



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CONTINENTAL COFFEE PRIVATE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **CONTINENTAL COFFEE PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including other comprehensive income), and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its loss, total comprehensive income, and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

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

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

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

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

NSVR & ASSOCIATES LLP

House No.1-89/1/42, 2nd Floor, Plot No. 41 & 43, Sri Ram Nagar Colony, Kavuri Hills, Begumpet, Madhapur, Hyderabad, Telangana - 500081. | Ph: 040 - 23391164, E-mail: info@nsvr.in



Management's Responsibility for the Financial Statements

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards referred to in Section 133 of Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

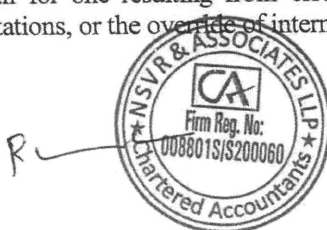
We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the Accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

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



- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016, issued by the department of company affairs, in terms of section 143 (11) of the companies Act, 2013, and on the basis of our examination of the books and records as we considered appropriate and according to the information and explanation given to us, we give in the "Annexure B" a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.

2. As required by section 143(3) of the Companies Act 2013, 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 purpose of our audit.

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

c) The Balance Sheet and Statement of Profit and Loss and Cash flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid financials comply with the Accounting Standards specified under of Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of written representations received from the directors as on March 31, 2022, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of sub section (2) of section 164 of the Companies Act, 2013.

f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and

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

i) There are no pending litigations for or against the Company which would impact its financial position.

ii) The Company does not have any derivatives contracts. Further there are no long term contracts for which provisions for any material foreseeable losses is required to be made.

iii) There are no amounts pending that are required to be transferred to Investor Education and Protection Fund.

For NSVR & ASSOCIATES LLP.,

Chartered Accountants

(FRN No. 068801/S/200060)

R — 

R Srinivas

Partner

M.No: 2224033

UDIN: 22224033APMHT1110

Date: 19.05.2022

Place: Hyderabad.

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls over financial reporting of **CONTINENTAL COFFEE PRIVATE LIMITED** ("the Company") as of March 31, 2022 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

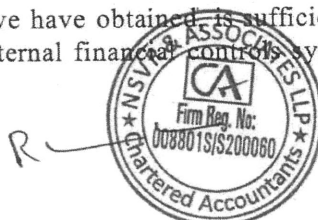
The Board of Directors of the Company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of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

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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



Meaning of internal financial Controls over Financial reporting

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

Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion:

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For NSVR & ASSOCIATES LLP.,

Chartered Accountants
(FRN No. 008801S/200060)

R. Srinivas
Partner
M.no: 22405
UDIN. No: 22224033APMHTE1110



Date: 19.05.2022

Place: Hyderabad.

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

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

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

i. In respect of the Company's Property, Plant and Equipment:

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment including leased assets.
- (b) The Company has maintained proper records showing full particulars of intangible assets.
- (c) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
- (d) According to the information and explanations given to us, the company does not own any immovable Properties at the balance sheet date, hence the clause of reporting whether the title deeds are held in the name of company is not applicable.
- (e) The Company has not revalued any of its Property, Plant and Equipment including Right of use assets during the year.
- (f) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

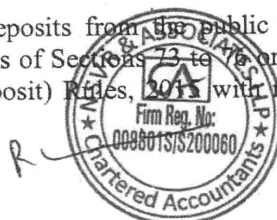
ii. (a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10%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

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising stock statements filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters.

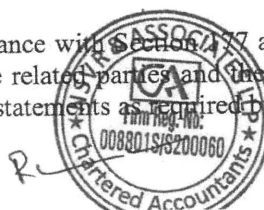
iii. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the provisions of clauses iii (a), (b) and (c) of the order are not applicable to the Company.

iv. The company has not advanced any loans, guarantees to directors of the company. Hence these clause is not applicable to the company.

v. The Company has not accepted any deposits from the public and hence 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 Deposit) Rules, 2011 with regard to the deposits accepted from the public are not applicable.



- vi. The Central Government has not prescribed the maintenance of cost records under sub-section (1) section 148 of the Act for the business activities carried out by the Company. Accordingly, the provision of clause 3(vi) of the Order is not applicable to the Company
- vii. In respect of statutory dues:
- (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.
 - (b) There are no disputed dues Pending as on March 31, 2022.
- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. The Company has not defaulted in repayment of Loans or borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.
- (a) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
 - (b) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
 - (c) On an overall examination of the financial statements, Company has not raised fund any funds during the Year. Hence, this clause is not applicable.
 - (d) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Act..
 - (e) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).
- x. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- 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.
- No whistle blower complaints received by the Company during the year (and upto the date of this report).
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.



xiv. In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

xv. In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

xvii. The Company has incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

Details of such cash loss is Provided in below table:

Particulars	Rs in Lakhs	
	FY 2021-22	FY 2020-21
Net Profit Before Tax	(694.42)	(610.16)
Add: Depreciation on Account of PPE and Lease	135.93	67.63
Cash Loss	(559.42)	(542.86)

xviii. There has been no resignation of the statutory auditors of the Company during the year.

xix. 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, the auditor's knowledge of the Board of Directors and management plans, we are Opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date;

xx. Transfer to fund specified under Schedule VII of Companies Act, 2013 is not applicable to the company.

For NSVR & ASSOCIATES LLP.,

Chartered Accountants

(FRN No. 008801S/200060)

R

R Srinivas

Partner

M.no: 22403

UDIN. No: 22224033APMHTE1110

Date: 19.05.2022

Place: Hyderabad.

