KATI PATANG
LIFESTYLE

Date: September 07, 2025

To,
The Manager,
Corporate Relations Department,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400001

Scrip Code: 531126

Subject: Submission of Annual Report pursuant to Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir,

In compliance with the provisions of Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith a copy of Annual Report of the Company for the year ended 31st March, 2025.

The aforesaid documents are being dispatched to all eligible shareholders and are also available on the website of the company www.virtsoft.com and www.katipatang.com.

Kindly take the information on record.

Thanking You,

You are requested to kindly take the above information for your records.

Thanking You,

For **Kati Patang Lifestyle Limited**

SANJEEV KUMAR JHA Digitally signed by SANJEEV KUMAR JHA Date: 2025.09.07 19:24:16 +05'30'

Sanjeev Kumar Jha
Company Secretary & Compliance Officer

WELCOME TO THE KATI PATANG LIFE

KATI PATANG LIFESTYLE LIMITED

Annual Report 2024-25

WHEN FREEDOM TAKES FLIGHT

KATI PATANG (Kuh-ti-Puh-Tuh-ng) is a Hindi phrase for a free, unfettered kite. Our award-winning brews blend unique ingredients with traditional recipes for an unforgettable tease of the palette

KATI PATANG LiFESTYLE

A BSE-listed company (Main Board) that owns a vibrant premium beer brand Kati Patang and its associated labels such as Saffron Lager, Snappy Wheat, Zesty Amber, Bareilly Bold etc. through its 98% owned subsidiary, Empyrean Spirits Pvt. Ltd.

The brand boasts an array of award-winning beer styles crafted with uniquely Indian ingredients such as saffron, turmeric, ginger, and peppercorn. Kati Patang is available in India, US and the UK

BSE LISTED | KATIPATANG | 531126 | INE237C01016

KPL VISION

Be India's first homegrown, listed alco-bev and lifestyle platform managed by professionals which will incubate other complementary businesses (both Indian and International) with premium products and experiences

PORTFOLIO

Familiar to the palette yet unique

	ZESTY AMBER	SNAPPY WHEAT
	Complex yet smooth ale with light citrus notes	**Crisp wheat character blended with organic Indian spices**
ABV	4.6%	4.6%
INNOVATION	HIGH The only bottled Amber Ale in India. Won Silver at BIBC, Berlin	HIGH An original “Indian” witbier Won Silver at BIBC, Berlin
PRESENCE	DOMESTIC	DOMESTIC

SAFFRON LAGER

Refreshing and clean lager gently steeped in Saffron from Pampore, Kashmir

4.6%

HIGH
Saffron used for the first time to bring the earthy notes in the flavor notes. Won GOLD at NYIBC

DOMESTIC, INT: US
INT: UK (gluten-free version)

BAREILLY BOLD

Strong, bold lager eased with the earthiness of Palash, state flower of UP

6.5%

MODERATE
Palash flowers add slight muskiness in the beer

INT: US

BAREILLY EXTRA BOLD

Extra strong avatar of Bareilly Bold

8%

LOW
Mass appeal strong lager

DOMESTIC

FACTORS OF DIFFERENTIATION

GLOBAL INDIAN BRAND

We are unapologetically Indian and are proudly the first premium beer brand with an Indian name.
We cater to a global audience.
Our aesthetics speak to millennials and Gen Zs across the world.

FAMILIAR YET UNIQUE PRODUCTS

Our brews are never me-too.
Traditional recipes swirled with fine but unique ingredients.
Ideated and rooted in India for a global appeal.

CULT BRAND WITH AN EVOCATIVE IDENTITY

Branding anchored on the deepest human need: Freedom.
All aspects of branding (illustration, story, merchandise, events) - are crafted to build the community that celebrated the creative side in each and every one of us.

IN THE LIMELIGHT:

Awards and Accolades

INTERNATIONAL

Berlin

Berlin

New York

Las Vegas

INDIA

Business

Industry

Industry

Industry

Digital

BREWING EXCELLENCE

Featured across various publications

VOGUE

"10 Indian craft beers to beat the heat with this year"

Condé Nast Traveller

"Made in India: Raise a toast to these 9 Indian beer brands"

GQ

"6 Indian beers that you need to get your hands on"

FE Leisure

"Indian brands that are heralding beer revolution"

TatlerAsia

"21 Of The Most Exciting Craft Beer Brands Brewing In Asia"

AD ARCHITECTURAL DIGEST

"Indian beers that you need to get your hands on"

"9 of The Best Beer Brands In India"

WE'VE ALSO BEEN FEATURED ON THESE PLATFORMS:

Outlook

LBB

Brews & Spirits

mint

UNTAPPD

whats hot

MAGZTER

LIFESTYLE ASIA

boldsky

IN THE RECENT NEWS...

HOSPITALITY WORLD

Kati Patang expands into the UK with acquisition of 23% stake in ChadKP Holdings

The strategic partnership with Chadlington Brewery and The Tite Inn, located in the picturesque Cotswolds, is a key step in Kati Patang's ambition to expand its global presence.

Kati Patang Lifestyle Limited, has made a significant move into the UK market by acquiring a 23 percent stake through its UK subsidiary in CHADKP HOLDINGS LIMITED, the parent company of Chadlington Brewery and The Tite Inn, Oxford. In addition to the acquisition, Kati Patang Ltd. has entered into a three-year licensing agreement to brew its iconic gluten-free Saffron Lager at Chadlington Brewery.

This investment marks the beginning of a new chapter for Kati Patang, one of India's most celebrated premium beer brands. The strategic partnership with Chadlington Brewery and The Tite Inn, located in the picturesque Cotswolds, is a key step in Kati Patang's ambition to expand its global presence. The collaboration is set to redefine the premium beer segment in the UK and European markets, blending the strengths of all three entities.

