-	-
<b>Net Deferred Tax (Liabilities)/Asset</b>	<b>24.11</b>	<b>17.37</b>

PARTICULARS	As at 31st March 2023	Provided during the year	As at 31st March 2022
<b>Deferred tax liability:</b>			
Related to Fixed Assets (Depreciation)	17.37	6.74	24.11
Others	-	-	-
<b>Total deferred tax liability (A)</b>	<b>17.37</b>	<b>6.74</b>	<b>24.11</b>
<b>Deferred tax assets:</b>			
Carry forward Business Loss / Unabsorbed Depreciation	-	-	-
43B Disallowances etc.	-	-	-
Others	-	-	-
Provision for leave encashment and Others	-	-	-
Revaluations of FVTOCI investments to fair value	-	-	-
<b>Total deferred tax assets (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred Tax Liability (Net) (A - B)</b>	<b>17.37</b>	<b>6.74</b>	<b>24.11</b>

# CHAI THELA PRIVATE LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2023

(₹ in lakhs)

PARTICULARS	As at 31st March 2023	As at 31st March 2022
<b>Note -8 Inventories</b>		
Stock in Trade	11.19	14.07
Music album	-	-
<b>Total</b>	<b>11.19</b>	<b>14.07</b>

### Note - 9 Loan

Loan	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

### Note 10 (b) (ii) Trade Receivables

(unsecured, considered good unless otherwise stated)

(₹ in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Trade Receivables	8.66	11.13
<b>Total</b>	<b>8.66</b>	<b>11.13</b>

Particulars	As at 31st March, 2023						As at 31st March, 2022					
	Outstanding for following periods from due date of payment						Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	8.66	-	-	-	-	8.66	11.13	-	-	-	-	11.13
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-	-	-	-	-	-

(₹ in lakhs)

PARTICULARS	As at 31st March 2023	As at 31st March 2022
<b>Note-11 Cash and Cash Equivalents</b>		
Cash on hand	0.21	0.58
<b>Balance with Bank</b>		
In current account	0.01	1.86
Deposit with Bank less than 3 months	-	-
<b>Total</b>	<b>0.22</b>	<b>2.44</b>

### Note -11A Bank Balances

Deposit with bank more than 3 month upto 12 months	-	-
Interest Accrued on Fixed Deposit	-	-
Fixed Deposit with original maturity of more than 12 months against short term borrowing	-	-
<b>Grand Total</b>	<b>-</b>	<b>-</b>

### Note -12 Other Financial Assets

(unsecured, considered good unless otherwise stated)

Security Deposits	-	-
Advance to staff	0.69	-
Deferred Cost towards Staff Loan	-	-
<b>Total</b>	<b>0.69</b>	<b>-</b>

### Note-13 Current Tax Assets (Net)

(unsecured, considered good unless otherwise stated)

Income Tax Receivable	0.25	0.59
<b>Total</b>	<b>0.25</b>	<b>0.59</b>



# CHAI THELA PRIVATE LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2023

(₹ in lakhs)

PARTICULARS	As at 31st March 2023		As at 31st March 2022	
	No. of shares	Amount	No. of shares	Amount
<b>Note-14 Other current assets</b> (unsecured, considered good unless otherwise stated)				
Advance to Suppliers		-		-
Prepaid Lease Rent		17.01		10.04
Other		-		-
<b>Total</b>		<b>17.01</b>		<b>10.04</b>

### Note - 15 Equity Share Capital

(₹ in lakhs)

Particulars	As at 31st March 2023		As at 31st March 2022	
	No. of shares	Amount	No. of shares	Amount
<b>Authorised</b>				
1,00,000 Equity Shares of Rs.10/- each		10.00		10.00
<b>Issued, Subscribed &amp; Called Up Capital</b>				
Issued, Subscribed & Paid up				
12,196 Equity Shares of Rs.10/- each		1.22		1.22
<b>Total</b>		<b>1.22</b>		<b>1.22</b>

### a. Reconciliation of shares outstanding at the beginning and at the end of the reporting year

Equity Shares	As at 31st March 2023		As at 31st March 2022	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	12,196	1.22	12,196	1.22
Issued during the year	-	-	-	-
Outstanding at the end of the year	<b>12,196</b>	<b>1.22</b>	<b>12,196</b>	<b>1.22</b>

### b. Terms/rights attached to equity shares

The Company has one class of equity shares having a par value of Rs.10 each (previous year: having a par value of Rs.10 each). Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holder of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all the preferential amounts. However, no such preferential amounts exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

### c. Details of shareholders holding more than 5% shares in the company

Particulars	As at 31st March 2023		As at 31st March 2022	
	No. of shares	% of holding	No. of shares	% of holding
Shri Varda Pacific Securities Limited	-	-	-	-
Pankaj Judge	-	-	-	-
Seema Jhalani	4,837	39.66	4,837	39.66
Taranjeet Sapra	-	-	-	-
South Asian Enterprises Limited	7,359	60.34	7,359	60.34
Gems Advisory	-	-	-	-
Innovius Trust Services	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>12,196</b>	<b>100.00</b>	<b>12,196</b>	<b>100.00</b>

### d. Details of shares held by Holding Company

7359 (Previous Year 2261) Equity Shares held by South Asian Enterprises Limited\*

\*Holding Company since 23.08.2021

### Disclosure of shareholding of promoters

#### Shareholding of promoters as at 31st March, 2023

Particulars	As at 31st March 2023		As at 31st March 2022		% Change during the year
	No. of shares held	% of holding	No. of shares held	% of holding	
Promoter Name					
South Asian Enterprises Limited	7,359	60.34	7,359	60.34	-
<b>Total</b>	<b>7,359</b>	<b>60.34</b>	<b>7,359</b>	<b>60.34</b>	<b>-</b>

#### Shareholding of promoters as at 31st March, 2022

Particulars	As at 31st March 2022		As at 31st March 2021		% Change during the year
	No. of shares held	% of holding	No. of shares held	% of holding	
Promoter Name					
South Asian Enterprises Limited	7,359	60.34	7,359	60.34	-
<b>Total</b>	<b>7,359</b>	<b>60.34</b>	<b>7,359</b>	<b>60.34</b>	<b>-</b>

