INDEPENDENTAUDITOR'SREPORT
TO THE MEMBERS OF AADHAAR WHOLESALE TRADING AND DISTRIBUTION LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **AADHAAR WHOLESALE TRADING AND DISTRIBUTION 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, the Statement of Cash Flows for the year then ended and the Notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information (herein after 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 Standard) Rules, 2015, as amended, (Ind-AS) and with other accounting principles generally accepted in India, of the state of affairs (financial position), of the Company as at March 31, 2023, the Loss (financial performance), total comprehensive income, 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 together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 37 in the Financial Statements, which indicate that the Company incurred a loss of Rs. 1270.82 lakh during the year ended March 31, 2023 and, as of that date, the Company's current liabilities exceeded the total assets by Rs. 8074.85 lakh. These events or conditions, along with other matters as set forth in Note 37 indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Not-withstanding substantial erosion of Net Worth, in view of assurance for further infusion of funds from its promoters/shareholders, the accounts have been prepared on a going concern basis. Our opinion is not qualified in respect of this matter.

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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 Annual Report, namely Director's Report including annexures to Director's Report, etc., but does not include the financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

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

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

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and review the steps taken by the Management to communicate with those in receipt of the other information, if previously issued, to inform them of the revision.

Management's Responsibility for the Financial Statements

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

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

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

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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal 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 system with reference to financial statements in place and the operating effectiveness of such controls.

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

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

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

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

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

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Report on Other Legal and Regulatory Requirements

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

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

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

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

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

d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with the relevant rules issued thereunder, as amended from time to time.

e) On the basis of the written representations received from the Directors of the Company as on March 31, 2023, taken on record by the Board of Directors, none of the Directors of the Company are 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 B".

g) According to information and explanations given to us and based on our examination of the records of the Company, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 of 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, in our opinion and to the best of our information and according to the explanations given to us:

   i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 23 to the Financial Statements.

   ii) The Company did not have any long-term contracts including derivative contracts during the year ended March 31, 2023, for which there were any material foreseeable losses.

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

iv) (i) the Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(ii) the Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(iii) Based on such 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 (i) and (ii) above contain any material misstatement.

v) The Company has not declared or paid any dividend during the year and hence compliance with section 123 of the Act does not arise.

For PRA & CO.
Chartered ccountants
Firm Registration No.: 017903N

PRA & CO. New Delhi FRN-017903N CHARTERED ACCOUNTANTS

RAJAT SHARMA
PARTNER
Membership Number: 094176
UDIN: 23094176BGUOHH2210
Place: Delhi
Dated: 23rd May 2023

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in paragraph 1 'Report on Other Legal and Regulatory Requirements' in our Independent Auditors' Report to the members of the Company on the Financial Statements for the year ended March 31, 2023.

Statement on Matters specified in paragraphs 3 & 4 of the Companies (Auditor's Report) Order, 2020:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment and Right of Use assets.

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

(b) As explained to us, the Company has a program for physical verification of Property, Plant & Equipment by which all Property, Plant and Equipment and Right of Use Assets are verified in a phased manner over a period of two years. In our opinion, the period of verification is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies noticed on such verification are not material and have been properly dealt with in the books of accounts.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in name of the Company as at the balance sheet date except the following:

Description of property	Gross Carrying Value (as at March 31, 2023) Rs. Lakh	Held in the name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in name of Company
Freehold Land	41.47	Sangli, Miraj & Kupwad City Corporation	NO	16 Years	Title Deed bearing CTS no. 43 at Sangli Maharashtra still not transferred in the name of the Company.
Building	159.12	Rishabh Jain, Ankit Jain & Rajneesh Jain (the Lessors of the land))	NO	16 Years	Constructed at Barnala on leased premises and Property Tax documents in the name of the lessor of the land.

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In respect of the immovable properties of iand that have been taken on lease and disclosed as Right of Use Assets in the financial statements, the lease agreements are in the name of the Company.

(d) The Company has not revalued any of its property, plant and equipment or 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 (45 of 1988) (as amended in 2016) and rules made thereunder.

(ii) (a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account and the same have been properly dealt with in the books of account.

(b) According to the information and explanations given to us, the Company has not been sanctioned any working capital facility at any point of time during the year from banks or financial institutions and hence provisions of sub clause (ii)(b) of Paragraph 3 of the Order are not applicable.

(iii) (a) Based on the Audit Procedures carried on by us and according to the information and explanations given to us, the Company has given loan to entity as under:-

Particulars		**Amount (in Lacs)**
Name of the entity : M/s Nilgiris Franchise Limited		
Aggregate Amount during the year	:	80.00
Balance Outstanding as on 31.03.2023	:	80.00

b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the terms and conditions of the loans given are prima facie, not prejudicial to the interest of the Company to the extent working capital requirement of the company.

c) In respect of loans granted provided by the Company, the schedule of repayment of principal and payment of interest has been stipulated.

d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted by the Company, and the repayment date of the loan has not fallen during the year and accordingly, there is no overdue amount remaining outstanding as at the balance sheet date.