Kati Patang is renowned for its innovative approach to creating premium, India-inspired beers. Chadlington Brewery, celebrated for its award-winning beers brewed with pure Oxfordshire spring water, is known for its vegan-friendly ethos and high-quality production. The Tite Inn Chadlington, a historic pub with deep roots in the community, will serve as an ideal setting for this collaboration, combining the best of British brewing heritage with the unique flavours of India.

Entrepreneur

Kati Patang Lifestyle Expands Footprint in the UK with Strategic Stake in Chadlington Brewery

mint Premium | COMPANIES

Following listing, beer maker Kati Patang plans to acquire and incubate small alcohol businesses to expand

Varuni Khosla
varuni.k@livemint.com
NEW DELHI

Kati Patang Lifestyle acquired a 23% stake in Chadkp Holdings for £300,000 to expand its business in the UK market. @IAMKATIPATANG/X

Kati Patang Lifestyle, a maker of craft beer that recently listed on the exchanges through a share swap, plans to scale up operations and become an incubator by adding small alcohol businesses to its portfolio. The New Delhi-based company will expand its business, both organically and inorganically, in the next two years, co-founder Shantanu Upadhyay told *Mint*.

The company acquired a stake in the owner of a UK brewery last month and will look to acquire and incubate domestic and international brands to foster the expansion while also growing its own brands.

Kati Patang Lifestyle has raised ₹25 crore year-to-date and an additional ₹10 crore from existing investors from a share-swap deal.

"In India, we've noted that the route to market for beer companies is primarily through selling strong beer. While we sell that, our focus has been primarily on creating brands. We too have a strong beer, but that is also on the premium end of the market," Upadhyay said.

"Generally, beer brands end up burning a lot of cash because of high excise duties coupled with heavy discounting. But we started our craft beer retail journey in 2018 and generally want to remain at the most premium end of the market with our beers priced around ₹150-180 a pint in a state like Delhi," he said.

About 7.5% of the company's business comes from retail sales and the remaining is from hotels and restaurants. The company expects to cross ₹15 crore of net revenue by the end of FY25. Its beers are available in Delhi, Punjab and Himachal Pradesh. It has just started in Haryana and will enter Chhattisgarh and Daman and Diu in the coming months.

"This fiscal, we will cross 150,000 beer case volumes and will look to double this by FY26. Our net revenue in FY26 should cross ₹45-50 crore on the back of organic growth. We should also be able to triple our volumes by FY26. Inorganic growth will be over and above the beer business. This will help as there is a huge premium in the capital markets for brands that will promise growth over the next few years," Upadhyay said.

Kati Patang has raised ₹25 cr year-to-date and additional ₹10 cr from existing investors from a share-swap deal

Kati Patang was founded in 2018 with a majority of its production from Bhutan. The company specialises in using Indian ingredients such as saffron, turmeric, ginger, and peppercorn in its beers.

It has five variants including Zesty Amber, which is a take on an American Amber ale, a wheat beer, Saffron Lager, and Bareilly Bold, which is a strong beer. Today, part of the company's production comes from Solan in Himachal Pradesh, where it took up a contract manufacturing facility in 2020. Today, its strong beer and one type of lager are made in India.

In December, the company initiated a share-swap deal with VirtualSoft Systems Ltd, a listed company that then changed its name to Kati Patang Lifestyle Ltd. VirtualSoft was founded by Gokul Tandan and the company's other promoter is Forest Essentials' executive director Samrath Bedi. Both are early investors in Kati Patang.

"We wanted to go to the capital markets with the intent of raising 'patient' capital to help the company in its growth cycle and believe in its long-term vision. We were lucky to find such investors in our early years. In the process of listing our business at the stock exchange, we also cleaned up the balance sheet by swapping debt with equity and raised an additional ₹10 crore from existing investors to drive near-term growth," said Upadhyay, who is also the chief executive of Kati Patang Lifestyle.

Kati Patang Lifestyle's wholly owned unit Empyrean Spirits Pvt. Ltd, through its UK subsidiary Kati Patang, acquired a 23% stake in Chadkp Holdings Ltd for £300,000 to expand its business in the UK market. The deal closed on 24 December.

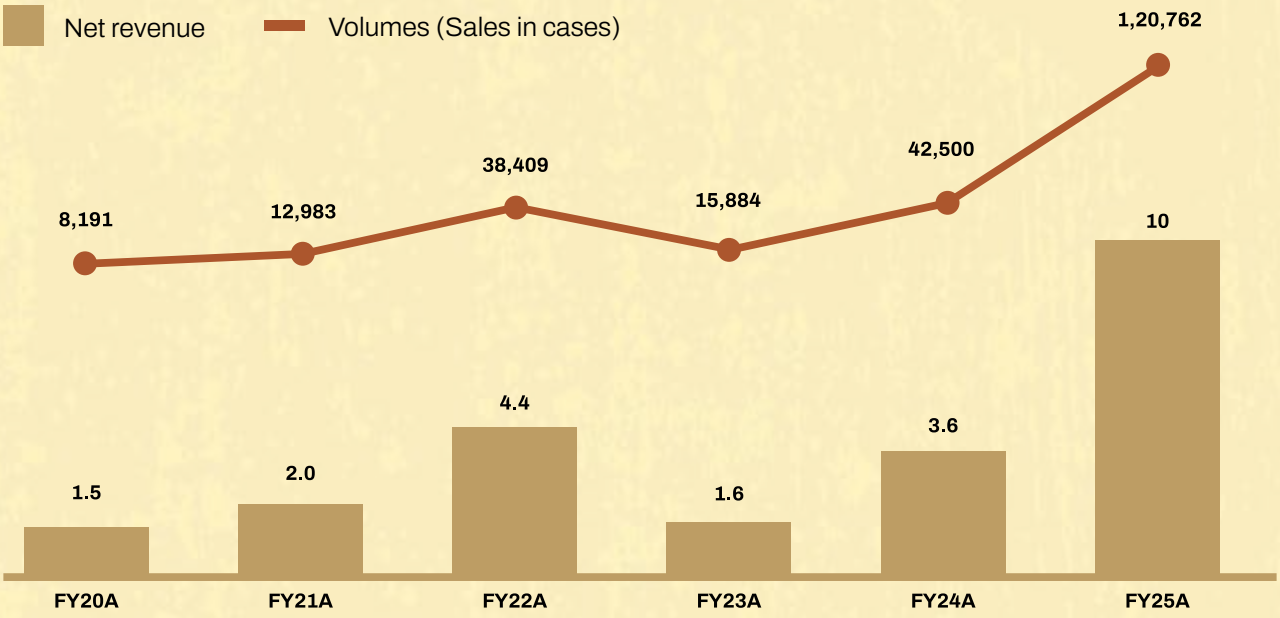
Chadkp owns Chadlington Brewery and The Tite Inn in Chadlington.