# CHAI THELA PRIVATE LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2023

(₹ in lakhs)

PARTICULARS	As at 31st March 2023	As at 31st March 2022
<b>Note-16 Other Equity</b>		
<b>Securities premium</b>		
As per Last Balance Sheet	149.78	149.78
Less: Calls Unpaid - by other	-	-
<b>Balance as at end of the year</b>	<b>149.78</b>	<b>149.78</b>
<b>General reserve</b>		
Balance at the beginning of the year	-	-
<b>Balance as at end of the year</b>	<b>-</b>	<b>-</b>
<b>Retained earnings</b>		
Balance at the beginning of the year	(473.07)	(309.61)
Add: Profit/(loss) during the year	(157.06)	(163.46)
Transfer from Other Comprehensive Income	-	-
<b>Balance as at end of the year</b>	<b>(630.13)</b>	<b>(473.07)</b>
<b>Fair value gain on equity instruments carried through other comprehensive income</b>		
Balance at the beginning of the year	-	-
Add: Other Comprehensive Income during the year (net of tax)	-	-
Transfer from retained earnings	-	-
<b>Balance as at end of the year</b>	<b>-</b>	<b>-</b>
<b>Remeasurement of Defined Benefit Plans</b>		
Balance at the beginning of the year	0.99	1.37
Add: Other comprehensive income (net of tax)	(2.44)	(0.38)
<b>Balance as at end of the year</b>	<b>(1.45)</b>	<b>0.99</b>
<b>TOTAL (A+B+C+D)</b>	<b>(481.80)</b>	<b>(322.30)</b>
<b>Note-17 Non-Current liabilities</b>		
<b>a) Financial Liabilities</b>		
<b>Borrowings</b>		
Related Parties	475.00	70.00
Others	3.79	-
<b>Total</b>	<b>478.79</b>	<b>70.00</b>
<b>Note- 17A Lease Liability</b>		
Lease Liability	169.89	117.29
<b>Total</b>	<b>169.89</b>	<b>117.29</b>
<b>Note-18 Provisions</b>		
Provision for Employees Benefits	2.40	0.97
<b>Total</b>	<b>2.40</b>	<b>0.97</b>
<b>Note-19 Borrowings</b>		
Related Parties	1.00	266.00
Others	4.70	0.32
<b>Total</b>	<b>5.70</b>	<b>266.32</b>
<b>Note-20 Lease Liability</b>		
Lease Liability	36.50	63.88
<b>Total</b>	<b>36.50</b>	<b>63.88</b>

### Note 21 (iii) (ii) Trade Payables

(₹ in lakhs)

Trade Payables	As at 31st March, 2023	As at 31st March, 2022
a) Total outstanding dues of Micro Enterprises and Small Enterprises	-	-
b) Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	65.33	52.62
<b>Total</b>	<b>65.33</b>	<b>52.62</b>

Particulars	As at 31st March, 2023					As at 31st March, 2022				
	Outstanding for following periods from due date of payment					Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-	-	-	-	-
(ii) Others	65.33	-	-	-	65.33	52.62	-	-	-	52.62
(iii) Disputed dues-MSME	-	-	-	-	-	-	-	-	-	-
(IV) Disputed dues- Others	-	-	-	-	-	-	-	-	-	-

# CHAI THELA PRIVATE LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2023

(₹ in lakhs)

PARTICULARS	As at 31st March 2023	As at 31st March 2022
<b>Note - 22 Other Financial Liabilities</b>		
Others Payables	35.46	38.36
<b>Total</b>	<b>35.46</b>	<b>38.36</b>
<b>Note- 23 Other Current Liabilities</b>		
Advance from customer	-	-
Statutory dues	10.69	0.64
Interest - Related Parties	7.24	2.19
Liability for Expenses	13.28	19.97
<b>Total</b>	<b>31.21</b>	<b>22.80</b>
<b>Note-24 Provisions</b>		
Provision for Employees Benefits	0.04	0.02
<b>Total</b>	<b>0.04</b>	<b>0.02</b>
<b>Note - 25 Revenue From Operations</b>		
<b>Sale of Goods</b>		
- Restaurants	539.67	363.48
<b>Sale of Services</b>		
- Other	-	-
<b>Total</b>	<b>539.67</b>	<b>363.48</b>
<b>Note - 26 Other Income</b>		
<b>Interest Income</b>		
On fixed deposit	-	0.53
Interest on Income Tax Refund	0.03	0.02
Interest Income	2.37	1.37
<b>Dividend Income</b>		
	-	-
<b>Other Operating Revenue</b>		
Frenchies Fee	16.23	13.38
Sundry Balances Written off	1.11	-
Misc. Income	0.82	-
Misc. Balances Written Back	4.86	9.15
Excess provision written back	-	0.58
<b>Total</b>	<b>25.42</b>	<b>25.03</b>
<b>Note - 27 Change in inventories of Stock in Trade</b>		
Stock -in - Trade		
At the beginning of financial year	14.06	13.67
At the end of financial year	11.19	14.07
<b>Net ((Increase)/Decrease)</b>	<b>2.87</b>	<b>(0.42)</b>
<b>Note - 28 Employee Benefits Expenses</b>		
Salaries and Wages	96.36	61.36
Staff Welfare Expenses	2.10	2.90
Contribution to Provident and other Funds	7.20	4.55
<b>Total</b>	<b>105.66</b>	<b>68.82</b>
<b>Note - 29 Finance Costs</b>		
Interest on overdraft with Bank	-	0.85
Interest on Term Loan	29.09	18.14
Interest on Financial Liabilities using effective interest rate	18.81	0.64
<b>Total</b>	<b>47.90</b>	<b>19.64</b>
<b>Note - 30 Other Expenses</b>		
Repair & Maintenance:		
- Building	-	-
- Machinery	-	-
- Others	8.98	7.85
Power and Fuel	32.05	26.81
Lease Rent & Hire Charges	101.70	61.59
Rent	3.32	3.51
Rates & Taxes	1.43	1.23
Consultation & Professional Charges	2.02	6.34
Postage & Telephone	0.02	0.16
Advertising & Selling Expenses	1.69	2.55
Travelling Expenses	14.12	11.74