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New Delhi
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e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan given falling due during the year, which has been renewed or extended or fresh loans given to settle the overdues of existing loans.

(iv) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) is not applicable.

(v) In our opinion and according to the information given to us the Company has not advanced any loans to the persons covered under Section 185 or given any loans, guarantees or securities or made any investments as per the provisions of Section 186 of the Act.

(vi) In our opinion and according to the information and explanation given to us, the Company has not accepted deposits or amount which are deemed to be the deposits during the year to which the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014, as amended are applicable. According to the information and explanations given to us and to the best of our knowledge and belief, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or other tribunal which is to be complied with by the Company.

(vii) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Act.

(viii) (a) According to the information and explanations given to us and on the basis of the records examined by us, the Company is generally regular in depositing undisputed statutory dues including Goods &

Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues with the appropriate authorities, wherever applicable. We have been informed that there are no undisputed dues which have remained outstanding as at March 31, 2023, for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us there are no dues outstanding of Goods & Service Tax, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value added tax on account of any dispute other than the following:

Name of Statute	Nature of the Dues	Amount (In Lakh)	Period to which the amount relates	From where dispute is pending

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Income Tax Act	Income Tax	950.13	A.Y. 2010-11	Commissioner of Income Tax (Appeals)
Income Tax Act	Income Tax	2956.12	A.Y. 2011-12	Commissioner of Income Tax (Appeals)
Income Tax Act	Income Tax	457.23	A.Y. 2012-13	Commissioner of Income Tax (Appeals)
Income Tax Act	Income Tax	271.83	A.Y. 2015-16	Commissioner of Income Tax (Appeals)
Income Tax Act	Income Tax	109.22	A.Y. 2017-18	Commissioner of Income Tax (Appeals)
Income Tax Act	Income Tax	605.66	A.Y. 2018-19	Commissioner of Income Tax (Appeals)

(ix) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(x) (a) According to the information and explanations provided to us and based on the documents and records produced before us, the Company has not defaulted in repayment of borrowings or in the payment of interest thereon to any lender during the year:

(b) According to the information and explanations provided to us and on the basis of our audit procedure, the Company has not been declared wilful defaulter by any bank or financial institution or any other lender.

(c) In our opinion and according to the information and explanations provided to us, the Company has not taken any term loan during the year, hence the provisions of paragraph 3(ix)(c) of the Order are not applicable.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that funds raised on short-term basis have, prima facie, not been used for long-term purposes by the Company.

(e) According to the information and explanation provided to us, the Company does not have any

PRA & CO. New Delhi FRN-017903N CHARTERED ACCOUNTANTS subsidiary, associate, or joint venture, hence the provisions of paragraph 3(ix)(e) of the Order are not applicable.

(f) According to the information and explanation provided to us, the Company has not raised any loan during the year, hence the provisions of paragraph 3(ix)(f) of the Order are not applicable.

(xi) (a) According to the information and explanations given to us, the Company has neither raised money through initial public offer or further public offer (including debt instruments), hence the provision of paragraph 3(x)(a) of the Order are not applicable.

(b) The Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year, hence the provisions of paragraph 3(x)(b) of the Order are not applicable.

(xii) (a) During the course of our examination of the books of account and records of the Company, and according to the information and explanation given to us and representations made by the management, no instances of any fraud by the Company or any fraud on the Company has been noticed or reported during the year. Accordingly, the provisions of paragraph 3(xi)(a) of the Order are not applicable to the Company.

(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 up to the date of this report.

(c) As represented by the Management, there are no whistle blower complaints received by the Company during the year.

(xiii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company, hence the provisions of paragraph 3(xii) of the Order are not applicable.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the Financial Statements as required by the applicable Indian Accounting Standards.

(xv) (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date, for the period under audit.

(xvi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with the Directors or persons connected with him and hence the question of commenting on compliance with provisions of Section 192 does not arise.

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(xvii) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934, hence the provisions of paragraph 3(xvi)(a) of the Order are not applicable.

(b) The Company is not a Core Investment Company (CIC) as defined in the regulations made by Reserve Bank of India, hence the provisions of paragraph 3(xvi)(b) of the Order are not applicable.

(c) The Group does not have any CIC, hence the provisions of paragraph 3(xvi)(c) of the Order are not applicable.

(xviii) The Company has incurred cash losses amounting to Rs. 704.87 during the financial year covered by our audit and Rs. 2012.83 in the immediately preceding financial year.

(xix) There has been resignation of the Statutory Auditor during the year. There were no issues, objections or concerns raised by the outgoing Auditors.

(xx) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xxi) (a) The Company has not exceeded the applicability threshold of net worth, turnover or profit during the immediately preceding previous year and hence the provisions of Section 135 of the Act on Corporate Social Responsibility is not applicable to the Company, hence the provisions of paragraph 3(xx)(a) and (b) of the Order are not applicable.