Kati Patang Ltd UK signed a three-year licensing agreement to brew its gluten-free Saffron Lager at its brewery.

For an extended version of this story, go to livemint.com

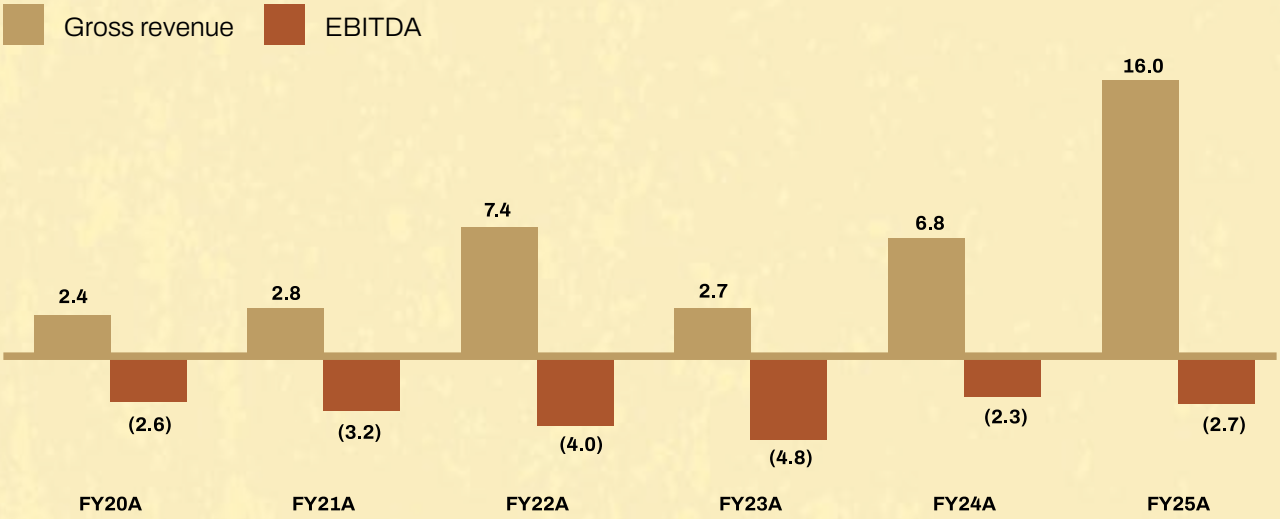
PRIMED FOR RAPID SCALE-UP WITH NARROWING LOSSES

Net revenue and volume evolution: FY20A – FY25F



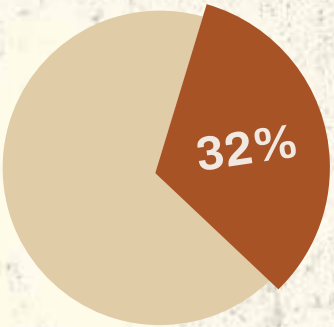
Revenue in FY 25 has grown 2.8X over FY 24

Net revenue and EBITDA evolution : FY20A – FY25F



KATI PATANG IN THE US: TAM OF $37B

CRAFT AND IMPORTED BEERS SURGE



Craft and imported premium beers account for **32%** of the $116.8B beer market (premium segment is growing at 11% + while mainstream is declining at -1.2%)

PREMIUMIZATION RISING: MORE DRINKERS CHOOSE PREMIUM & PAY EXTRA FOR ECO-FRIENDLY BEERS

41% of US beer drinkers now consistently choose premium options (vs. 29% in 2019)

55% of US drinkers pay +15% more for eco-friendly beers

BOLD FLAVORS WIN

68% of craft/ premium beer drinkers seek bold "new" flavors (e.g., saffron, turmeric)

IMPORTED BEERS THRIVE

Bars serving Indian cuisine growing **45%** YOY

Imported beers command **200-300%** markup

KATI PATANG IN THE US:
Good initial traction achieved

Definite consumer preference of premium and exotic – Kati Patang beers' pricing is **20-25%** premium to competition (Kingfisher, Taj Mahal, Bira) and ingredients (eg. Saffron) lend the exotic appeal and enhance premium perception

Currently distributed across:
- Washington State
- Oregon
- Arizona
- California
- North Carolina
- Illinois

Soon-to-be distributed in:
- Idaho
- Georgia

Near-term expansion plan includes major markets such as **New York, Florida, Texas, Virginia, NE US**. In addition, get a foot hold in other national retail chains such as **Kroger, Wholefoods, Costco.**

Off-premise presence: Total Wine (in all above states, except Oregon and Idaho) + Bevmo (WA, CA). Other national retail chains being explored such as Kroger, Wholefoods, Costco

Strong on-premise market (Seattle, Bay Area)

KATI PATANG

AUTHENTIC CRAFT

MARKETING IP PORTFOLIO 2025

WHY WE DO...WHAT WE DO...