# CHAI THELA PRIVATE LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2023

(₹ in lakhs)

PARTICULARS	For the year ended 31st March 2023	As at 31st March 2022
Commission of Sales	2.76	13.32
Director's Sitting Fee	-	-
Auditor's Remuneration		
- Statutory Audit	0.50	0.50
- Tax Audit	0.10	0.10
- For expenses	-	-
Insurance Charges	0.08	0.03
Miscellaneous Expenses	18.12	18.20
Freight - Inward / Outward	0.02	0.96
Man Power Resources	111.96	79.68
Installation & Supervision Expenses	0.34	0.66
Card/UPI/Wallet Getway payment Charges	5.95	0.70
Bank Charges	0.42	1.19
Security Deposit Written Off	-	10.91
Sundry Balance Written Off	-	0.68
<b>Total</b>	<b>305.57</b>	<b>248.71</b>

### Note - 31 Earnings per equity share

Net profit attributable to equity shareholders [A] (Amount in Lakh)	(157.06)	(163.46)
Weighted average number of equity shares issued [B] (face value of Rs. 10 each) (In numbers)	0.12	0.12
<b>Basic earnings per share [A/B] (Lakh)</b>	<b>(1,287.80)</b>	<b>(1,340.25)</b>
<b>Net Profit attributable to equity shareholders [C] (Amount in Lakh)</b>	<b>(157.06)</b>	<b>(163.46)</b>
Less : Impact on net profit due to exercise of diluted potential equity shares [D]	-	-
<b>Net profit attributable to equity shareholders for calculation of diluted EP S [C-D] (Rs. in lakhs)</b>	<b>(157.06)</b>	<b>(163.46)</b>
Weighted average of equity shares issued (face value of Rs 10 each) (In numbers) [E]	0.12	0.12
Weighted number of additional equity shares outstanding for diluted EPS (In numbers) [F]	-	-
Weighted number of equity shares outstanding for diluted EPS (In numbers) [E+F]	<b>0.12</b>	<b>0.12</b>
<b>Diluted earnings per share (Lakh)</b>	<b>(1,287.80)</b>	<b>(1,340.25)</b>

### Note - 32

#### Tax Reconciliation

##### (a) Income tax expense:

The major components of income tax expenses for the year ended 31st March, 2023 , 31st March, 2022 are as follows:

##### (i) Profit or loss section

(₹ in lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Current tax expense	-	-
Deferred tax expense	6.74	5.88
<b>Total income tax expense recognised in statement of Profit &amp; Loss</b>	<b>6.74</b>	<b>5.88</b>

##### (ii) OCI Section

Particulars	As at 31st March 2023	As at 31st March 2022
Net (gain) on remeasurement of defined benefit plans	(1.45)	0.99
Unrealised (gain)/loss on FVTOCI equity securities	-	-
Income tax charged to OCI	(1.45)	0.99
<b>Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31st March, 2023, 31st March, 2022:</b>	<b>As at 31st March 2023</b>	<b>As at 31st March 2022</b>
Accounting profit before tax from continuing operations	(163.80)	(169.34)
Accounting profit before tax from discontinuing operations	-	-
<b>Accounting profit before income tax</b>	<b>(163.80)</b>	<b>(169.34)</b>
At India's statutory income tax rate of 26% (31st March, 2022 26%)	-	-
Add: Non-deductible expenses for tax purposes:	-	-
Less: Non-taxable income	-	-
Add: Depreciation as provided under the provisions	-	-
Add: Bonus not allowable	-	-
Add: Provision for Leave Encashment / Gratuity	-	-
Less: Carry forward of Losses allowable	-	-
<b>At the effective income tax rate of 26% (31st March, 2022: 26%)</b>	<b>-</b>	<b>-</b>

Income tax expense reported in the statement of profit and loss

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2023

The Company offsets tax assets and liabilities if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Details of income tax assets and liabilities as of 31st March, 2023, 31st March 2022 are as follows:

Particulars	As at 31st March 2023	As at 31st March 2022
Income Tax Assets	0.25	0.59
Current income tax liabilities	-	-
Net Current Income Tax Assets/(Liabilities) at the end	0.25	0.59

### 33.01 Explanation of transition to Ind AS

The company has prepared its first financial statements in accordance with Indian Accounting Standards (Ind AS) for the year ended March 2022. For period upto and including the year ended March 2021, the Company has prepared its financial statements in accordance with Indian GAAP including accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended). These financial statements, for the year ended 31st March, 2022, are the first financial statements, the Company has prepared in accordance with Ind AS. Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for year ended 31st March, 2022, together with the comparative figures for the year ended 31<sup>st</sup> March, 2021, as described in the summary of significant accounting policies.

In preparing these financial statements, the Company's opening balance sheet was prepared as at 1st April, 2020, i.e. the date of transition to Ind AS.

This note explains the principal adjustments made by the Company and an explanation on how the transition from the previous GAAP to Ind AS has affected its financial statements, including the Balance Sheet as at 1st April, 2020 and the financial statements for the year ended 31st March, 2021. Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from the previous GAAP to Ind AS:

- (a) The Company has elected to continue with carrying value of all Property, plant and equipment under the previous GAAP as deemed cost as at the transition date i.e. 1st April, 2020. Under the previous GAAP, Property, plant and equipment were stated at their original cost (net of accumulated depreciation, amortization and impairment), if any, adjusted by revaluation of certain assets.
- (b) The Company has elected to continue with the carrying value of Capital work in progress as recognized under the previous GAAP as deemed cost as at the transition date.
- (c) The Company has elected to continue with the carrying value for intangible assets (computer software) as recognized under the previous GAAP as deemed cost as at the transition date. Under the previous GAAP, Computer Software was stated at its original cost, net of accumulated amortization.
- (d) Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Company has used Ind AS 101 exemption and assessed all arrangements for embedded leases based on conditions in place as at the date of transition.
- (e) The estimates as at 1st April, 2020 and as at 31st March 2021 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies).
- (f) Ind AS 101 requires the de-recognition requirements of Ind AS 109 to be applied prospectively to transactions occurring on or after the date of transition. Therefore, the Company has not recognized financial assets and liabilities under Ind AS which were derecognized under the previous GAAP as a result of a transaction that occurred before the date of transition.