For PRA & CO.
Chartered Accountants
Firm Registration No.: 017903N

PRA & CO. New Delhi FRN-017903N CHARTERED ACCOUNTANTS

RAJAT SHARMA
PARTNER
Membership Number: 094176
UDIN: 23094176BGUOHH2210
Place: Delhi
Dated: 23rd May 2023

PRA & CO.
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ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in Paragraph 2(f) 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report to the members of the Company on the Financial Statements for the year ended March 31, 2023.

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 **AADHAAR WHOLESALE TRADING AND DISTRIBUTION 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 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system 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 judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

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

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Meaning of Internal Financial Controls with reference to Financial Statements

A Company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial 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 Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial 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, the Company has, in all material respects, an adequate internal financial controls system 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 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.

For PRA & CO.
Chartered Accountants
Firm Registration No.: 017903N

PRA & CO. New Delhi FRN-017903N CHARTERED ACCOUNTANTS

RAJAT SHARMA
PARTNER
Membership Number: 094176
UDIN: 23094176BGUOHH2210
Place: Delhi
Dated: 23rd May 2023

AADHAAR WHOLESALE TRADING AND DISTRIBUTION LIMITED

BALANCE SHEET AS AT MARCH 31, 2023

(In lakh)

Particulars	Note	As at March 31, 2023	As at March 31, 2022
ASSETS			
NON-CURRENT ASSETS			
Property, Plant & Equipment	2	889.39	1,049.56
Capital Work-in-Progress	2	-	-
Right-of-Use Assets	3	1,473.17	1,448.77
Investment Property	4	365.32	655.44
Other Intangible Assets	5	0.76	5.16
		2,728.64	3,158.93
Financial Assets			
Trade Receivables	6	-	-
Others Financial Assets	7	47.18	56.50
Deferred Tax Assets (Net)	8	-	-
Income Tax Assets (Net)	9	891.87	875.01
Other Non-Current Assets	10	10.62	14.59
Total Non-Current Assets		949.67	946.10
CURRENT ASSETS			
Inventories	11	2,854.40	2,490.27
Financial Assets			
Trade Receivables	6	47.82	184.74
Cash and Cash Equivalents	12	311.92	506.76
Loans	13	80.00	-
Others Financial Assets	7	19.79	7.47
Other Current Assets	14	414.74	404.19
Total Current Assets		3,728.67	3,593.43
TOTAL ASSETS		7,406.98	7,698.46
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	15	7,740.00	7,740.00
Other Equity	16	(17,358.59)	(16,086.84)
Total Equity		(9,618.59)	(8,346.84)
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial Liability			
Lease Liabilities	17	1,415.24	1,352.81
Others	18	24.80	23.00
Provisions	19	103.70	105.80
Total Non-Current Liabilities		1,543.74	1,481.61
CURRENT LIABILITIES			
Financial Liability			
Borrowings	20	8,927.00	9,024.45
Lease Liabilities	17	280.74	232.91
Trade payables	21		
-Total outstanding dues of micro enterprises and small enterprises		141.30	232.12
-Total outstanding dues of creditors other than micro enterprises and small enterprises		2,871.79	2,621.59
Others	22	3,102.53	2,333.08
Other current liabilities	23	81.18	55.40
Provisions	19	77.29	64.09
Total Current Liabilities		15,481.83	14,563.64
TOTAL EQUITY AND LIABILITIES		7,406.98	7,698.46
Accounting policies	1		

The accompanying notes form an integral part of financial statements.

As per our Report of even date
For P R A & CO.
CHARTERED ACCOUNTANTS
Firm Registration No. 017903N

PRA & CO. New Delhi FRN 017903N CHARTERED ACCOUNTANTS

RAJAT SHARMA
PARTNER
Membership No.: 094176
Place : Mumbai
Dated : May 23, 2023

UDIN: 23094176BGUOHH2210

For and on behalf of the Board

Rajendra Bajaj
Director
DIN 09075427

Pankaj Somani
Director
DIN 09655578

Ashish A. Giniwala

Company Secretary
ICSI Membership No.A41408

Satish Sharma
Chief Financial Officer Manager

AADHAAR WHOLESALE TRADING & DISTRIBUTION LTD.