(Rs. in Lakhs)

As per our report attached of even date

Challa Rajendra Prasad
Director
DIN:00702292



CONTINENTAL COFFEE PRIVATE LIMITED
7-1-24/2/D, GREENDALE, AMEERPET, HYDERABAD - 500016
CIN:U15492TG2011PTC074429
STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED MARCH 31,2022

(Rs.In Lakhs)

Particulars		Note No.	For the Period Ended March 31,2022	For the Period Ended March 31,2021
1	Income			
	Revenue from operations	2.24	17,375.65	13,395.16
	Other income	2.25	57.12	42.22
	Total Revenue		17,432.77	13,437.39
2	Expenses			
	Purchase of Stock-in-Trade	2.26	13,304.23	9,773.71
	Changes in inventories	2.27	(197.52)	(327.27)
	Employee benefits expense	2.28	2,390.04	1,348.57
	Finance costs	2.29	239.26	175.89
	Depreciation and amortization expense	2.1	135.93	67.63
	Other expenses	2.30	2,255.25	3,009.02
	Total Expenses		18,127.19	14,047.55
3	Profit before tax(1-2)		(694.42)	(610.16)
4	Tax expense			
	(1) Current tax		13.69	9.81
	(2) Deferred tax			
5	Profit for the year(3-4)		(708.11)	(619.97)
6	Other comprehensive income (OCI)			
	a) (i) Items that will not be reclassified to profit or loss		19.95	(17.52)
	(ii) Income relating to items that will not be reclassified to profit or loss		(5.55)	
	b) (i) Items that will be reclassified to profit or loss			
	(ii) Income relating to items that will be reclassified to profit or loss			
	Total other comprehensive income		14.40	(17.52)
7	Total comprehensive income for the year (5 + 6)		(693.71)	(637.49)
8	Earnings per share			
	Basic earnings per share of Rs.10/-each		(10.12)	(8.86)
	Diluted earnings per share of Rs.10/- each		(10.12)	(8.86)
9	Weighted average equity shares used in Computing Earnings per Equity shares			
	Basic earnings per share of Rs.10/-each		70.00	70.00
	Diluted earnings per share of Rs.10/- each		73.74	70.00

As per our report attached of even date

For M/s. NSVR & Associates LLP,
Chartered Accountants

FRN : 008801S200060

R. Srinivasu
Partner
M No. 224033
UDIN:22224033APMH1E1140
Place: Hyderabad
Date : 19.05.2022

For and on behalf of the Board of Directors
Continental Coffee Private Limited

Challa Srishant
Director
DIN:00016035

Challa Rajendra Prasad
Director
DIN:00702292



Continental Coffee Private Limited CIN:U15492TG2011PTC074429 7-1-24/2/D, GREENDALE, AMEERPET, HYDERABAD - 500016 Statement of Cash Flow for the period ending March 31,2022		
Particulars	As at March 31,2022	As at March 31,2021
A. CASH FLOWS FROM OPERATING ACTIVITIES:		
Net profit before taxation, and extraordinary items	(694.42)	(637.49)
Adjusted for:		
Interest debited to P&L A/c	239.26	175.89
Provision for Bad Debts	-	-
Gratuity Provision	22.03	-
Share based payments to Employees	675.79	-
Leave Encashment Provision	29.78	-
Depreciation	135.93	67.63
Operating profits before working capital changes	408.37	(393.97)
Changes in assets and liabilities		
Inventories	(197.53)	(327.27)
Trade Receivables	(2,193.46)	(823.95)
Other Current Financial Assets	-4.99	5.39
Other Current assets	31.78	37.99
Trade Payables	960.40	-639.90
Other Financial Liabilities	(80.29)	-17.67
Other Current Liabilities	54.28	50.19
Provisions	99.77	104.18
Other Non Current liabilities and Financial Liabilities	24.87	37.18
Other Non Current Assets and Financial Assets	-36.31	(90.01)
Cash generated from operations	(933.10)	(2,057.84)
Income tax paid	-	-
Net cash generated from operating activities	(933.10)	(2,057.84)
B. CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of fixed assets and change in capital wip	(410.10)	(356.78)
Sale of Fixed Assets	20.51	-
Long Term Loans and advances	-	-
Net cash used in investing activities	(389.59)	(356.78)
C. CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings	1,450.00	2,687.38
Interest paid	(239.26)	(175.89)
Increase in share Capital	-	-
Net cash generated in financing activities	1,210.74	2,511.48
D. Net increase / (decrease) in cash and cash equivalents(A+B+C)	(111.94)	96.87
E. Cash and cash equivalents at the beginning of the year	207.04	110.17
F. Cash and cash equivalents at the end of the year	95.10	207.04
As per our Report of even date		
<div> <div> For M/s. NSVR & Associates LLP., Chartered Accountants FRN : 008801S200060 R. Srinivasu Partner M No. 224033 UDIN.22224033APMHTE1110 Place: Hyderabad Date : 19.05.2022 </div> <div> For and on Behalf of Board of Directors Continental Coffee Private Limited Challa Srishant Director DIN:00016035 </div> <div> Challa Rajendra Prasad Director DIN:00702292 </div> </div>		

Note 2.11

(Rs in Lakhs)

	Balanace as at March 31,2022	Balanace as at March 31,2021
(i) Authorised share capital:		
At Beginning	700	700
Increase/(Decrease) During the Year	-	-
At the End of Year	700	700
Issued,Subscribed & Fully Paidup:		
As at beginning of Year	700.00	700.00
Change in Share Capital during Year	-	-
As at the End of theYear	700.00	700.00

Shares held by Promoters at the end of the Year			% change during the Year
Promoter Name	No of shares held	% of total shares	
CCL Products (India) Limited	6,999,999	100.00%	Nil
Mr. Challa Srishant	1	0.00%	Nil

Details of share holding more than 5% in the company

Promoter Name	Balanace as at March 31,2022		Balanace as at March 31,2021	
	No of shares held	% of total shares	No of shares held	% of total shares
CCL Products (India) Limited	6,999,999	100.00%	6,999,999	100.00%



Note No 2.12

Other equity

Other equity	Particulars	Reserves and Surplus					Other Reserves (OCI)		TOTAL
		Securities Premium Reserve	Debt Redemption Reserve	General Reserve	Capital Redemption Reserve	Retained Earnings	Share Options Outstanding Account	Actuarial gain/Loss on account of Defined benefit plans	
	Balance at March 31, 2021					-2,541.40		-24.90	-2,566.30
	Restatements								
	Profit for the Period 01.04.2021 to 31.03.2022	-	-	-	-	-708.11	-	14.40	-708.11
	Other Comprehensive income	-	-	-	-	-	-	-	14.40
	Dividend paid	-	-	-	-	-	-	-	-
	Dividend Distribution Tax	-	-	-	-	-	-	-	-
	Amount transfer to general reserve	-	-	-	-	-	-	-	-
	Net change in fair value of FVTPL investments and others	-	-	-	-	-	675.79	-	675.79
	Actuarial gain/(loss) on post-employment benefit obligations, net of tax benefit	-	-	-	-	-	-	-10.50	-
	Balance at March 31, 2022	-	-	-	-	-3,249.51	675.79	-10.50	-2,584.22