Each IP has a dedicated approach to build and target a specific community.

KATI PATANG TRIAL ROOM

Indie music artists & listeners

KATI PATANG QUIZ LEAGUE

Seasoned & aspiring quizzers

KATI PATANG QUIZ LEAGUE

Vinyl players, collectors & enthusiasts

Based on trend, reach, engagement and active participation, this audience is authentic, premium and are willing to spend for thoughtfully crafted experiences, which they resonate with. **Thus converting these properties into revenue generating models**

KATI PATANG TRIAL ROOM

SEEK. DISCOVER. WITNESS

IF YOU **SEEK** SOMETHING NEW,
YOU **DISCOVER** IT ON KATI PATANG TRIAL ROOM,
AND THEN YOU **WITNESS** IT LIVE.

VISION

A platform where INDIE INDIAN ARTISTS get to showcase an experimental version of their musical craft. It could be in collaborating with another artist or "moving away" from a genre that their audience relates to.

It is experiencing the AUTHENTIC, UNPOLISHED, UNEDITED & RAW... LIVE!

JOURNEY SO FAR...

2022

We kicked off our first edition - **STUDIO SESSIONS**. Partnering with **BRAVE CAVE**, a Mumbai-based record label, **5 INDEPENDENT ARTISTS** were handpicked, who created compositions from scratch and released them at the **CULMINATION** gig.

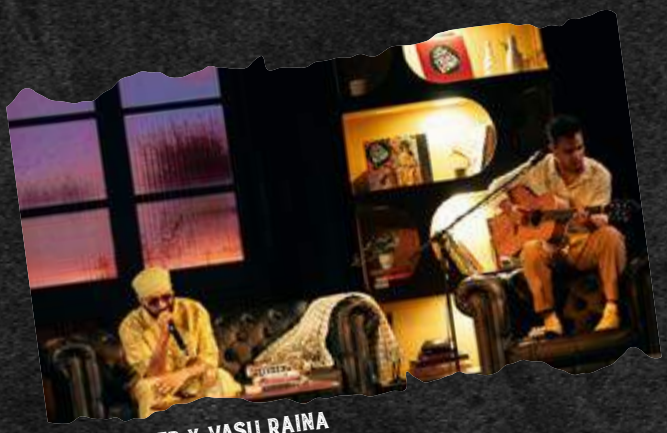
An album cover was also designed that highlighted each of their musical personas that came together beautifully in one illustration.

2024

KATI PATANG TRIAL ROOM GETS EDGY.

BOLD, RAW & UNFILTERED ENERGY SPEAKS DIRECTLY TO THE CREATIVE FREEDOM AND SPONTANEITY.

WITH...



PRABH DEEP X VASU RAINA

ANIRUDH VARMA COLLECTIVE X AADYA JAISWAL

VARUN NIMBOLKAR X JUNAID AHMED

AT VENUES THAT ARE A HAVEN FOR INDIE MUSIC LOVERS

DEPOT 48
MUSIC BAR FOOD

GREATER KAILASH 2

THE PIANO MAN

ELDECO CENTER

A perfect amalgamation of legacy and experimentation of the craft that is co-created for the Indie-music community

KATI PATANG
QUIZ LEAGUE

BRAINS, BEERS & BRAGGING RIGHTS

DELHI'S FIRST PUB QUIZ LEAGUE

In collaboration with **QuizCraft Global** & **Pebble Street, NFC**

7 league teams **42** participants **6** months

6 quiz nights **1** winning team (each night)

League Winner: **LEGENDS TROPHY**

MOST VALUABLE PLAYER AWARD

REGISTRATION & GIVEAWAYS

Registration fee: ₹**15,000** per team

Walk-in team: ₹**3,500** (one slot)

Welcome hamper: Merch & vouchers worth ₹**4,000** for each

Winning team (each night): Beers + Books + Spirit worth ₹**7,500**

League Winning Team: Prize worth ₹**1,00,000 +**

Most Valuable Player: Prize worth ₹**4,000 +**

KATI PATANG SPIN-CITY

CRAFTING CULTURE ONE SIP AT A TIME

SHARED TRIBE

Where **craft beer** meets **analog music**

The vinyl community of Delhi is gathering momentum.
Though niche in its craft, it truly is the most authentic
expression of music that "started it all".
We are bringing it all back with...
Kala Ghoda Records

The brands come together to create an unforgettable experience, celebrating art, music and the community that drives it all...
...invoking a sense of:

Cultural Appreciation
Nostalgia & Authenticity
Community Building
Exploring New Genres

WE'RE JUST GETTING STARTED!

KATI PATANG LIFESTYLE LIMITED

(Formerly known as Virtualsoft Systems Limited)

Annual Return for the Financial year 2024-25

BOARD OF DIRECTORS:	
Mr. Gokul Naresh Tandan	**Managing Director & Chairperson** (Originally appointed on 31st July 2000 as director & 27th June 2025 as MD & chairperson for a term of 5 years expiring on 30th July 2030)
Mr. Shantanu Upadhyay	**Joint Managing Director & CEO** (Originally appointed on 14th November 2024 as Director on 27th June 2025 as JMD &CEO for a term of 5 years expiring on 27th June 2030)
Mr. Rajendra V. Kulkarni	**Director** (Appointed on 1st July 2002)
Mr. Vikram Grover	**Independent Director** (Appointed on 12th August 2022 for a term of 5 years)
Ms. Geeta Singh	**Woman Director & Independent Director** (Appointed on 28th August 2023 for a term of 5 years)
Mr. Sanjay k Jain	**Independent Director** (Appointed on 14 November 2024 for a term of 5 years)
Company Secretary	**Mr. Sanjeev K Jha** (appointed w.e.f. 1st April 2025)
Chief Financial Officer	**Mr. Athar Ahmad** (appointed w.e.f. 14th August 2014)
Statutory Auditors	**Rajesh Raj Gupta & Associates LLP**, Chartered Accountants, 412A, Chiranjiv Tower, Nehru Place, New Delhi-110019 (appointed for a term of 5 Year upto FY 2028-29)
Secretarial Auditors	**Saket Billa & Associates**, Company Secretaries, 22/113, Patel Nagar, New Delhi-110008 (Appointed on 27th June 2025 for a term of 5 years upto FY 2029-30)
Registrar & Share Transfer Agent	**Mas Services Pvt. Ltd**, T-34, Okhla Ind. Area Phase-2, New Delhi–110020
Registered Office	S-101, Panchsheel Park, New Delhi-110 017
Corporate Office	504, Savitri Cinema Complex, Greater Kailash-II, New Delhi-110048