AADHAAR WHOLESALE TRADING AND DISTRIBUTION LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2023

(In lakh except per Share data)

Particulars	Note	For the period ended March 31, 2023	For the year ended March 31, 2022
INCOME			
Revenue from Operations	25	28,574.91	22,633.83
Other Income	26	290.35	112.78
TOTAL INCOME		28,865.26	22,746.61
Purchases of Stock in Trade		26,362.55	22,986.22
Changes in Inventory of Stock in Trade	27	(364.13)	(1,656.89)
Employee Benefits Expense	28	1,049.75	583.09
Finance Costs	29	1,053.38	1,224.37
Depreciation and Amortisation Expense	2, 3, 4 &5	565.96	395.01
Other Expenses	30	1,451.15	1,622.66
TOTAL EXPENSES		30,118.66	25,154.45
Loss / Profit before exceptional items and tax		(1,253.40)	(2,407.84)
Exceptional Item			-
- Stamp duty paid on sale of Investment Property		17.42	-
(Loss) Before Tax		(1,270.82)	(2,407.84)
Tax Expense:			
Current Tax		-	-
Deferred Tax		-	-
(Loss) For the Year		(1,270.82)	(2,407.84)
OTHER COMPREHENSIVE INCOME/(LOSS)			
A **(i) Items that will not be reclassified to the statement of profit or loss**			
(a) Remeasurement of Defined Employee Benefit Plans		(0.93)	8.57
(ii)Tax relating to items that will not be reclassified to the statement of profit and loss		-	-
TOTAL OTHER COMPREHENSIVE INCOME(/LOSS) FOR THE PERIOD		(0.93)	8.57
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		(1,271.75)	(2,399.27)
Earnings per equity share			
Basic and Diluted (Face value of equity share of Rs.10 each)	36	(1.64)	(3.11)

The accompanying notes form an integral part of financial statements.

As per our Report of even date
For P R A & CO.
CHARTERED ACCOUNTANTS
Firm Registration No. 017903N

PRA & CO. New Delhi FRN 017903N CHARTERED ACCOUNTANTS

RAJAT SHARMA
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Satish Sharma
Chief Financial Officer/Manager

AADHAAR WHOLESALE TRADING & DISTRIBUTION LTD.

AADHAAR WHOLESALE TRADING AND DISTRIBUTION LIMITED
STATEMENT OF CHANGES IN EQUITY AS AT MARCH 31, 2023
Equity share capital

Particulars	As at March 31, 2023	As at March 31, 2022
		(In lakh)
Balance at the beginning of the year	7,740.00	7,740.00
Changes in Equity share capital during the year	-	-
Balance at the end of the year	7,740.00	7,740.00

(In lakh)

Particulars	OTHER EQUITY			Total
	RESERVE & SURPLUS		Employee Stock Option Reserve	
	Security premium	Retain Earnings		
Balance as of April 1, 2022	16,623.95	(32,803.35)	92.56	**(16,086.84)**
Changes in equity for the period ended March 31, 2023				
(Loss) for the period	-	(1,270.82)	-	(1,270.82)
Remesurement of defined Employee benefit plan	-	(0.93)	-	(0.93)
Balance as at March 31, 2023	16,623.95	(34,075.11)	92.56	(17,358.59)

The accompanying notes form an integral part of financial statements.

As per our Report of even date
For P R A & CO.
CHARTERED ACCOUNTANTS
Firm Registration No. 017903N

For and on behalf of the Board

New Delhi FRN 017903N

RAJAT SHARMA
PARTNER
Membership No.: 094176
Place : Mumbai
Dated : May 23, 2023

Rajendra Bajaj
Director
DIN 09075427

Pankaj Somani
Director
DIN 09655578

Ashish A. Giniwala
Company Secretary
ICSI Membership No.A41408

Satish Sharma
Chief Financial Officer/Manager

AADHAAR WHOLESALE TRADING & DISTRIBUTION LTD.

AADHAAR WHOLESALE TRADING AND DISTRIBUTION LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

(In lakhs)

Particulars		For the year ended March 31, 2023	For the year ended March 31, 2022
A. Cash Flow from Operating Activities :			
(Loss) Before Taxes		(1,270.82)	(2,407.84)
Adjustment for:			
Depreciation and Amortisation Expense	565.96		395.01
Exceptional items	17.42		
Finance Costs	1,053.38		1,203.06
Bad debts and advances written off, allowance for doubtful trade receivables and advances (net)/Provisions written back	(87.35)		606.02
Interest Income	(3.36)		(0.11)
Rental Income from Investment Property	(14.67)		(12.41)
Gains from Reassessment under AS116	(0.03)		-
Profit/Loss on sale/disposal of PPE and Investment Property	(111.99)		33.63
		1,419.36	2,225.20
Operating (Loss) Before Working Capital Changes		148.54	**(182.64)**
Adjustment for:			
Increase/Decrease in Trade Receivables	175.06		2,317.47
Increase/Decrease in Inventory	(364.13)		(1,656.89)
Increase/Decrease in Financial Assets	49.65		(353.01)
Increase/Decrease in Other Assets	(6.57)		(127.88)
Increase/Decrease in Trade Payables	159.38		403.63
Increase/Decrease in Provisions	10.17		60.18
Increase/Decrease in Financial Liabilities	21.86		(41.94)
Increase/Decrease in Other Liabilities	25.78		(23.10)
		71.20	578.46
Cash Generated from Operations		219.75	395.82
Direct Taxes paid (net of refund received)		(16.86)	(14.01)
Net Cash Flow from Operating Activities		202.89	381.81
B. Cash Flow from Investing Activities :			
Payments for purchase of Property, Plant and Equipment	(69.79)		(10.17)
Proceeds from sale of PPE/Investment Property	400.67		48.21
Stamp Duty paid on trf.of Fixed Asset	(17.42)		
Rental Income from Investment Property	13.25		12.41
Interest Income from Financial Assets	1.27		0.11
Net Cash used in Investing Activities		327.98	50.56
C. Cash Flow from Financing Activities :			
Loan Given	(80.00)		
Proceeds from Short-term Borrowings ICD (Net)	(97.45)		(84.18)
Repayment of Lease Liabilities	(244.28)		(65.77)
Interest Paid	(303.98)		(126.57)
Net Cash used in Financing Activities		(725.71)	(276.52)
Net Increase/(Decrease) in cash & cash equivalents (A+B+C)		(194.84)	155.85
Cash & cash equivalents at the beginning of the year		506.76	350.91
Cash and cash equivalents at the end of the year (Note 12)		311.92	506.76