2.2 Other Non-Current Financial Assets

(Rs.in Lakhs)

Particulars	As at March 31,2022	As at March 31, 2021
Rental Deposits	42.51	12.95
Gratuity Fund	96.56	89.92
Total	139.07	102.87

2.3 Other Non-Current Asset

Particulars	As at March 31,2022	As at March 31, 2021
Security Deposits - EMD	6.61	6.61
Deposits - Others	0.10	
Total	6.71	6.61

2.4 Deferred tax Asset (Net)

Particulars	As at March 31,2022	As at March 31, 2021
Total	-	

2.5 Inventories

Particulars	As at March 31,2022	As at March 31, 2021
Stock-in-Trade	1,120.95	926.10
Stock-in-Transit	25.91	23.22
Total	1,146.86	949.33



2.6 Trade receivables

Particulars	As at March 31,2022	As at March 31, 2021
Trade Receivables	5,761.63	3,503.40
Less: ECL Provision	-64.77	
Total	5,696.86	3,503.40

Particulars	Trade Receivables Outstanding as at March 31,2022						
	Not Due	Less than 6 months	6 Months-1 year	1-2 years	2-3 Years	More than 3 years	Total
Undisputed Trade receivables -considered good	3,220.74	1,991.09	112.77	260.11	63.32	32.57	5,680.61
Undisputed Trade Receivables- which have significant increase in Credit risk							
Undisputed Trade Receivables-Credit impaired					0.84	80.17	81.01
Disputed Trade Receivables-Considered good							
Disputed Trade Receivables- which have significant increase in Credit risk							
Disputed Trade Receivables-Credit impaired							
Total	3,220.74	1,991.09	112.77	260.11	64.17	112.74	5,761.63

Particulars	Trade Receivables Outstanding as at March 31,2021						
	Not Due	Less than 6 months	6 Months-1 year	1-2 years	2-3 Years	More than 3 years	Total
Undisputed Trade receivables -considered good	1,921.85	1,154.67	156.05	71.63	75.60	56.47	3,436.26
Undisputed Trade Receivables- which have significant increase in Credit risk							
Undisputed Trade Receivables-Credit impaired					42.90	24.25	67.14
Disputed Trade Receivables-Considered good							
Disputed Trade Receivables- which have significant increase in Credit risk							
Disputed Trade Receivables-Credit impaired							
Total	1,921.85	1,154.67	156.05	71.63	118.49	80.72	3,503.40

2.7 Cash and Cash Equivalents

Particulars	As at March 31,2022	As at March 31, 2021
Cash on Hand	3.29	0.99
Balances with Banks	89.42	204.00
Total	92.71	204.99

2.8 Bank Balance other than (ii) above

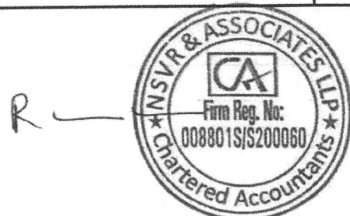
Particulars	As at March 31,2022	As at March 31,2021
- Fixed Deposits in Banks	2.39	2.05
Total	2.39	2.05

2.9 Other Financial Assets

Particulars	As at March 31,2022	As at March 31, 2021
Unsecured, Considered good		
Other Short term advances	1.93	1.94
Staff Loans	7.93	2.93
Total	9.86	4.87

2.10 Other Current Assets

Particulars	As at March 31,2022	As at March 31, 2021
Prepaid Expenses	16.61	10.48
GST Input Tax Credit	33.68	82.45
Advance to Creditors	1.97	2.70
TDS/TCS Receivable	16.62	5.03
Total	68.88	100.66



2.13 Long Term Borrowings

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured Loan	880.00	1,650.00
Total	880.00	1,650.00

2.14 Lease Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Lease Liabilities	329.45	
Total	329.45	-

2.15 Other Non-Current Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Security Deposits	34.02	32.87
Total	34.02	32.87

2.16 Provisions

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Gratuity	47.97	40.18
Provision for Leave Encashment	46.63	29.11
Total	94.60	69.30

2.17 Deferred Tax Liability (Net)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred tax on Property, Plant and Equipment	21.46	7.75
Deferred tax on Gratuity and Leave Encashment	6.86	
Deferred tax on Lease Assets	-1.32	
Total	27.00	7.75



2.18 Short Term Borrowings

Particulars	As at March 31, 2022	As at March 31, 2021
Secured, Considered good		
HDFC Bank - WCDL	5,000.00	3,000.00
Unsecured Loan	770.00	550.00
Total	5,770.00	3,550.00

2.19 Lease Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Current Maturities of Lease Liabilities	100.50	
Total	100.50	-

2.20 Trade Payables

Particulars	As at March 31, 2022	As at March 31, 2021
Trade Payables	2,897.46	1,937.05
Total	2,897.46	1,937.05

Particulars	Trade Payables outstanding As at March 31, 2022					
	Not Due	Less than 1 Year	1-2 years	2-3 Years	More than 3 years	Total
(i) MSME	9,488.41					9.49
(ii) Others		2,887.97				2,887.97
(iii) Disputed Dues-MSME						
(iv) Disputed Dues- Others						
Total		2,887.97				2,897.46

0.00

Particulars	Trade Payables outstanding As at March 31, 2021					
	Not Due	Less than 1 Year	1-2 years	2-3 Years	More than 3 years	Total
(i) MSME						
(ii) Others		1,937.05				1,937.05
(iii) Disputed Dues-MSME						
(iv) Disputed Dues- Others						
Total		1,937.05				1,937.05

2.21 Other Financial Liabilities

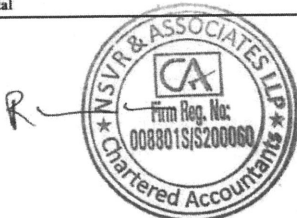
Particulars	As at March 31, 2022	As at March 31, 2021
Salaries Payable	13.71	90.58
Bonus Payable	16.35	16.58
GST Payable	-	-
Other Payables	2.52	7.78
Interest Accrued on Borrowings	4.94	2.88
Total	37.52	117.81