### 33.02 Financial risk management objectives and policies

The Company's principal financial liability includes Borrowings, Trade payable and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include Trade receivables, Cash and cash equivalents and other financial assets that derive directly from its operations. The Company is exposed to credit risk, liquidity risk and market risk. The Company's senior management oversees the management of these risks and the appropriate financial risk governance framework for the Company. The senior management provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

The Board of Directors reviewed policies for managing each of these risks, which are summarized below:

#### a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other risks, such as regulatory risk and commodity price risk.

##### (i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's borrowings obligations with floating interest rates but the financial implication is not material.

##### (ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's foreign currency denominated payables on account of import and receivables of export value but the financial implication is not material.

##### (iii) Regulatory risk

There is no regulatory risk in the business operations of the company.

##### (iv) Commodity price risk

Prices of commodity are subject to fluctuation. The food material price is subject to fluctuation due to high inflation. The Company mitigates this risk by properly planning of stock requirement.

##### (v) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company has a follow up policy in place with parties, thereby the credit default risk is significantly mitigated.



# CHAI THELA PRIVATE LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2023

The impairment for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each balance sheet date. Financial assets are written off when there is no reasonable expectation of recovery, however, the Company continues to attempt to recover the receivables. Where recoveries are made, these are recognized in the Statement of Profit and Loss.

### (vi) Trade receivables

Trade receivables are non-interest bearing and are generally on credit terms of 30 to 60 days. An impairment analysis is performed at each balance sheet date on an individual basis for major clients.

### (vii) Liquidity Risk

Liquidity risk refers to the probability of loss arising from a situation where there will not be enough cash and/or cash equivalents to meet the needs of depositors and borrowers, sale of illiquid assets will yield less than their fair value and illiquid assets will not be sold at the desired time due to lack of buyers. The primary objective of liquidity management is to provide for sufficient cash and cash equivalents at all times and any place in the world to enable us to meet our payment obligations. Amount due from party are recovered in time there by liquidity risk is significantly minimized.

### 33.03 Earnings per Share Ind AS 33

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

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computation.

(₹ in lakhs)

Particulars	Year Ended	
	31 March 2023	31 March 2022
Profit attributable to equity holders of the Company:		
Continuing operations	(157.06)	(163.46)
Profit attributable to equity holders for basic earnings	-	-
Dilution effect	-	-
Profit attributable to equity holders adjusted for dilution effect	(157.06)	(163.46)
Weighted Average number of equity shares used for computing Earning Per Share	0.12	0.12
(Basic & Diluted) *		
<b>Earnings Per Share (Basic &amp; Diluted)</b>	<b>(1,287.80)</b>	<b>(1,340.25)</b>

### 33.04 Commitments:

Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. Nil (Previous Year Rs. Nil & Rs. Nil).

### 33.05 Contingent liabilities in respect of:

Counter Guarantee given against Bank Guarantees – Rs. Nil (Previous Year- Rs. Nil and Rs. Nil).

### 33.06 Related Party Disclosure: Ind AS 24

Following are the related parties:

#### List of Related Party and Relationships with whom transactions have been done during the year:

Holding Company	VLS Capital Limited (Ultimate Holding Company) South Asian Enterprises Limited (Holding Company)
Common Directors	VLS Finance Limited
Key Managerial Personnel (KMP)	Shri Manish Ranjan, Whole time Director Ms. Divya Mehrotra, Director Shri Pankaj Judge, Director Mrs. Ritu Ranjan, Director
Relatives of KMP	Ms. Sakshi Jhalani (Daughter of Shri Rajesh Jhalani)

Entities controlled by Directors or their relatives (with whom transactions entered during the financial year) : Shri Sai Kripa Events

Summary of transactions with the above related parties is as follows:

(₹ in lakhs)

Particulars	Holding Company		Key Managerial Personnel	
	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
<b>Remuneration to KMP</b>				
Mr. Pankaj Judge	-	-	-	-
Ms. Shweta Choudhary	-	-	-	-
Mr. Manish Ranjan			15.39	-
<b>Relatives of KMP</b>				
Ms. Sakshi Jhalani	-	-	2.65	2.03

# CHAI THELA PRIVATE LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2023

### Transaction with related parties during the year:

S. No.	Particulars	Nature of Relation	Nature of Transaction	As at 31.03.2023	As at 31.03.2022
1	Mr. Pankaj Judge	Director	Loan Repaid	-	9.00
2	VLS Capital Ltd.	Ultimate Holding Company (post 23.08.2021)	Loan Taken	140.00	70.00
3	VLS Capital Ltd.	Ultimate Holding Company (post 23.08.2021)	Interest Paid	10.29	0.50
4	South Asian Enterprises Ltd.	Holding Company (post 23.08.2021)	Interest Paid	18.63	11.23
5	Ms. Divya Mehrotra	Director	Loan Taken	-	10.00
6	Ms. Divya Mehrotra	Director	Loan Repaid	-	10.00
7	Ms. Divya Mehrotra	Director	Interest Paid	-	0.13
8	Ms. Divya Mehrotra	Director	Commission Paid	1.80	0.75
9	Sai Kripa Events	Entity controlled by Mrs. Ritu Ranjan	Commission Paid	-	4.49
10	Sai Kripa Events	Entity controlled by Mrs. Ritu Ranjan	Reversal of commission	0.65	-
11	Mr. Manish Ranjan	Director	Reimbursement of Expenses	-	0.98
12	VLS Finance Ltd.	Common Directors	Short term lease	2.50	-