The accompanying notes form an integral part of financial statements.

1 The Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Ind AS 7 on "Cash Flow Statements", and presents cash flows by operating, investing and financing activities.

2 Figures in brackets are outflows/deductions.

3 Figures for the previous year have been regrouped/restated wherever necessary to conform to this year's classification.

As per our Report of even date

For P R A & CO.
CHARTERED ACCOUNTANTS
Firm Registration No. 017903N

RAJAT SHARMA
PARTNER
Membership No.: 094176
Place : Mumbai
Dated : May 23, 2023

For and on behalf of the Board

Rajendra Bajaj
Director
DIN 09075427

Pankaj Somani
Director
DIN 09655578

Ashish A. Giniwala
Company Secretary
ICSI Membership No.A41408

Satish Sharma
Chief Financial Officer Manager

AADHAAR WHOLESALE TRADING AND DISTRIBUTION LIMITED
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS AS AT

1 COMPANY OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES:

1.1 COMPANY OVERVIEW

Aadhaar Wholesale Trading and Distribution Limited ("the Company") is a limited company domiciled in India, incorporated on March 10, 2006 under Companies Act 1956 having its registered office at Mumbai. The Company is in the business of selling Fast Moving Consumer Goods, grocery and all daily consumables in rural and semi-rural areas. The first Aadhaar center commenced operations in December 2003 in Manchar, Pune district. Presently, the Company has 72 Retail stores, 4 Distribution Centers across Punjab, Rajasthan, and Gujarat . The Company is a wholly owned subsidiary of Future Consumer Limited ("FCL" or "Holding Company"), an entity listed on BSE and NSE.

The financial statements of the Company for the year ended March 31, 2023 were authorized for issue in accordance with a resolution of the Board of Directors on May 23, 2023.

1.2 BASIS OF PREPARATION

(i) Compliance with Ind AS:

The Financial Statements comply in all material aspects with Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act, 2013 ("the Act"), Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and other relevant provisions of the Act as applicable.

(ii) Historical cost convention:

The Financial Statements have been prepared on a historical cost convention basis, except for the following:

a) certain financial assets and liabilities that are measured at fair value;
b) defined benefit plans - plan assets measured at fair value; and
c) share-based payments-measured at fair value.

(iii) Functional and presentation currency:

These Financial Statements are presented in Indian rupees, which is the Company's functional currency. All amounts have been rounded off to the nearest lakh.

1.3 USE OF JUDGEMENTS, ESTIMATES & ASSUMPTIONS

While preparing financial statements in conformity with Ind AS, the management has made certain estimates and assumptions that require subjective and complex judgments. These judgments affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses, disclosure of contingent liabilities at the statement of financial position date and the reported amount of income and expenses for the reporting period. Financial reporting results rely on the management estimate of the effect of certain matters that are inherently uncertain. Future events rarely develop exactly as forecasted and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions. We continually evaluate these estimates and assumptions based on the most recently available information.

Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as below:

a) Determination of the estimated useful lives of tangible assets

Useful lives of tangible assets are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

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AADHAAR WHOLESALE TRADING & DISTRIBUTION LTD.

b) Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period.

c) Recognition of deferred tax assets

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

d) Recognition and measurement of other provisions

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions.

e) Discounting of long-term financial assets / liabilities

All financial assets / liabilities are required to be measured at fair value on initial recognition. In case of financial assets / liabilities which are required to subsequently be measured at amortised cost, interest is accrued using the effective interest method.