2.22 Short Term - Provisions

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Gratuity	5.03	2.98
Provision for Compensated absence	12.18	7.69
Provision for Tax		
Provision for Expenses	181.34	36.09
Total	198.55	46.76

2.23 Other Current liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Advance from Customers	70.51	23.61
ESI Payable	0.62	0.66
PF Payable	15.88	15.26
PT Payable	0.59	0.56
TDS Payable	23.93	17.16
GST Payable	-	-
Total	111.53	57.25



2.24 Revenue from operations

Particulars	For the Period Ended March 31,2022	For the Period Ended March 31,2021
Sale of Goods	18,856.57	13,388.75
Less: Customer claims (BOGO/Rate Diff.)	(1,536.19)	
Revenue from Coffee on wheels/kisok centres	55.27	6.41
Total	17,375.65	13,395.16

2.25 Other income

Particulars	For the Period Ended March 31,2022	For the Period Ended March 31,2021
Other Income	13.06	11.25
Gain on Sale of Asset	3.13	
Hire charges-vending Machines	34.91	30.98
Interest Accured on Gratuity Fund	6.02	
Total	57.12	42.22

2.26 Purchase of Stock-in-Trade

Particulars	For the Period Ended March 31,2022	For the Period Ended March 31,2021
Purchases	13,261.72	9,773.71
Purchases -Coffee on Wheels	42.52	
Total	13,304.23	9,773.71

2.27 Changes in inventories

Particulars	For the Period Ended March 31,2022	For the Period Ended March 31,2021
Stock-in-Trade		
Opening	949.33	622.06
Closing	1,146.85	949.33
Total	(197.52)	(327.27)



2.28 Employee benefits expense

Particulars	For the Period Ended March 31,2022	For the Period Ended March 31,2021
Salaries and Incentives	1,465.82	1,225.60
Contribution to other funds	102.67	84.65
Share based payments to Employees	675.79	-
Bonus to Employees	92.20	16.58
Leave Encashment Expense	29.78	
Gratuity Expense	22.03	19.08
Staff welfare	1.75	2.66
Total	2,390.04	1,348.57

2.29 Finance costs

Particulars	For the Period Ended March 31,2022	For the Period Ended March 31,2021
Interest on Working Capital Loans	232.31	175.56
Interest - Others	0.05	0.18
Interest on Lease	6.73	
Other borrowing costs	0.18	0.16
Total	239.26	175.89



2.30 Other expenses

Particulars	For the Period Ended March 31,2022	For the Period Ended March 31,2021
Transportation	523.62	334.89
Travelling and Conveyance	352.77	255.15
Sales Commission	44.99	31.63
Rent	71.74	40.98
Insurance	41.23	18.78
Telephone & Communication Expenses	6.26	3.58
Office Maintenance	8.71	9.34
Godown Maintenance	13.82	1.02
Repairs and Maintenance	41.03	19.47
Software Maintenance Exps	20.13	5.06
Rates and Taxes	4.20	17.15
Printing and Stationery	7.03	3.00
Professional Fees & Expenses	17.85	10.52
Donations	-0.00	8.75
Vehicle Hire Charges	9.14	9.62
Miscellaneous expenses	0.66	2.20
Business Promotional Expenses	23.57	90.77
Advertising Expenses	50.96	108.00
ATL/BTL Expenses	149.84	156.34
Market Research Exps	11.86	17.96
Free Samples	58.12	-
Packing Expenses	28.68	14.51
Brand Promotional Activity	270.45	173.82
Discarded Stock	23.37	-
Secondary Claims - Expenses	160.29	1,515.83
E-Commerce Sales Expenses	225.62	151.88
C & F Expenses	18.29	3.05
R & D Expenses	3.65	3.72
Expected Credit Loss	64.77	-
Audit Expenses	0.59	
Auditors Fee		
- Statutory Audit	1.20	1.20
- Tax Audit	0.80	0.80
Total	2,255.25	3,009.02



Note -2.1

Property, Plant and Equipment

Rs In Lakhs

Description	Computers and Data Processing units	Electrical Installations and Equipment	Furniture and Fittings	Motor Vehicles	Office Equipment	Coffee Vending Machines	Total
Gross carrying amount (Cost or deemed Cost)							
Cost as at 1st April 2021	35.73	2.58	7.51	25.27	30.84	808.48	910.42
Additions	10.68		11.56		40.14	347.71	410.10
Disposals						21.55	21.55
Cost as at 31st March 2022	46.41	2.58	19.07	25.27	70.99	1,134.64	1,298.96
Accumulated Depreciation							
Charge for the year	16.38	1.08	2.45	20.92	15.10	127.44	183.36
Disposals	8.01	0.27	0.95	2.91	7.21	90.10	109.46
As at 31st March 2022	24.39	1.34	3.41	23.83	22.31	216.49	291.78
Net Carrying Value							
As at 31st March, 2021	19.35	1.50	5.06	4.36	15.74	681.05	727.05
As at 31st March 2022	22.02	1.24	15.67	1.44	48.67	918.14	1,007.18

Note -2.1

Intangible Assets

Description	Computers and Data Processing units
Gross carrying amount (Cost or deemed Cost)	
Cost as at 1st April 2021	0.68
Additions	0.00
Disposals	
Cost as at 31st March 2022	0.68
Accumulated Depreciation	
Charge for the year	0.00
Disposals	
As at 31st March 2022	0.00
Net Carrying Value	
As at 31st March, 2021	0.68
As at 31st March 2022	0.68



Note -2.1**Right of use Asset**

Description	Buildings
Gross carrying amount	
Cost as at 1st April 2021	
Additions	451.69
Disposals	
Cost as at 31st March 2022	451.69
Accumulated Depreciation	0.00
Charge for the year	26.48
Disposals	
As at 31st March 2022	26.48
Net Carrying Value	
As at 31st March, 2021	0.00
As at 31st March 2022	425.21



CONTINENTAL COFFEE PRIVATE LIMITED**Notes to Financial Statements for the Financial Year Ended March****(All amounts are in Lakhs Unless otherwise Specified)****2.31 Earnings per Share**

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

Diluted earnings per share is calculated by dividing the profit/(loss) attributable to equity holders by the weighted average number of equity shares outstanding during the period/year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

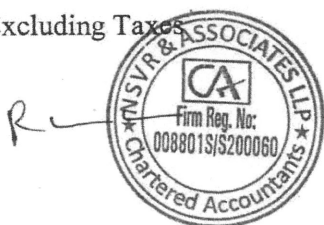
Particulars	For the Period Ended March 31,2022	For the Period Ended March 31,2021
Profit after tax (PAT)	-708.11	-619.97
Net Profit for calculation of Basic and Diluted EPS (A)	-708.11	-619.97
Weighted average number of equity shares for Basic EPS (B)	70.00	70.00
	3.74	
Effect of dilutive Equivalent ESOP's		-
Weighted average number of equity shares for Diluted EPS (C)	73.74	70.00
Basic EPS (A/B)	(10.12)	(8.86)
Diluted EPS (A/C) #	(10.12)	(8.86)

The conversion of above-mentioned potential equity shares (ESOP's) would increase the earnings per share, these are anti-dilutive in nature and thus the effects of anti-dilutive potential equity shares are not considered in calculating the diluted equity per share.