NOTICE

Notice is hereby given that the Thirty-Third (33rd) Annual General Meeting of the Members of the Company will be held on Tuesday, September 30, 2025 at 9:00 a.m. through video Conferencing ("VC") / Other Audio-Visual Means ("OAVM"), to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheets as at March 31, 2025 and the Profit & Loss Account & Cash Flow statement for the year ended as on that date and the Reports of Auditors and Directors thereon.

2. **To appoint a Director in place of Rajendra V Kulkarni (DIN 00988255), who retires by rotation and being eligible, offers himself for re-appointment**.

SPECIAL BUSINESS:

3. **To appoint M/s Saket Billa & Associates, Company Secretary as Secretarial Auditor of the Company**.

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to Section 204 and other applicable provisions, if any, of the Companies Act, 2013, Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), other applicable laws/statutory provisions, if any, as amended from time to time, M/s Saket Billa & Associates, Company Secretary in Practice (COP No. 21904, Peer review no. 4485/2023) be and is hereby appointed as Secretarial Auditor of the Company for a term of five consecutive years commencing from financial year 2025-26 till financial year 2029-30, at such fees, plus applicable taxes and other out-of-pocket expenses as may be mutually agreed upon between the Board of Directors of the Company and the Secretarial Auditor.

RESOLVED FURTHER THAT the Board be and is hereby severally authorized to do all such acts, deeds, matters and things and take all such steps as may be deemed necessary, proper, expedient or desirable for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto.

4. APPROVAL OF MATERIAL RELATED PARTY TRANSACTIONS.

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Regulation 2(1) (zc), 23(4) and other applicable Regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), as amended from time to time, Section 2(76) and other applicable provisions of the Companies Act, 2013 ('Act') read with the Rules framed thereunder [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and other applicable laws / statutory provisions, if any, the Company's Policy on Related Party Transactions as well as subject to such approval(s), consent(s) and/or permission(s), as may be required and based on the recommendation of the Audit Committee, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the 'Board', which term shall be deemed to include the Audit Committee or any other Committee constituted / empowered / to be constituted by the Board from time to time to exercise its powers conferred by this Resolution) to the Material Related Party Transaction(s) / Contract(s) / Arrangement(s) / Agreement(s) entered into / proposed to be entered into (whether by way of an individual transaction or transactions taken together or a series of transactions or otherwise), as mentioned in detail in the Explanatory Statement annexed herewith, for the following arrangements/ transactions/ contracts (including any other transfer of resources, services or obligations) to be entered into by the Company for the financial year 2025-26 & any transactions entered into with the parties before the Annual General Meeting be and are hereby ratified.

Details of Related Party Transactions/ Arrangements/ Contracts per Financial Year.

S. No	Name of Related Party	Nature of Relationship	Type of Transaction(s)	Maximum Value of Transaction for Financial Year
1.	Mr. Gokul Naresh Tandan	Chairman & Managing Director	Receipt of Unsecured Loan from him and payment of Interest or principal thereon	As required as per decision to be taken by Chairman for any amount not exceeding INR 10,00,00,000 (Ten Crore)
2.	M/s Empyrean Spirits Pvt Ltd	Subsidiary company	Investment in equity	As required as per decision to be taken by Chairman for any amount not exceeding INR 15,00,00,000 (Fifteen Crore)
3.	M/s Empyrean Spirits Pvt Ltd	Subsidiary company	Grant of loan and receipt of repayment of loan	As required as per decision to be taken by Chairman for any amount not exceeding INR 10,00,00,000 (Ten Crore)
4	Any other company/ Firm/ individual as required as per decision to be taken by Chairman on approval by audit committee.	Related party	Grant/receipt of loan & receipt/repayment of interest or principal thereon	As required as per decision to be taken by Chairman for any amount not exceeding INR 10,00,00,000 (Ten Crore)

RESOLVED FURTHER THAT Mr. Gokul Naresh Tandan, Chairman of the company be and is hereby authorized to take a decision on parties, amount, whether interest will be charged/paid or whether interest free, whether one time or in trenches within the limit mentioned hereinabove.

RESOLVED FURTHER THAT the Board of Directors and Company Secretary of the Company be and are hereby severally authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

5. APPOINTMENT OF MR. GOKUL NARESH TANDAN (DIN:00441563) AS CHAIRMAN AND MANAGING DIRECTOR

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act 2013 including any statutory modification or re-enactment thereof, or any other law and subject to such consent(s), approval(s) and permission(s) as may be necessary in this regard and subject to such conditions as may be imposed by any authority while granting such consent(s), permission(s) and approval(s) and as are agreed to by the Board of Directors (hereinafter referred to as the Board, which term shall unless repugnant to the context or meaning thereof, be deemed to include any committee thereof and any person authorised by the Board in this behalf), and as re-appointed by the Board on 27th June 2025 for a fresh term of 5 (five) years, consent of the Members be and is hereby accorded to appoint Mr. Gokul Naresh Tandan (DIN: 00441563) as Chairperson and Managing Director of the Company for a period of Five years with effect from 31st July 2025 & to hold the office of Managing Director and Chairperson till 30th July 2030, on the terms and conditions as set out in the Employment agreement with liberty to Board, to alter and vary the terms and conditions of the said appointment and/or remuneration as it may deem fit and as may be acceptable to Mr. Gokul Naresh Tandan, subject to the same not exceeding the limits specified under Schedule V of the Companies Act, 2013 or any statutory modification(s) or re-enactments thereof.