Leases:

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. The Company shall revise the lease term if there is a change in the non-cancellable period of a lease as the Company exercises or does not exercises an option previously included in the entity's determination of the lease term or due to an event occurs that contractually prohibits or obliges the lessee from exercising an option previously included in the entity's determination of the lease term. Company recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. However, if the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, a lessee shall recognise any remaining amount of the remeasurement in profit or loss.

f) Fair valuation of employee share options

The fair valuation of the employee share options is based on the Black-Scholes model used for valuation of options. Key assumptions made with respect to expected volatility includes share price, expected dividends and discount rate, under this option pricing model.

h) Rebates and sales incentives

Rebates are generally provided to distributors or customers as an incentive to sell the Company's products. Rebates are based on purchases made during the period by distributor / customer. The Company determines the estimates of rebate accruals primarily based on the contracts entered into with their distributors / customers and the information received for sales made by them.

i) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

PRA & CO.
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AADHAAR WHOLESALE TRADING & DISTRIBUTION LTD.

j) **Impairment of financial assets**

The impairment provisions of financial assets are based on the 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 Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

1.4 SIGNIFICANT ACCOUNTING POLICIES

a) **Revenue Recognition**

The Company recognises revenue from the following major sources:

- Sale of goods
- Other operating revenue

Sale of goods

The Company sells fast moving consumer goods ("FMCG"), Food and Processed Food Products in Urban and Rural India.

In the comparative period, revenue was measured at the fair value of the consideration received or receivable. Revenue was reduced for estimated customer returns, rebates and similar allowances. Revenue from sale of goods was recognised when the goods were delivered and titles have passed. i.e. The Company had transferred to the buyer the significant risks and rewards of ownership of goods; the Company retained neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold; the amount of revenue could be measured reliably; it was probable that the economic benefits associated with the transaction would flow to the Company; and the costs incurred or to be incurred in respect of the transaction could be measured reliably.

The Company recognizes revenue on the sale of goods, net of discounts, sales incentives and rebates granted when control of the goods is transferred to the customer.

Nature, timing of satisfaction of performance obligation and transaction price (Fixed and variable)

The Company recognises revenue when it transfers control of a product or service to a customer.

The control of goods is transferred to the customer depending upon the incoterms or as agreed with customer or delivery basis (i.e. at the point in time when goods are delivered to the customer or when the customer purchases the goods from the Company Distribution Centre / Wholesale Centre). Control is considered to be transferred to customer when customer has ability to direct the use of such goods and obtain substantially all the benefits from it such as following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods.

At inception of the contract, Company assesses the goods or services promised in a contract with a customer and identifies each promise to transfer to the customer as a performance obligation which is either:

(a) a good or service (or a bundle of goods or services) that is distinct; or

(b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

Based on the terms of the contract and as per business practice, the Company determines the transaction price considering the amount it expects to be entitled in exchange of transferring promised goods or services to the customer. It excluded amount collected on behalf of third parties such as taxes.

The Company provides volume discount and rebate schemes to its customers on certain goods purchased by the customer once the

Under the Company's standard contract terms, customers have no general right of return. If any kind of scheme is introduced for business promotion during the point of sale, a refund liability and a corresponding adjustment to revenue is recognised for those products expected to be returned. At the same time, the Company has a right to recover the product when customers exercise their right of return so consequently recognises a right to returned goods asset and a corresponding adjustment to cost of sales. The Company uses its accumulated historical experience to estimate the number of returns on a portfolio level using the expected value method. It is considered highly probable that a significant reversal in the cumulative revenue recognised will not occur given the consistent level of returns over previous years.

PRA & CO. New Delhi FRN 017903N CHARTERED ACCOUNTANTS

WHOLESALE TRADING

For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at

Rendering of services

Revenue from rendering of services is recognised over time considering the time elapsed. The transaction price of these services is recognised as a contract liability upon receipt of advance from the customer and is released on a straight line basis over the period of service (monthly basis).

Contract assets, contract liabilities and trade receivables

Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues). A receivable is recognised by the Company when the control over the goods is transferred to the customer such as when goods are delivered as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

b) Current versus Non Current Classification

An asset is considered as current when it is:

1. Expected to be realised or intended to be sold or consumed in normal operating cycle
2. Held primarily for the purpose of trading
3. Expected to be realised within twelve months after the reporting period, or
4. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is considered as current when it is:

1. Expected to be settled in normal operating cycle
2. Held primarily for the purpose of trading
3. Due to be settled within twelve months after the reporting period, or
4. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

c) Property, Plant and Equipment and Capital Work in Progress

i) Recognition and measurement:

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

The cost of an item of property, plant and equipment comprises:

a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.

b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognized in the Statement of Profit and Loss.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted and depreciated for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in the Statement of Profit and Loss.

While measuring the property, plant and equipment in accordance with Ind AS, the Company has elected to measure certain items of property, plant and equipment at the date of transition to Ind AS at their fair values and used those fair values as their deemed costs at transition date.

PRA & CO. New Delhi FRN-017903N CHARTERED ACCOUNTANTS

AADHAAR WHOLESALE TRADING & DISTRIBUTION LTD.