2.32 Auditor Remuneration

Particulars	For the Period Ended March 31,2022	For the Period Ended March 31,2021
Statutory Audit Fees	1.20	1.20
Tax Audit fees	0.80	0.80
For other services		
Total *	2.00	2.00

* Excluding Taxes



2.33 Related Party Transaction

(a) Names of related parties and nature of relationship

Holding Company	CCL Products (India) Limited
Key Management Personnel (KMP)	
Mr. Challa Rajendra Prasad	Director
Mr. Challa Srishant	Director
Mr. Kondamudu Kasyap Sarma	Director
Mr. Mohan Krishna	Director
Mr. Praveen Jaipuria	Chief Executive officer

(b) Transactions during the year

Particulars	For the Period Ended March 31,2022	For the Period Ended March 31,2021
Rent		
Mr. Challa Srishant	1.48**	1.48**
Mrs. Challa Shanta Prasad	1.48**	1.48**
Mrs. Challa Soumya		
Remuneration & Commission		
Mr. Challa Rajendra Prasad	-	-
Mr. Challa Srishant	-	-
Mr. Kondamudu Kasyap Sarma	-	-
Transactions with Holding Companies		
CCL Products (India) Limited.,		
Purchases	12,848.12	9,048.31
Loans	1,650.00	2,200.00
Interest on Loan	143.00	143.00
Trade Payables	2,678.59	1,663.53



(c) Balance Outstanding at	For the Period Ended March 31,2022	For the Period Ended March 31,2021
Amount Receivable		
Amount Payable		
CCL Products (India) Limited.,	1,650.00	2,200.00

**including GST

2.34 Expenditure in Foreign Exchange

Particulars	For the Period Ended March 31,2022	For the Period Ended March 31,2021
Professional Fess	5.03	-
Other Expenses	-	-
Total	5.03	-

2.35 Earnings in Foreign Exchange

Particulars	For the Period Ended March 31,2022	For the Period Ended March 31,2021
FOB value of Exports	-	-
Dividend Income	-	-
Total	-	-

2.36 Segment Reporting

The Company concluded that there is only one operating segment i.e., Trading of Coffee Products. Hence, the same becomes the reportable segment for the Company. Accordingly, the Company has only one operating and reportable segment, the disclosure requirements specified in paragraphs 22 to 30 are not applicable.



2.37 Gratuity and other Post employment benefits

(a) Change in Present Value of Define Benefit Obligation (Gratuity)

Particulars	For the Period Ended March 31,2022	For the Period Ended March 31,2021
Defined Benefit obligation at the beginning	43.16	25.13
Interest cost	2.98	1.71
Adjustment		
Current service cost	19.05	17.37
Benefits Paid	-	-
Actuarial/losses on obligation	(12.19)	(1.05)
Obligation at the end of the year	53.01	43.16

(b) Amount recognised in Profit & Loss Statement for defined benefit contribution plan (Gratuity)

Net Gratuity Expenses	For the Period Ended March 31,2022	For the Period Ended March 31,2021
Current service cost	19.05	17.37
Interest cost on benefit obligation	2.98	1.71
Premium Expenses	0.00	0.00
Expected Return on Assets	0.00	0.00
Net actuarial (gain)/loss recognized in the year	-12.19	-1.05
Net Employee benefit expense	9.85	18.03

(c) Amount recognised in Balance Sheet for defined benefit contribution plan (Gratuity)

Particulars	For the Period Ended March 31,2022	For the Period Ended March 31,2021
Defined Benefit Obligation	53.01	43.16
Fair value of plan assets	96.54	89.92
Net asset/(Liability) recognised in Balance sheet	(43.53)	(46.76)

(d) The assumptions used in accounting for the Gratuity Plan are set out as below:



Particulars	For the Period Ended March 31,2022	For the Period Ended March 31,2021
Discount rate	7.33%	6.91%
Retirement age	58 years	58 years
Future salary increase	4.00%	4.00%

2.38 Income taxes

Income tax Expense/(Benefit) recognised in the Statement of Profit and Loss Account

Particulars	For the Period Ended March 31,2022	For the Period Ended March 31,2021
Current Tax Expense	-	-
Deferred tax Expense	13.69	9.81
Deferred tax expense Benefit		
Total income tax Expense/(Benefit) recognised	13.69	9.81

Income tax Expense/(Benefit) recognised in the Statement of other comprehensive income

Particulars	For the Period Ended March 31,2022	For the Period Ended March 31,2021
Tax Effect on remeasurement of defined benefit Plans	5.55	-
Total income tax Expense/(Benefit) recognised	5.55	0.00



Reconciliation of Effective Tax Rate

Particulars	For the Period Ended March 31,2022	For the Period Ended March 31,2021
Profit Before Income tax	694.42	610.16
Enacted tax Rate in India	25.17%	25.17%
Computed Expected Tax Expense/(Benefit)	0.00	0.00
Tax Effect on		
Expense Not deductible for tax Purpose		
Expense deductible for tax Purpose	-	-
Others	-	-
Income tax Expense/(Benefit)	-	-
Effective tax rate	0.0%	0.0%

Deferred tax Asset/Liabilities

Particulars	For the Period Ended March 31,2022	For the Period Ended March 31,2021
Deferred tax on Property, Plant and Equipment	21.46	7.75
Deferred tax on Gratuity and Leave Encashment	6.85	-
Deferred tax on Lease Assets	1.32	-
Net Deferred Tax Liability	26.99	7.75