### Closing balances of related parties during the year:

S. No.	Particulars	Nature of Relation	Nature of Transaction	As at 31.03.2023	As at 31.03.2022
1	Mr. Pankaj Judge	Director	Borrowings	1.00	1.00
2	VLS Capital Ltd.	Ultimate Holding Company	Borrowings	210.00	70.00
3	VLS Capital Ltd.	Ultimate Holding Company	Interest Payable	3.45	0.50
4	South Asian Enterprises Ltd.	Holding Company	Borrowings	265.00	265.00
5	South Asian Enterprises Ltd.	Holding Company	Interest Payable	4.59	1.74
6	Ms. Divya Mehrotra	Director	Deposit taken	15.00	15.00
7	Ms. Divya Mehrotra	Director	Commission Payable	2.00	0.29
8	Sri Sai Kripa Events	Controlled by Director	Amount Payable	4.67	7.23
9	Mr. Manish Rajan	Director	Reimbursement of expenses	-	0.23
10	Mrs. Ritu Ranjan	Director	Security Deposit	2.00	2.00
11	Mr. Manish Rajan	Director	Remuneration Payable	2.21	-
12	VLS Finance Ltd.	Common Directors	Short term lease	2.70	-
S. No.	Particulars			<b>As at 31.03.2023</b>	<b>As at 31.03.2022</b>
1	Investment in the equity shares of Rs.10/- each fully paid up by Holding Company			<b>28.85</b>	28.85

### Terms and Conditions of transactions with Related Parties

- (i) Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.
- (ii) The remuneration and staff loans to Key Managerial Personnel are in line with the service rules of the Company.

### 33.7 Segment Reporting: Ind AS 108

Based on the guiding principles given in the Ind AS-108 "Segment Reporting" issued by ICAI, the management has identified the Company's segments as running of restaurant business.

		(₹ in lakhs)	
Particulars	31 March 2023	31 March 2022	
<b>Segment Revenue</b>			
a) Restaurants	539.67	363.48	
b) Trading	-	-	
c) Others	25.42	25.03	
<b>Total</b>	<b>565.09</b>	<b>388.51</b>	
<b>Segment Results</b>			
Profit/ (Loss) before interest and tax			
a) Restaurants	(141.33)	(174.73)	
b) Trading	-	-	
c) Others	25.43	25.03	
Total Profit/ (Loss) before interest and tax	<b>(115.90)</b>	<b>(149.70)</b>	
Less: Interest	47.90	19.64	
Other Un-allocable expenditure net off	-	-	
Net Profit before Tax	(163.80)	(169.34)	
Less/(Add) : Taxes expenses (credits)	6.74	5.88	
Net Profit after Tax	<b>(157.06)</b>	<b>(163.46)</b>	

# CHAI THELA PRIVATE LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2023

(₹ in lakhs)

Particulars	31 March 2023	31 March 2022
<b>Segment Assets</b>		
a) Restaurants	344.74	311.18
b) Trading	-	-
c) Others	-	-
<b>Total Assets</b>	<b>344.74</b>	<b>311.18</b>
a) Restaurants	825.32	632.26
b) Trading	-	-
c) Others	-	-
<b>Total Liabilities</b>	<b>825.32</b>	<b>632.26</b>

**33.08** In the absence of necessary information with the company, relating to the registration status of suppliers under the micro, small and medium enterprises development ACT, 2006, the information required under the said act could not be complied and disclosed.

**33.09** The Company has become the subsidiary company of South Asian Enterprises Ltd. w.e.f. 23.08.2021.

### 33.10 Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital.

using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio as minimum as possible. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and short term deposits.

Particulars	31 March 2023	31 March 2022
Borrowings	484.49	336.32
Other Liabilities	66.67	61.17
Trade and other payables	65.33	52.62
Lease Liability	206.38	181.17
Less: Cash and short term deposits	(0.21)	(2.44)
<b>Net debts</b>	<b>822.67</b>	<b>628.83</b>
Equity	1.22	1.22
Other Equity	(481.80)	(322.30)
<b>Total Capital</b>	<b>(480.58)</b>	<b>(321.08)</b>
<b>Capital and net debt</b>	<b>342.09</b>	<b>307.76</b>
Gearing ratio' %)	<b>240.48%</b>	<b>204.33%</b>

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2023, 31 March, 2022:

### 33.11 Fair value

i) Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Particulars	Carrying value		Fair value	
	As at	As at	As at	As at
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
<b>Financial assets</b>				
FVOCI financial instruments:	-	-	-	-
Unquoted equity shares	-	-	-	-
Quoted equity Shares	-	-	-	-
<b>Total</b>	-	-	-	-
<b>Financial liabilities</b>				
Obligation under finance lease	-	-	-	-
Fixed rate borrowings	-	-	-	-
Floating rate borrowings	-	-	-	-

a) The management assessed that cash and cash equivalents, other bank balances, trade receivables and trade payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

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

# CHAI THELA PRIVATE LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2023

- c) Long-term fixed-rate and variable-rate receivables/Borrowings are evaluated by the company based on parameters such as interest Rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.
- d) Non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. In addition to being sensitive to a reasonably possible change in the forecast cash flows or the discount rate, the fair value of the equity instruments is also sensitive to a reasonably possible change in the growth rates. The valuation requires management to use unobservable inputs in the model, of which the significant unobservable inputs are disclosed in the tables below. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.
- e) The fair values of the unquoted equity shares have been estimated using a net asset value method.
- f) The fair values of the Company's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31 March 2023 was assessed to be insignificant.

### ii) Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2023:

(₹ in lakhs)					
Fair value measurement using					
Particulars	Date of valuation	Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
Assets measured at fair value					
FVOCI financial					
FVOCI financial instruments:					
Unquoted equity shares	31 March 2023	-	-	-	-
Quoted Equity Shares	31 March 2023	-	-	-	-

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2022:

(₹ in lakhs)					
Fair value measurement using					
Particulars	Date of valuation	Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
Assets measured at fair value					
FVOCI financial					
FVOCI financial instruments:					
Unquoted equity shares	31 March 2022	-	-	-	-
Quoted Equity Shares	31 March 2022	-	-	-	-

### iii) Description of significant unobservable inputs to valuation:

The significant unobservable inputs used in the fair value measurement categorized within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 March 2023, 31 March 2022 are as shown below.

S. No.	Description	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
1	FVTOCI assets in unquoted equity shares	Net Asset Value	-	-	-

33.12 Effective April 1, 2020, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2020 using the modified retrospective method. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application.