Capital Work in progress: Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'

ii) Subsequent Expenditure:

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii) Depreciation/ Amortizations:

Depreciation on tangible fixed assets is provided in accordance with the provisions of Schedule II of the Companies Act 2013, on Straight Line Method. Depreciation on additions / deductions is calculated on pro rata basis from/upto the month of additions/deductions. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. In case of the following category of property, plant and equipment, the depreciation has been provided based on the technical specifications, external & internal assessment, requirement of refurbishments and past experience of the remaining useful life which is different from the useful life as specified in Schedule II to the Act:

Asset type	Period
Leasehold improvements and Fixed equipment's	Primary lease period
Signage's	3 years

d) Intangible Assets

i) Recognition and measurement:

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably.

The useful life of intangible assets are assessed as either finite or indefinite. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

An intangible asset having finite useful life are carried at its cost less any accumulated amortization and any accumulated impairment losses.

The cost of intangible assets as at April 01, 2015, the Company's date of transition to Ind AS, was determined with reference to its carrying value at that date.

ii) Amortization:

Amortization is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognized in the Statement of Profit and Loss.

The intangible assets are amortised over the estimated useful lives as given below:

- Computer Software 4 years

e) Investment Property

Investment property comprises portion of freehold land and office buildings that are held for long-term rental yield and/or for capital appreciation. Investment properties are initially recognized at cost. Subsequently investment property comprising of building is carried at cost less accumulated depreciation and accumulated impairment losses.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant part of the Investment property are required to be replaced at intervals the Company depreciates them separately based on specific useful life. All other repair and maintenance cost are recognized in profit and loss as incurred.

Depreciation of building is provided over the estimated useful life as specified in Schedule II of the Companies Act 2013. The residual values, useful lives and depreciation method of investment properties are reviewed, and adjusted on prospective basis as appropriate, at each financial year end. The effect of any revision are included in the statement of profit and loss when the changes arises.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes.

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AADHAAR WHOLESALE TRADING & DISTRIBUTION LTD

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

The difference between net disposal proceeds and the carrying amount of the asset is recognized in the Statement of Profit and Loss in the period of derecognition

f) **Inventory**

Inventory for trading goods are valued at lower of cost on weighted average basis and net realizable value.

The cost of inventories have been computed to include all cost of purchases, cost of conversion and other related costs incurred in bringing the inventories to their present location and condition. Slow and non-moving material, obsolesces, defective inventories are duly provided for and valued at net realizable value. Goods and materials in transit are valued at actual cost incurred upto the date of balance sheet.

g) **Impairment**

i) Financial assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

b) Trade receivables - The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Trade receivables are tested for impairment on a specific basis after considering the sanctioned credit limits, security like letters of credit, security deposit collected etc. and expectations about future cash flows.

ii) Non-financial assets

The Company assesses whether there is an indication that an asset may be impaired at each Balance Sheet date and also whether there is an indication of reversal of impairment loss recognized in the previous periods. If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognized for such excess amount.

The recoverable amount is determined at the higher of the fair value less cost to sell and the value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using appropriate discount rates that reflects current market assessments of the time value of money and the risk specific to the asset.

If the assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss. When there is indication that an impairment loss recognized for an asset (other than a revalued asset) in earlier accounting periods which no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss.

h) **Employee Benefits:**

i) Short-term employee benefits :

All employee benefits payable wholly within twelve months of rendering services are classified as short-term employee benefits. Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. The Company has a scheme of Performance Linked Variable Remuneration (PLVR) which rewards its employees based on either Economic Value Added (EVA) or Profit before tax (PBT). The PLVR amount is related to actual improvement made in either EVA or PBT over the previous year when compared with expected improvements.

Short-term benefits such as salaries, wages, short-term compensation absences, etc., are determined on an undiscounted basis and recognized in the period in which the employee renders the related service.

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ii) Post-employment benefits:

Defined Contribution Plans: The Company's contributions paid/payable to provident Fund, Employees State Insurance Scheme, Employees Pension Schemes, 1995 and other funds, are determined under the relevant approved schemes and/or statutes and are recognized as expense in the Statement of Profit & Loss during the period in which the employee renders the related service. There are no further obligations other than the contributions payable to the approved trusts/appropriate authorities.

Defined Benefit Plans: The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the Projected Unit Credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.
Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in other equity in the statement of changes in equity in the balance sheet.

iii) Other long term employee benefits:

Liability towards Long-term Compensated Absences are determined based on actuarial valuation by independent actuaries as at the date of the Balance Sheet using Projected Unit Credit method. Actuarial gains/losses comprising of experience adjustments and the effects of changes in actuarial assumptions are recognized in the Statement of Profit & Loss of the year.

iv) Terminal Benefits:

All terminal benefits are recognized as an expense in the period in which they are incurred.

i) Share Based payment

Employees are given stock option plans of the Ultimate Holding Company. The cost of stock option plans is calculated using Black & Scholes option pricing model. The cost calculated using this method is recognized as an employee benefit expense over the vesting period of the options, which is Three years, with a corresponding credit to Other equity.

j) Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.
Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

k) Foreign currency transactions

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency') The Indian Rupee (INR) is the functional and presentation currency of the Company.