2.39 Contingent Liabilities

Particulars	For the Period Ended March 31,2022	For the Period Ended March 31,2021
Claims against the Company/Disputed Liabilities not acknowledged as debts	-	-
Bank Guarantee	-	-
Total	-	-



2.40 Financial Instruments

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Particulars	Fair Value Mar'22	Carrying value Mar'22	Fair Value Mar'21	Carrying Value Mar'21
Trade Receivables	5,696.86	5,696.86	3,503.40	3,503.40
Loans and advances	9.86	9.86	4.87	4.87
Cash and cash equivalents	92.71	92.71	204.99	204.99
Other Bank balances	2.39	2.39	2.05	2.05
Other Non current financial assets	139.07	139.07	102.87	102.87
Total	5,940.90	5,940.90	3,818.18	3,715.31
Borrowings	6,650.00	6,650.00	5,200.00	5,200.00
Trade payables	2,897.46	2,897.46	1,937.05	1,937.05
Other financial liabilities	71.55	71.55	150.69	150.69
Total	9,619.01	9,619.01	7,171.78	7,171.78

The fair value of trade receivables, other financial assets, cash and cash equivalents, other bank balances, borrowings, trade payables and other financial liabilities approximate their carrying amount largely due to short-term nature of these instruments.

2.41 Financial risk management objectives and policies

The Company's financial liabilities comprise mainly of borrowings, trade payables and other payables. The Company's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, loans, trade receivables and other receivables.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. In performing its operating, investing and financing activities, the Company is exposed to the Credit risk and Liquidity risk.

i. Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of interest rate risk. Financial instruments affected by market risk include loans, borrowings and deposits.

a. Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.



b. Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency). Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries.

Expenditure in Foreign Currency is as follows

Particulars	For the Period Ended March 31,2022	For the Period Ended March 31,2021
FOB value of Imports	-	-
Professional Fess	5.03	-
Other Expenses	-	-
Total	5.03	-

ii) Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade Receivables

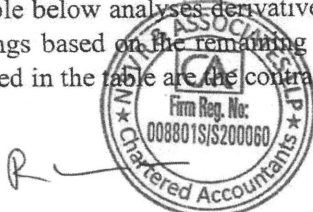
Credit risk with respect to trade receivables is limited, based on our historical experience of collecting receivables, supported by the level of default. Credit risk from balances with banks and financial institutions is managed by the Company's top management in accordance with the Company's policy.

iii) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Company has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The Company also has adequate credit facilities agreed with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost-effective manner.

The table below analyses derivative and non-derivative financial liabilities of the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.



At present, the Company does expects to repay all liabilities at their contractual maturity. In order to meet such cash commitments, the operating activity is expected to generate sufficient cash inflows

Particulars	Carrying value	On Demand	Less than 3 Months	3 to 12 months	1 to 5 Years
As at March 31,2022					
Borrowings	6650.00	-	-	5000.00	1650.00
Trade Payables	71.55	-	71.55	-	-
Other Financial Liabilities	2897.46	-	2897.46	-	-
As at March 31,2022					
Borrowings	5200.00	-	-	5200.00	-
Trade Payables	150.69	-	150.69	-	-
Other Financial Liabilities	1937.05	-	1937.05	-	-

2.42 Capital Management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

Gearing Ratio:

Rs in Lakhs

Particulars	March 31,2022	March 31,2021
Borrowings (non-current and current, including current maturities of non-current borrowings, interest accrued and due, Interest accrued but not due)	6650.00	5200.00
Less: Cash and cash equivalents (including balances at bank other than cash and cash equivalents and margin money deposits with banks)	91.10	207.04
Net debt (A)	6554.90	4992.96
Equity (B)	-1884.22	-1866.30
Gearing ratio (%) {A/(A+B)}	140%	160%

2.43 Other Statutory Information

- The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- The Company do not have any transactions with companies struck off.
- The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,
- The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:



- (a) 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
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (a) 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
- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vii) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).



CONTINENTAL COFFEE PRIVATE LIMITED

Notes to Financial Statements for the Financial Year Ended March 31, 2022

(All amounts are in Lakhs Unless otherwise Specified)

Note No 2.44

The following details relating to micro, small and medium enterprises shall be disclosed in the notes

Particulars	For the Period Ended March 31, 2022	For the Period Ended March 31, 2021
the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;	-	-
the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
the amount of interest accrued and remaining unpaid at the end of each accounting year; and the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest	-	-
dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Note: The list of undertakings covered under MSMED Act was determined by the Company on the basis of information available with the Company.



Note 2.46 :
Ratios as per the Schedule III requirements

Sl No	Particulars	FY 2021-22	FY 2020-21	%Change	Items Included in Numerator	Items Included in Denominator	Reason for change
1	Current Ratio (No of times)	0.77	0.83	-7.77%	Current Assets	Current Liabilities	
2	Debt Equity Ratio (No of times)	-3.53	-2.79	26.67%	Total Debt	Share holders Equity	Debt increased due to Increase in Working capital
3	Return on Equity Ratio (No of times)	-0.37	-0.41	-10.20%	Net profit after tax	Average Shareholders's Equity	
4	Trade Receivable Turnover Ratio (No of times)	3.78	4.33	-12.83%	Credit Sales	Average trade receivables	
5	Inventory Turnover Ratio (No of times)	0.09	0.10	-12.93%	Raw Material consumed	Average Inventory	
6	Debt service coverage Ratio (No of times)	-	-	-	Earnings available for debt service	Interest on borrowings + Repayment of borrowings	
7	Trade Payable turnover Ratio (No of times)	4.52	4.88	-7.24%	Cost of material Consumed	Average Trade Payable	
8	Net Capital turnover Ratio (No of times)	-8.28	-14.20	-41.66%	Revenue from Operations	Working capital	Decreased due to Increase in Revenue from Operations
9	Net Profit Ratio %	-0.04	-0.05	-16.1%	Net profit after tax	Revenue from Operations	
10	Return on Capital employed	-0.83	-1.52	-45.15%	Earnings before interest and taxes(EBIT)	Capital Employed(pre cash)	



1. NOTES TO FINANCIAL STATEMENTS

DESCRIPTION OF THE COMPANY AND SIGNIFICANT ACCOUNTING POLICIES

1.1 Corporate Information

Continental Coffee Private Limited (the company) is a Private Limited company Incorporated under the Provisions of Companies Act 1956. The company is principally engaged in the business of Trading of Coffee and coffee related products. The Company has business operations mainly in India. The Company is a 100% subsidiary of CCL Products (India) Limited which is a Listed company and domiciled in India and has its registered office at 7-1-24/2/D, greendale, ameerpeta, Hyderabad -500016.