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2023:

Category of ROU asset		
Particulars	31 March 2023	31 March 2022
Balance at Opening	181.17	241.59
Additions	109.07	87.88
Deletion	(28.03)	(104.11)
Amortization expense	(55.82)	(44.19)
<b>Balance as at March 31, 2023</b>	<b>206.38</b>	<b>181.17</b>

### Refer Note 3A Right of Use Assets

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

The following is the break-up of current and non-current lease liabilities as at March 31, 2023.

# CHAI THELA PRIVATE LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2023

Particulars	31 March 2023	31 March 2022
Current lease liabilities	36.50	63.88
Non-current lease liabilities	169.89	117.29
Total	<b>206.38</b>	<b>181.17</b>

The following is the movement in lease liabilities during the year ended March 31, 2023

Particulars	31 March 2023	31 March 2022
Balance at the beginning	181.17	267.37
Additions	109.07	-
Finance cost accrued during the period	-	-
Deletions	(83.85)	86.21
Payment of lease liabilities	-	-
Translation Difference	-	-
Balance at the end	<b>206.39</b>	<b>181.17</b>

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2023 on an undiscounted basis:

Particulars	31 March 2023	31 March 2022
Less than one year	36.50	63.88
One to five years	169.89	117.29
More than five years	-	-
Total	<b>206.38</b>	<b>181.17</b>

The Company does face a significant liquidity risk with regard to its lease liabilities as the current assets are insufficient to meet the obligations related to lease liabilities as and when they fall due. However, the holding company has assured necessary financial assistance to the company on need basis.

**33.13** The Company has accumulated losses of Lakh 481.77 at the year end and its net worth has been fully eroded. The Company has incurred a net loss of Lakh 157.04 (P.Y. Lakh 163.46) and net cash loss of Lakh 74.55 during the current and net cash loss during previous year Lakh 92.78 and, the Company's current liabilities exceeded its current assets by Lakh 136.22 as at the balance sheet date. These conditions may indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern but the management does not conclude so. The management has shown their willingness and sincere intention to run the business and infuse funds as may be required for business needs. The management are in a position to arrange the required funds and are able to meet the existing liabilities of the company. In view of the same, these financial statements of the Company have been prepared on a going concern basis.

### Note : 33.14 Employees Benefits

The actuarial valuation was done in respect of defined benefit plan of gratuity.

#### Defined Contribution Plans:

Amount of PF and ESI Lakh 5.75 (31.03.2022 Lakh 4.35). contributed to provident funds, Employees' State Insurance is recognized as an expense and included in Contribution to EPF, ESI, gratuity etc.' under 'Employee Cost in the Statement of Profit and Loss.

#### Defined benefit plan

Long term employee benefits in the form of gratuity and leave encashment are considered as defined benefit plan

The present value of obligation is determined based on actuarial valuation using projected unit credit method as at the balance sheet date. The amount of defined benefits recognized in the balance sheet represent the present value of obligation as adjusted for unrecognized past service cost as reduced by the fair value of plan assets. In accordance with the Ind AS-19, actuarial valuation was done in respect of gratuity and leave encashment defined benefits plans and details of the same are given below:

Actuarial Assumptions	Gratuity As at 31st March 2023	Gratuity As at 31st March 2022	₹ in lakhs	
			Leave Encashment As at 31st March 2023	Leave Encashment As at 31st March 2022
Discount rate (per annum)	7.25%	7.25%	7.50%	7.25%
Future salary increase	5.00%	5.00%	5.00%	5.00%
Mortality	IALM 2012-14 Ultimate	IALM 2012-14 Ultimate	IALM 2012-14 Ultimate	IALM 2012-14 Ultimate
<b>I. Expenses recognized in statement of profit and loss</b>				
Current service cost	1.21	0.79	0.39	0.20
Interest cost	0.06	0.10	0.01	-
Past Service cost	-	-	-	-
Expected return on plan assets	-	-	-	-
<b>Net expenses recognized</b>	<b>1.27</b>	<b>0.89</b>	<b>0.41</b>	<b>0.20</b>
<b>II. Other comprehensive (income)/ expenses (Premeasurement)</b>				
Cumulative unrecognized actuarial (gain)/loss opening. B/F	(2.70)	(1.23)	-	-
Actuarial (gain)/loss –obligation	(0.14)	(1.47)	(0.09)	-
Actuarial (gain)/loss – plan assets	-	-	-	-
Total Actuarial (gain)/loss	(0.14)	(1.47)	(0.09)	-
<b>Cumulative total actuarial (gain)/loss. C/F</b>	<b>(2.84)</b>	<b>(2.70)</b>	<b>(0.09)</b>	<b>-</b>

# CHAI THELA PRIVATE LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2023

III. Net liability/(assets) recognized in the balance sheet at the year end				
Present value of obligation at the end of period	1.92	0.79	-	-
Fair value of the plan asset at the end of period	-	-	-	-
Funded status [(surplus/(deficit))]	1.92	0.79	-	-
<b>Net asset/(liability) as at 31st March, 2023</b>	<b>(1.92)</b>	<b>(0.79)</b>	-	-
IV. Change in present value of obligation during the year				
Present value of obligation at the beginning of period	0.79	1.37	0.20	-
Current service cost	1.21	0.79	0.39	0.20
Interest cost	0.06	0.10	0.01	-
Past Service cost	-	-	-	-
Benefits paid	-	-	-	-
Actuarial loss/ (gain) on obligations	(0.14)	(1.47)	-0.09	-
<b>Present value of obligation at the year end*</b>	<b>1.92</b>	<b>0.79</b>	<b>0.51</b>	<b>0.20</b>
V. Present Benefit Obligation at the end of the year				
Current Liability (Amount due within one year)	0.01	0.00	0.04	0.01
Non-Current Liability (Amount due over one year)	1.92	0.79	0.48	0.19
<b>Total Liability</b>	<b>1.92</b>	<b>0.79</b>	<b>0.51</b>	<b>0.20</b>

### Maturity profile of defined benefit obligation

Particulars	31st March 2023	31st March 2022
Weighted average duration (based on discounted cash flows) in years	21	23

**Sensitivity Analysis:** Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase rate. Effect of change in mortality rate is negligible. Please note that the sensitivity analysis presented below may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated. The results of sensitivity analysis are given below:

Period	GRATUITY	LEAVE ENCASHMENT
	As on: 31st March 2023	As on: 31st March 2023
Defined Benefit Obligation (Base)	1.92 @ Salary Increase Rate: 5%, and discount rate :7.25%	0.51
Liability with x% increase in Discount Rate	1.75; x=1.00% [Change (9)% ]	0.47; x=1.00% [Change (9)% ]
Liability with x% decrease in Discount Rate	2.13; x=1.00% [Change 11% ]	0.57; x=1.00% [Change 11% ]
Liability with x% increase in Salary Growth Rate	2.13; x=1.00% [Change 11% ]	0.57; x=1.00% [Change 11% ]
Liability with x% decrease in Salary Growth Rate	1.74; x=1.00% [Change (9)%]	0.47; x=1.00% [Change (9)%]
Liability with x% increase in Withdrawal Rate	1.90; x=1.00% [Change (1)% ]	0.53; x=1.00% [Change 2% ]
Liability with x% decrease in Withdrawal Rate	1.94; x=1.00% [Change 1% ]	0.50; x=1.00% [Change (3)% ]

### 33.15 : Maturity Analysis of Assets and Liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(₹ in lakhs)

Assets	31st March 2023			31st March 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Current assets</b>						
Cash and cash equivalents	0.22	-	0.22	2.44	-	2.44
Trade receivables	8.66	-	8.66	11.13	-	11.13
Other receivables	-	-	-	-	-	-
Inventories	11.19	-	11.19	14.07	-	14.07
Investments	-	-	-	-	-	-
Current Tax assets	-	0.25	0.25	-	0.59	0.59
Other current assets	17.01	-	17.01	10.04	-	10.04
Other financial assets	0.69	-	0.69	-	-	-
<b>Total</b>	<b>37.77</b>	<b>0.25</b>	<b>38.02</b>	<b>37.68</b>	<b>0.59</b>	<b>38.27</b>
<b>Non-current assets</b>						
Loan	-	-	-	-	-	-
Property, plant and equipment	-	49.75	49.75	-	46.35	46.35
Right of Use Asset	36.50	169.89	206.39	63.88	117.29	181.17
Deferred Tax Assets	-	24.11	24.11	-	17.37	17.37
Intangible assets under development	-	-	-	-	-	-
Other Intangible assets	-	0.58	0.58	-	0.50	0.50
Other non-financial assets	25.89	-	25.89	27.52	-	27.52
<b>Total</b>	<b>62.39</b>	<b>244.32</b>	<b>306.72</b>	<b>91.39</b>	<b>181.52</b>	<b>272.91</b>



# CHAI THELA PRIVATE LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2023

<b>Assets held for sale</b>						
<b>Total Assets</b>	<b>100.17</b>	<b>244.56</b>	<b>344.74</b>	<b>129.08</b>	<b>182.10</b>	<b>311.18</b>
<b>Liabilities</b>						
<b>Current Liabilities</b>						
Trade payables	65.33	-	65.33	52.62	-	52.62
Other payables	-	-	-	-	-	-
Lease Liability	36.50	-	36.50	63.88	-	63.88
Debts	-	-	-	-	-	-
Borrowings	5.70	-	5.70	266.32	-	266.32
Deposits	-	-	-	-	-	-
Provisions	0.04	-	0.04	0.02	-	0.02
Other current liabilities	31.21	-	31.21	22.80	-	22.80
Other financial liabilities	35.46	-	35.46	38.36	-	38.36
<b>Total</b>	<b>174.24</b>	<b>-</b>	<b>174.24</b>	<b>444.00</b>	<b>-</b>	<b>444.00</b>
<b>Non Current Liabilities</b>						
Current tax liabilities (net)	-	-	-	-	-	-
Lease Liability	-	169.89	169.89	-	117.29	117.29
Provisions	-	2.40	2.40	-	0.97	0.97
Borrowings	-	478.79	478.79	-	70.00	70.00
Deferred tax liabilities	-	-	-	-	-	-
Other non financial liabilities	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>651.08</b>	<b>651.08</b>	<b>-</b>	<b>188.26</b>	<b>188.26</b>
<b>Liabilities held for sale</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities</b>	<b>174.24</b>	<b>651.08</b>	<b>825.32</b>	<b>444.00</b>	<b>188.26</b>	<b>632.26</b>

### 33.16 : Ratio

(₹ in lakhs)

S. No.	Ratio as per Schedule III requirements	As at 31st March 2023	As at 31st March 2022	Explanation
1	<b>Current Ratio = Current Assets/Current Liabilities)</b>  Current Assets Current Liabilities	0.22  38.02 174.24	0.09  38.27 444.00	Current Ratio has increased due to short term loan from the holding company for business operations.
2	<b>Debt Equity Ratio = Total Debt/Shareholders Equity)</b>  Change Total Debt Total Equity	(1.01) (0.04) 484.49 (480.56)	(1.05) 0% 336.32 (321.08)	
3	<b>Debt Service Coverage ratio = a/b)</b>  Profit for the year Add: Non cash operating expense and finance cost Depreciation and amortization expense Finance cost <b>a. Earnings available for debt servicing</b> Interest cost on borrowings Principal repayments (including certain prepayments) <b>b. Total Interest and principal repayments</b>	(0.61)  (159.48) - 82.49 47.90 (29.09) 47.90 - 47.90	(3.74)  (163.84) - 70.68 19.64 (73.52) 19.64 - 19.64	The company is in the initial cycle of business growth. Though the company has grown substantially in terms of revenue, the company is incurring losses due to addition of sales point and consequent increase in rent, increase in manpower cost etc. The holding company will extend necessary financial assistance as per the need of the Company.
4	<b>Return on Equity Ratio / Return on Investment Ratio = Net profit after tax divided by Equity)</b>  Change Profit for the year Total Equity	-  (159.48) (480.56)	-  (163.84) (321.08)	ROE cannot be computed due to negative equity. However the promoters will infuse the funds as and when required.
5	<b>Inventory Turnover Ratio = Cost of materials consumed divided by closing inventory)</b>  Cost of material consumed Closing Inventory	16.74  187.26 11.19	10.66  150.00 14.07	Inventory being of perishable and short self-live, have not increased due to the increase in operations. Further due to covid situation during first 6 months of previous year the operations were closed.
6	<b>Trade Receivables turnover ratio = Credit Sales divided by Closing trade receivables)</b>  Credit sales	62.36  540.08	11.00  122.43	Trade receivable turnover has increased due to increase in sales. However credit period is short and thus there is increase in turnover ratio. Further in the previous year the operations were closed for about 6 month in the first half year due to Covid.