RESOLVED FURTHER THAT notwithstanding anything herein, where in any financial year during the tenure of the MD, the Company has no profits or its profits are inadequate, the Company may subject to receipt of the requisite approvals including approval of Central Government, if any, pay to the MD, the agreed remuneration as the minimum remuneration by way of salary, perquisites, performance pay, other allowances and benefits as specified in the Employment agreement

and the that the perquisites pertaining to contribution to Provident Fund, Superannuation Fund or Annuity Fund, Gratuity and Leave Encashment shall not be included in the computation of the ceiling on remuneration specified in Schedule V of the Companies Act, 2013.

RESOLVED THAT pursuant to section 196(3) read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), consent of the Members of the Company be and is hereby accorded for holding & continuation of office of Managing Director by Mr. Gokul Naresh Tandan (DIN: 00441563) upon & after attaining the age of 70 (Seventy) years.

RESOLVED FURTHER THAT the Board of Directors and Company Secretary of the Company be and are hereby severally authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

6. APPOINTMENT OF MR. SHANTANU UPADHYAY (DIN:07709657) AS JOINT MANAGING DIRECTOR & CEO

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act 2013 including any statutory modification or re-enactment thereof, or any other law and subject to such consent(s), approval(s) and permission(s) as may be necessary in this regard and subject to such conditions as may be imposed by any authority while granting such consent(s), permission(s) and approval(s) and as are agreed to by the Board of Directors (hereinafter referred to as the Board, which term shall unless repugnant to the context or meaning thereof, be deemed to include any committee thereof and any person authorised by the Board in this behalf), consent of the Members be and is hereby accorded to appoint Mr. Shantanu Upadhyay (DIN: 07709657) as Joint Managing Director & CEO of the Company for a period of Five years with effect from appointment by the Board on 27th June 2025 & to hold the office of till 27th June 2030, on the terms and conditions as set out in the Employment agreement with liberty to Board, to alter and vary the terms and conditions of the said appointment and/or remuneration as it may deem fit and as may be acceptable to Mr. Shantanu Upadhyay, subject to the same not exceeding the limits specified under Schedule V of the Companies Act, 2013 or any statutory modification(s) or re-enactments thereof.

RESOLVED FURTHER THAT notwithstanding anything herein, where in any financial year during the tenure of the MD, the Company has no profits or its profits are inadequate, the Company may subject to receipt of the requisite approvals including approval of Central Government, if any, pay to the MD, the agreed remuneration as the minimum remuneration by way of salary, perquisites, performance pay, other allowances and benefits as specified in the Employment agreement and the that the perquisites pertaining to contribution to Provident Fund, Superannuation Fund or Annuity Fund, Gratuity and Leave Encashment shall not be included in the computation of the ceiling on remuneration specified in Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors and Company Secretary of the Company be and are hereby severally authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

7. **APPROVAL FOR KATI PATANG LIFESTYLE EMPLOYEE STOCK OPTION SCHEME – 2025.**

To consider and if thought fit, to pass the following resolution as a Special Resolution:

RESOLVED THAT pursuant to the Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and applicable rules made there under (including any amendment(s), statutory modification(s) or re-enactment thereof) **["Companies Act"],** Regulation 6(1) and other applicable provisions, if any, of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 **["SEBI (SBEB & SE) Regulations, 2021"]**, relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **["SEBI (LODR) Regulations"]**, relevant provisions of the Memorandum of Association and Articles of Association of the Company and any other applicable and prevailing statutory Guidelines / Circulars in that behalf and subject further to such other approval(s), consent(s), permission(s), and / or sanction(s) as may be necessary from the

appropriate regulatory authority(ies) / institution(s) and such conditions and modifications as may be prescribed / imposed by the appropriate regulatory authority(ies) / institution(s) while granting such approval(s), consent(s), permission(s) and / or sanction(s), the consent of the Shareholders of the Company be and is hereby accorded for approval Kati Patang Lifestyle Employee Stock Option Scheme – 2025 ***("Scheme")*** and the Board of Directors *(hereinafter referred to as the **"Board of Directors"** which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee, which the Board of Directors has constituted to exercise its powers, including the powers, conferred by this resolution)* be and is hereby authorised to create, grant, offer, issue and allot under the Scheme, in one or more tranches, not exceeding 45,00,000 (Forty-Five Lakhs) Employee Stock Options ***("Options")*** *(or such other adjusted figure for any bonus, stock splits or consolidations or other reorganization of the capital structure of the Company as may be applicable from time to time)* to or for the benefit of Employees and Directors of the Company, its Subsidiary or Associate Company, in India or outside India, or of a Holding Company of the Company and to such persons as may, from time to time, be allowed to be eligible for the benefits of the Scheme *(as permitted under the applicable)*, exercisable into not more than 45,00,000 (Forty-Five Lakhs) Equity Shares ***("Shares")*** of face value of Rs. 10 /- each, on such terms and in such manner as the Board of Directors may decide in accordance with the provisions of the applicable laws and the provisions of the Scheme.

RESOLVED FURTHER THAT the Scheme shall be administered by the Nomination and Remuneration Committee of the Company who shall have all necessary powers as defined in the Scheme and is hereby designated as Compensation Committee in pursuance of the SEBI (SBEB & SE) Regulations, 2021.