The financial statements for the year Ended 31 March 2022, were approved by the Board of Directors on 19 May,2022.

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

1.2 Basis of preparation and presentation of Financial Statements

The financial statements of Continental Coffee Private Limited have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) notified under Section 133 of Companies Act, 2013, (the 'Act') and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant schedule III), as applicable and other relevant provisions of the Act.

The standalone financial statements have been prepared on a going concern basis. The accounting policies are applied consistently to all the periods presented in the standalone financial statements except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires change in accounting policy hitherto in use.

1.3 Functional and presentation currency

These standalone financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All financial information presented in Indian rupees have been rounded-off to two decimal places to the nearest lakhs except share data or as otherwise stated.

1.4 Basis of Measurement

These financial statements have been prepared on the historical cost convention and on an accrual basis, except for the following material items in the balance sheet:

- Certain financial assets are measured either at fair value or at amortized cost depending on the classification;
- Employee defined benefit assets/(liability) are recognized as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit



obligation and

- c. Borrowings are measured at amortized cost using the effective interest rate method.

1.5 Use of estimates and judgments.

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the standalone financial statements is included in the following notes:

- Note 1.20 - lease classification.
- Note 1.20 - leases: whether an arrangement contains a lease and lease classification

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Note 2.37 – measurement of defined benefit obligations: key actuarial assumptions;
- Note 1.13 - determining an asset's expected useful life and the expected residual value at the end of its life

1.6 Measurement of fair values

Accounting policies and disclosures require measurement of fair value for both financial and non-financial assets.

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

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

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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



market participant that would use the asset in its highest and best use.

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

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

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

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in the measuring fair values is included in the following notes:

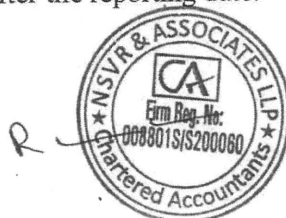
'- Note 2.40 - Financial instruments

1.7 Current and non-current classification

'The Schedule III to the Act requires assets and liabilities to be classified as either current or non-current. The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

Assets: An asset is classified as current when it satisfies any of the following criteria:

- a. It is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- b. It is held primarily for the purpose of being traded;
- c. It is expected to be realized within twelve months after the reporting date; or
- d. It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.



Liabilities: A liability is classified as current when it satisfies any of the following criteria:

- a. It is expected to be settled in the Company's normal operating cycle;
- b. It is held primarily for the purpose of being traded;
- c. It is due to be settled within twelve months after the reporting date; or
- d. the Company does not have an unconditional right to defer settlement of liability for at least twelve months from the reporting date.

All other liabilities are classified as non-current. 'Deferred tax assets/liabilities are classified as non-current.

1.8 Operating Cycle

Operating cycle is the time between the acquisition of assets for processing and realisation in cash or cash equivalents. The Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

Summary of significant accounting policies

1.9 Revenue Recognition

Sale of products

Revenue is recognised when the goods are delivered and have been accepted by customers. For contracts that permit the customer to return an item, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore, the amount of revenue recognised is adjusted for expected returns, which are estimated based on the historical data for specific types of products. In these circumstances, a refund liability and a right to recover returned goods asset are recognised.

Income from Leasing of vending machines:

The company derives revenue from Leasing of vending machines. Leasing charges are in the nature of operating lease income and is recognized as per the terms of the agreement.

1.10 Other Income

Other Non-Operating revenue is recognized as and when accrued.

1.11 Borrowing Cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a



substantial period of *time* to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

1.12 Foreign Currency Transaction

Transactions in foreign currencies are translated to the respective functional currencies of entities within the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at that date. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognized in the statement of profit and loss in the period in which they arise.

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction, if any.

1.13 Property Plant & Equipment

Recognition and measurement

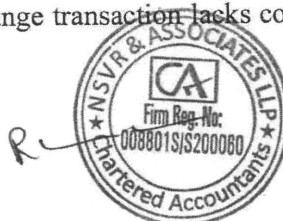
Property, Plant and Equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment loss, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset i.e., freight, duties and taxes applicable and other expenses related to acquisition and installation. The cost of self-constructed assets includes the cost of materials and other costs directly attributable to bringing the asset to a working condition for its intended use. Borrowing costs that are directly attributable to the construction or production of a qualifying asset are capitalised as part of the cost of that asset.

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

Gains and losses upon disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized net within in the statement of profit and loss.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of repairs and maintenance are recognized in the statement of profit and loss as incurred.

Items of property, plant and equipment acquired through exchange of non-monetary assets are measured at fair value, unless the exchange transaction lacks commercial substance or the fair value of



either the asset received or asset given up is not reliably measurable, in which case the asset exchanged is recorded at the carrying amount of the asset given up.

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.

Depreciation

Depreciation is recognized in the statement of profit and loss on a Straight Line Method (SLM) basis over the estimated useful lives of property, plant and equipment based on Schedule II to the Companies Act, 2013 ("Schedule"), which prescribes the useful lives for various classes of tangible assets. For assets acquired or disposed off during the year, depreciation is provided on prorata basis.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted prospectively, if appropriate.

The estimated useful lives are as follows:

Type of Asset	Estimated useful life in years
Vending Machine	10
Cell phones	3
Electrical Installations	10
Vehicles	8
Computers	3
Office Equipment	5
Furniture & Fixtures	10

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date is disclosed as capital advances under other current assets.

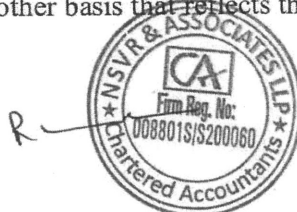
The cost of property, plant and equipment not ready to use before such date are disclosed under capital work-in-progress. Assets not ready for use are not depreciated.