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognized as income and expenses in the period in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of transactions. Non-monetary items that are measured at fair value in a foreign currency shall be translated using the exchange rates at the date when the fair value was measured.

The gains or losses resulting from translations of monetary assets and liabilities are included in net profit in the Statement of Profit and Loss.

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l) **Taxes on Income:**

Income Tax expense comprises of current and deferred tax. Income Tax expense is recognized in net profit in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income.

i) Current Tax

Current Tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for a period. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

Current tax assets and liabilities are offset if, and only if, the Company:

a) has a legally enforceable right to set off the recognized amounts; and

b) intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

ii) Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax liability is not recognized for the following taxable temporary differences:

a) on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

b) initial recognition of goodwill.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves. Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if, and only if:

a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

m) **Earnings per share**

(i) Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends, if any, and attributable taxes) by the weighted average number of equity shares outstanding during the period.

(ii) For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

n) **Provisions, Contingent Assets, Contingent Liabilities and Commitments**

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The expenses relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

When the Company expects some or all of a provision to be reimbursed and the reimbursement is virtually certain only then the reimbursement will be recognized as an asset.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

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Contingent liability is disclosed in the case of :

1) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation.

2) a present obligation arising from past events when no reliable estimate is possible.

3) a possible obligation arising from past events unless the probability of outflow of resource is remote.

Commitments includes the amount of purchase order (net of advance) issued to parties for completion of assets.

Provisions, contingent assets, contingent liabilities and commitments are reviewed at each balance sheet date.

Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

a) estimated amount of contracts remaining to be executed on capital account and not provided for;

b) uncalled liability on shares and other investments partly paid;

c) funding related commitment to subsidiary, associate and joint venture companies; and

d) other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management

o) Fair value measurement

The Company measures financial instruments such 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.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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.

The fair value measurement for 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 the highest and best use.

For assets and liabilities that are recognized in the balance sheet on recurring basis, the Company determines whether transfers have occurred between level in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature characteristics and risk of the assets or liability and the level of the fair value hierarchy as explained above.

p) Cash and cash equivalent

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

q) Operating Segments

The management views the Company's operation as a single segment engaged in business of Selling and Distribution of "Consumer Products". Hence there is no separate reportable segment under Ind AS 108 'Operating segment'.

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r) **Financial instruments**

I. Financial Assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortized cost.

Subsequent measurement

Where assets are measured at fair value, gains and losses are either recognized entirely in the Statement of Profit and Loss (i.e. fair value through profit or loss), or recognized in Other Comprehensive Income (i.e. fair value through other comprehensive income).

A financial asset that meets the following two conditions is measured at amortized cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

• **Business model test:** The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes).

• **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option.

• **Business model test:** The objective of the Company's business model is achieved by both collecting contractual cash flows and selling financial assets.

• **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Even if an instrument meets the two requirements to be measured at amortized cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

All other financial asset is measured at fair value through profit or loss.

All equity investments are measured at fair value in the balance sheet, with value changes recognized in the statement of profit and loss, except for those equity investments for which the entity has elected to present value changes in 'other comprehensive income'. If an equity investment is not held for trading, an irrevocable election is made at initial recognition to measure it at fair value through other comprehensive income with only dividend income recognized in the statement of profit and loss.

Effective interest method: The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

Derecognition

• The rights to receive cash flows from the asset have expired, or

• The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either;

(a) the Company has transferred substantially all the risks and rewards of the asset, or

(b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

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II. **Financial Liabilities**

Initial recognition and measurement

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognised as well as through the EIR amortization process.

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. The EIR amortization is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

s) **Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares is accounted as deduction from Equity.

t) **Lease**

i) The Company as a lessee:

The Company's lease asset classes primarily consist of leases for land, buildings and vehicles. The Company assesses whether a contract contains a lease, at inception of a contract.

A contract is, or contains, a lease if the contract involves–

(a) the use of an identified asset,

(b) the right to obtain substantially all the economic benefits from use of the identified asset, and

(c) the right to direct the use of the identified asset.

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The Company at the inception of the lease contract recognizes a Right-of-Use (ROU) asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term) and low-value assets. The cost of the right-of-use assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease plus any initial direct costs, less any lease incentives received. Subsequently, the right-of-use assets is measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets. For short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

For lease liabilities at inception, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate is readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate.

The Company recognizes the amount of the re-measurement of lease liability as an adjustment to the right-of-use assets. Where the carrying amount of the right-of-use assets is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in statement of Profit & Loss.

Lease payments have been classified as cash used in Financing activities.

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ii) The Company as a lessor:

Leases for which the Company is a lessor is classified as a finance or operating lease. Contracts in which all the risks and rewards of the lease are substantially transferred to the lessee are classified as a finance lease. All other leases are classified as operating leases.

Leases, for which the Company is an intermediate lessor, it accounts for the head-lease and sub-lease as two separate contracts. The sub-lease is classified as a finance lease or an operating lease by reference to the ROU asset arising from the head-lease.