# CHAI THELA PRIVATE LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2023

	Closing Trade Receivables	8.66	11.13	
7	<b>Trade payables turnover ratio = Credit purchases divided by closing trade payables</b>	5.25	6.51	Trade payable turnover ratio has increased because of covid situation during the first half of the previous year there was no purchases
	Credit Purchase	342.72	342.72	
	Closing Trade Payables	65.33	52.62	
8	<b>Net capital Turnover Ratio =Revenue from Operations divided by Net Working capital whereas net working capital= current assets - current liabilities</b> <i>Change</i>			Net Capital Turnover Ratio cannot be computed due to negative Net working Capital
	Revenue from Operations	539.67	363.48	
	Net Working Capital	(136.22)	(405.73)	
9	<b>Net profit ratio = Net profit after tax divided by Revenue from operations</b>	-30.3%	-46.7%	Net profit ratio has improved due to reduction in loss percentage
	Profit for the year	(163.78)	(169.72)	
	Revenue from Operations	539.67	363.48	
10	<b>Return on Capital employed- pre cash (ROCE)=Earnings before interest and taxes(EBIT) divided by Capital Employed- pre cash</b> <i>Change</i>			ROCE cannot be computed due to negative equity. However the promoters will infuse the funds as and when required.
	Profit/(Loss) for the year	(163.78)	(169.34)	
	Finance costs	47.90	19.64	
	Other Income	25.43	25.03	
	<b>EBIT</b>	<b>(141.31)</b>	<b>(174.73)</b>	
	<b>Capital employed - pre cash</b>	-	-	
	Total assets	344.76	311.18	
	Current Liabilities	174.24	444.00	
	Current Investments	-	-	
	Cash and Cash equivalent	0.21	2.44	
	Bank balances other than cash and cash equivalents	-	-	
	<b>Total</b>	<b>170.31</b>	<b>(135.25)</b>	

Explanation to be given where the change is more than 25%

### 33.17 Dues to Micro and small Suppliers

Under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) which came into force from 02 October 2006, certain disclosures are required to be made relating to MSME. This has been determined to the extent the status of such parties could be identified on the basis of information available with the Company.

There are no dues outstanding of an entity, which is registered as the Micro, Small and Medium Enterprises defined under 'The Micro, Small and Medium Enterprises Development Act, 2006'.

Particulars	As at 31st March 2023	As at 31st March 2022
The principal amount and the interest due thereon remaining unpaid to supplier as at the end of the year:	-	-
: Principal amount due to micro and small enterprises	-	-
: Interest due	-	-
The amount of interest paid by the buyer in terms of Section 16 of MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006.	-	-

### 33.18 Subsequent events:

There were no significant events after the end of the reporting period which require any adjustment or disclosure in the financial statements other than as stated below:

### 33.19 Additional Regulatory disclosures.

- During the financial years ended March 31, 2023, and March 31, 2022, the company has not revalued its property, plant and Equipment.
- During the financial years ended March 31, 2023, and March 31, 2022, the company has not revalued its intangible assets.
- During the financial years ending March 31, 2023, and March 31, 2022, the company is not required to file the Quarterly statements of current assets with banks and financial institutions.
- The company has complied with the number of layers prescribed under clause (87) of section 2 of the act read with companies (Restriction on number of layers) rule 2017.
- During the financial years ended March 31, 2023, and March 31, 2022, no Scheme of Arrangements related to the company has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2023

### vi) Utilisation of Borrowed funds and share premium:

- a. The Company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or other kind of funds) to any other person or entity, including foreign entity (Intermediaries), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
  - i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
  - ii. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- b. The Company has not received any funds (which are material either individually or in the aggregate) from any person or entity, including foreign entity (Funding Parties), with the understanding, whether recorded in writing or otherwise, that the Company shall:
  - i. directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - ii. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- vii) No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder, as at 31 March 2023 and 31 March 2022.
- viii) The Company has not been declared willful defaulter by any bank or financial Institution or other lender, in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India, during the year ended 31 March 2023 and 31 March 2022.
- ix) There is no creation or satisfaction of charges which are pending to be filed with ROC as at 31 March 2023 and 31 March 2022.
- x) The Company has not traded or invested in Crypto currency or Virtual currency during the financial years ended March 31, 2023, and March 31, 2022.
- xi) The Company does not have any transactions not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961). No previously unrecorded income and related assets have been recorded in the books of account during the year.
- xii) The auditors have expressed an unmodified opinion on the standalone financial statements of the Company for the financial years ended March 31, 2023, and March 31, 2022.
- xiii) There are no items of income and expenditure of exceptional nature for the financial years ended March 31, 2023, and March 31, 2022.

### 33.20 Corporate Social Responsibility

The Ministry of Corporate Affairs has notified Section 135 of the Companies Act, 2013 on Corporate Social Responsibility with effect from 1st April 2014. the provisions of the said section is not applicable to the Company during the financial year 2021-22 & 2022-23.

### 33.21 Estimation uncertainty relating to the global health pandemic on COVID-19

In assessing the recoverability of receivables including unbilled receivables the Company has considered internal and external information up to the date of approval of these financial statements including credit reports and economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

33.22 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with current year's classification/disclosure.

33.23 The amounts reflected as "0 & -" in the financial information are values with less than rupees five hundred.

As per our report of even date attached

For & on behalf of the Board

### For Agiwal & Associates

Chartered Accountants  
(F.R.N.000181N)

### P.C. Agiwal

Partner  
Membership No. 080475  
Place : New Delhi  
Date: 23/05/2023

### Manish Ranjan

Whole time Director  
DIN: 09369460

### Rajesh Jhalani

Director  
DIN: 00006395