1.14 Intangible assets

Acquired computer software and Trade Marks is capitalised on the basis of the costs incurred to acquire and bring to use. The Intangible assets that are acquired by the Company and that have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses

Amortization

Amortization is recognized in the statement of profit and loss on Straight line basis over the estimated useful lives of intangible assets or on any other basis that reflects the pattern in which the asset's future



asset's future economic benefits are expected to be consumed by the entity. Intangible assets that are not available for use are amortized from the date they are available for use. The estimated useful lives are as follows:

Type of Asset	Estimated useful life
Intangible Assets	
Computer Software	6
Trade Marks	Nil

The amortization period and the amortization method for intangible assets with a finite useful life are reviewed at each reporting date.

1.15 Financial Instruments

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

a. Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

(i) Debt instrument at FVTPL

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss. The Company has not designated any debt instrument as at FVTPL.

(ii) Investment in Preference Shares and Unquoted trade Investments

Investment in Preference Shares and Unquoted trade Investments are measured at amortised cost using Effective Rate of Return (EIR).

(iii) Investment in equity instruments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to



which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments i.e., investments in equity shares within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

(iv) Investments in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and joint venture, the difference between net disposal proceeds and the carrying amounts are recognized in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's balance sheet) when:

- (i) The rights to receive cash flows from the asset have expired, or
- (ii) 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 recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises 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.



b. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised 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, financial guarantee contracts.

Subsequent measurement

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

(i) Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation 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 amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

Derecognition

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 recognised in the statement of profit and loss.

Offsetting:

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if there is a currently and legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

1.16 Inventories

Inventories consist of finished goods and are measured at the lower of cost and net realisable value. The cost of all categories of inventories is based on the weighted average method. Cost includes expenditures incurred in acquiring the inventories and other costs incurred in bringing them to their



existing location and condition..

1.17 Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the Company operates, or for the market in which the asset is used.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognized in the statement of profit and loss if the estimated recoverable amount of an asset or its cash-generating unit is lower than its carrying amount. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss has been recognized.

1.18 Cash & Cash Equivalents

Cash and bank balances comprise of cash balance in hand, in current accounts with banks, demand deposit, short-term deposits. For this purpose, "short-term" means investments having maturity of three months or less from the date of investment. Bank overdrafts that are repayable on demand and form an integral part of our cash management are included as a component of cash and cash equivalents for the



purpose of the statement of cash flows.

1.19 Employee Benefits

Short term employee benefits

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

Defined Contribution Plan

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

Defined Benefit Plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The liability or asset recognised in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by a qualified actuary using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the projected unit credit method consistent with the advice of qualified actuaries. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates based on prevailing market yields of Indian Government Bonds and that have terms to maturity approximating to the terms of the related defined benefit obligation. The current service cost of the defined benefit plan, recognised in the statement of profit and loss in employee benefit expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year,



benefit changes, curtailments and settlements. Past service costs are recognised immediately in income. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Termination benefits

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

Other long-term employee benefits

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

1.20 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

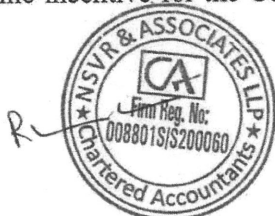
Company as a Lessor:

Leases for which the Company is a lessor are classified as a finance or operating lease. When ever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Rental income from operating leases are recognized on straight line basis over the term of relevant lease.

Company as a Lessee:

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend



the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

Right of use asset

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. 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 asset. The estimated useful lives of right-of use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

Lease Liability

The Company measures the lease liability at present value of the future lease payments at the commencement date of the lease. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where 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, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

Short term leases and Lease of Low value assets

The Company applies the short-term lease recognition exemption to its short-term leases of buildings, machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

1.21 Tax Expenses

Tax expense consists of current and deferred tax.



Current Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretations and considers whether it is probable that a taxation authority will accept an uncertain tax treatment.

Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is not recognised for:

Temporary differences arising 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 at the time of the transaction; and

Deferred tax assets are recognised for deductible temporary differences, the carry forwards of unused tax credits and unused tax losses. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

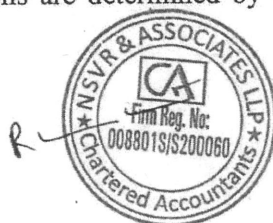
Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

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.

1.22 Provisions, contingent liabilities and contingent assets

Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash



flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised under finance costs. Expected future operating losses are not provided for. Provision in respect of loss contingencies relating to claims, litigations, assessments, fines and penalties are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.

Contingent liabilities

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised under finance costs. Expected future operating losses are not provided for. Provision in respect of loss contingencies relating to claims, litigations, assessments, fines and penalties are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.

Contingent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

Contingent assets has to be recognised in the financial statements in the period in which if it is virtually certain that an inflow of economic benefits will arise. Contingent assets are assessed continually and no such benefits were found for the current financial year.

1.23 Earnings Per Share

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

1.24 Cash flow Statements

Cash flows are reported using the indirect method, whereby net profit/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Company are segregated.



1.25 Trade receivables

Trade receivables are initially recognized at fair value and subsequently measured at amortised cost using effective interest method, less provision for impairment.

1.26 Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are presented as current liabilities unless payment is not due within twelve months after the reporting period. They are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

1.27 Determination of fair values

The Company's accounting policies and disclosures require the determination of fair value, for certain financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

a. Property, plant and equipment

Property, plant and equipment, if acquired in a business combination or through an exchange of non-monetary assets, is measured at fair value on the acquisition date. For this purpose, fair value is based on appraised market values and replacement cost.

b. Intangible assets

The fair value of brands, technology related intangibles, and patents and trademarks acquired in a business combination is based on the discounted estimated royalty payments that have been avoided as a result of these brands, technology related intangibles, patents or trademarks being owned (the "relief of royalty method"). The fair value of customer related, product related and other intangibles acquired in a business combination has been determined using the multi-period excess earnings method after deduction of a fair return on other assets that are part of creating the related cash flows.

c. Inventories

The fair value of inventories acquired in a business combination is determined based on its estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.



d.Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases the market rate of interest is determined by reference to similar lease agreements. In respect of the Company's borrowings that have floating rates of interest, their fair value approximates carrying value.

Recent pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

IND AS 103 - Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

"The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements."

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

"The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements."

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.



Ind AS 116 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

For NSVR & Associates LLP. ,

Chartered Accountants

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R. Skrishna

Partner

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Challa Srishant

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Director

DIN:00702292



Place: Hyderabad

Date:19.05.2022