RESOLVED FURTHER THAT the Scheme shall be implemented through direct route, for extending the benefits to the eligible Employees by the way of fresh allotment from the Company.

RESOLVED FURTHER THAT the Nomination and Remuneration Committee be and is hereby authorized to issue and allot Shares upon exercise of Options from time to time in accordance with the Scheme and such Shares shall rank pari passu in all respects with the then existing Shares of the Company.

RESOLVED FURTHER THAT the Company shall conform to the applicable Accounting Policies, Guidelines or Accounting Standards as may be applicable from time to time, including the disclosure requirements prescribed therein.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, stock splits, consolidation of shares, the outstanding options to be granted under the Scheme shall be suitably adjusted for the number of options as well as the exercise price in a fair and reasonable manner, in accordance with the Scheme.

RESOLVED FURTHER THAT the Board of Directors, subject to compliance with the SEBI (SBEB & SE) Regulations, 2021 and other applicable laws, rules and regulations, be and are hereby authorized at any time to modify, change, vary, alter, amend, suspend or terminate the Scheme and to do all such acts, deeds, matters and things as it may in its absolute discretion deems fit for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard and further to execute all such documents, writings and to give such directions and/or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the Scheme and do all other things incidental and ancillary thereof.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do all such acts, deeds, and things, as it may, in its absolute discretion deem necessary including but not limited to appoint Advisors, Merchant Bankers, Consultants or Representatives, being incidental for the effective implementation and administration of the Scheme and to make applications to the appropriate Authorities, for their requisite approvals and take all necessary actions and to settle all such questions, difficulties or doubts whatsoever that may arise while implementing this resolution.

RESOLVED FURTHER THAT the Board of Directors be and are hereby also authorised to nominate and appoint one or more persons for carrying out any or all of the activities that the Board of Directors are authorized to do for the purpose of giving effect to this resolution.

8. **APPROVAL FOR GRANT OF OPTIONS TO EMPLOYEES OF SUBSIDIARY COMPANY, IN INDIA OR OUTSIDE INDIA, OF THE COMPANY UNDER KATI PATANG LIFESTYLE EMPLOYEE STOCK OPTION SCHEME – 2025.**

To consider and if thought fit, to pass the following resolution as a Special Resolution:

RESOLVED THAT pursuant to the Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and applicable rules made there under (including any amendment(s), statutory modification(s) or re-enactment thereof) **["Companies Act"],** Regulation 6(3)(c) and other applicable provisions, if any, of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ***["SEBI (SBEB & SE) Regulations, 2021"]***, relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ***["SEBI (LODR) Regulations"]***, relevant provisions of the Memorandum of Association and Articles of Association of the Company and any other applicable and prevailing statutory Guidelines / Circulars in that behalf and subject further to such other approval(s), consent(s), permission(s), and / or sanction(s) as may be necessary from the appropriate regulatory authority(ies) / institution(s) and such conditions and modifications as may be prescribed / imposed by the appropriate regulatory authority(ies) / institution(s) while granting such approval(s), consent(s), permission(s) and / or sanction(s), the consent of the Shareholders of the Company be and is hereby accorded to Board of Directors *(hereinafter referred to as the **"Board of Directors"** which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee, which the Board of Directors has constituted to exercise its powers, including the powers, conferred by this resolution)* to extend the benefits of Kati Patang Lifestyle Employee Stock Option Scheme – 2025 ***("Scheme")*** including the grant of Employee Stock Options ***("Options")*** and issuance of the Equity Shares ***("Shares")*** thereunder, to such Employees and Directors of the Subsidiary Company, in India or outside India, of the Company and to such other persons as may, from time to time, be allowed to be eligible for the benefits of the Scheme *(as permitted under the applicable laws from time to time)* at such price and on such terms and conditions as may be fixed or determined by the Board of Directors in accordance with the provisions of the applicable laws and the provisions of the Scheme.

RESOLVED FURTHER THAT the Nomination and Remuneration **Committee be and is hereby authorized to issue and allot Equity Shares upon exercise of Options from time to time in accordance with the Scheme and such Equity Shares shall rank pari passu in all respects with the then existing Equity Shares of the Company.**

RESOLVED FURTHER THAT the Company shall conform to the applicable Accounting Policies, Guidelines or Accounting Standards as may be applicable from time to time, including the disclosure requirements prescribed therein.

RESOLVED FURTHER THAT the Board of Directors be and is hereby also authorised to nominate and appoint one or more persons for carrying out any or all of the activities that the Board of Directors is authorised to do for the purpose of giving effect to this resolution."

Item No. 9 - To approve the grant of ESOP Options exceeding one percent of the issued capital of the Company:

To consider and if thought fit, to be pass with or without modification(s), the following Resolution as a Special Resolution:

RESOLVED THAT pursuant to the Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and applicable rules made there under (including any amendment(s), statutory modification(s) or re-enactment thereof) **["Companies Act"],** Regulation 6(3)(d) and other applicable provisions, if any, of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ***["SEBI (SBEB & SE) Regulations, 2021"]***, relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ***["SEBI (LODR) Regulations"]***, relevant provisions of the Memorandum of Association and Articles of Association of the Company and any other applicable and prevailing statutory Guidelines / Circulars in that behalf and subject further to such other approval(s), consent(s), permission(s), and / or sanction(s) as may be necessary from the appropriate regulatory authority(ies) / institution(s) and such conditions and modifications as may be prescribed / imposed by the appropriate regulatory authority(ies) / institution(s) while granting such approval(s), consent(s), permission(s) and / or sanction(s), the consent of the Shareholders of the Company be and is hereby accorded to Board of Directors *(hereinafter referred to as the **"Board of Directors"** which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee, which the Board of Directors has constituted to exercise its powers, including the powers, conferred by this resolution)* to create, grant, offer, issue and allot under the Kati Patang Lifestyle Employee Stock Option Scheme – 2025 ***("Scheme")*** the Employee Stock Options ***("Options"),*** convertible into Equity Shares ***("Shares")***, equal to or exceeding 1% (one percent) of the issued capital of the Company (excluding outstanding warrants and conversions, if any) at the time of grant of Options, to an identified Employees, on an individual basis, as mentioned below, on such terms and in such manner as the Board of Directors may decide in accordance with the provisions of the applicable laws and the provisions of the Scheme:

RESOLVED FURTHER THAT the ESOP Options are being issued to **Ms. LATA UPADHYAY** owing to her employment in Empyrean Spirits Private Limited (subsidiary of Company). The details of remuneration to be payable in the form of ESOP Options are set out below:

Employee Stock Options	The committee/Board may grant any number of options to **Ms. LATA UPADHYAY** (Co-founder and Chief Brand Officer) not exceeding 22,50,000 (Twenty Two Lakh Fifty Thousand Only) Options that can be converted to a maximum of 22,50,000 (Twenty Two Lakh Fifty Thousand Only) equity shares of face value of Rs. 10/- (Rupees Ten only) of the Company under ESOP Plan (subject to approval of such plan by the members of the Company) and will be entitled to participate in various employee incentive plans, including any employee stock options plans, as may be announced by the Company from time to time at the discretion of the Board.

RESOLVED FURTHER THAT the Nomination and Remuneration **Committee be and is hereby authorized to issue and allot Equity Shares upon exercise of Options from time to time in accordance with the Scheme and such Equity Shares shall rank pari passu in all respects with the then existing Equity Shares of the Company.**

RESOLVED FURTHER THAT the Company shall conform to the applicable Accounting Policies, Guidelines or Accounting Standards as may be applicable from time to time, including the disclosure requirements prescribed therein.

RESOLVED FURTHER THAT the Board of Directors be and is hereby also authorised to nominate and appoint one or more persons for carrying out any or all of the activities that the Board of Directors is authorised to do for the purpose of giving effect to this resolution."

By Order of the Board of Directors
KATI PATANG LIFESTYLE LIMITED

Sd/-
Gokul Tandan
Chairperson & Managing Director
Dated: September 05, 2025

NOTES:

1. In view of the continuing Covid-19 pandemic and social distancing norms to be followed, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2023 read with circulars dated April 8, 2023 and April 13, 2023 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.

2. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. In terms of MCA Circulars, since physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility for appointment of proxies by the Members under Section 105 of the Act, will not be available for the AGM and, hence, the Proxy Form and Attendance Slip are not annexed to this Notice. The Board of Directors has appointed Mr. Saket Billa, Practicing Company Secretary (CP No. 21904) as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.

3. Corporate members intending to attend the AGM through authorized representatives are requested to send a scanned copy of duly certified copy of the board or governing body resolution authorizing the representatives to attend and vote at the Annual General Meeting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to saket@saketb.com with a copy marked to evoting@nsdl.co.in.

4. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

5. Explanatory Statement as required under Section 102(1) of the Companies Act, 2013 is annexed.

6. Members can login and join the AGM 30 minutes prior to the scheduled time to start the AGM and the window for joining shall be kept open till the expiry of 15 minutes after the scheduled time to start the AGM. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members, on first-come-first-served basis. However, the participation of large members (members holding 1% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and Auditors can attend the AGM without restriction of first-come-first served basis. Instructions and other information for members for attending the AGM through VC/OAVM are given in this Notice.

7. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, September 23, 2025 to Monday, September 29, 2025 (both days inclusive).

8. Members are requested to kindly notify the change of address, if any to the Company/ the Registrar / Depository Participant.

9. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2023, Notice of the AGM along with the Annual Report 2024-25 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2024-25 will also be available on the Company's website www.katipatang.com, websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com.

10. Any member requiring further information on the Accounts at the meeting is requested to send the queries in writing to CFO, at email id cs@iamkatipatang.com at least one week before the meeting.

11. The documents referred to in the proposed resolutions are available for inspection at the Office of the Company during normal business hours on any working day except Saturdays, up to the date of meeting.

12. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat account. Members holding shares in physical form can submit their PAN to the Company/Registrar.

13. Members who hold shares in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Registrar, for consolidation into a single folio.

14. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2023, the Annual Report including audited financial statements for the financial year 2025 including notice of 33rd AGM is being sent only through electronic mode to those Members who have not registered their e-mail address so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically. In case you have not registered your email id with depository or RTA you may registered your email id in following manner.

Physical Holding	Send a signed request to Registrar and Transfer Agents of the Company, MAS Services Limited at investor@masserv.com providing Folio number, Name of the shareholder, scanned copy of the share certificate (Front and Back), PAN (Self attested scanned copy of PAN Card), AADHAR (Self attested scanned copy of Aadhar Card) for registering email address.
Demat Holding	Please contact your Depositary Participant (DP) and register your email address as per the process advised by DP.

15. **Voting through electronic means:**

(1) In compliance with the provisions of Regulation 44 of the Listing Regulations and Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 Company is offering e-voting facility to its members.

(2) **The remote e-voting period begins on Saturday, September, 27, 2025 at 9:00 A.M. and ends on Monday, September, 29, 2025 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e., Tuesday, September 23, 2025, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Tuesday, September 23, 2025.**

(3) Detailed procedure is given in the enclosed letter.

INSTRUCTION FOR REMOTE EVOTING, EVOTING AND JOINING OF AGM THROUGH VIDEO CONFERENCING

(i) The shareholders need to visit the e-voting website of NSDL http://www.evoting.nsdl.com /.

(ii) Click on "Shareholders" module.

(iii) Now enter your User ID

a. For NSDL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

(iv) Next enter the Image Verification as displayed and Click on Login.

(v) If you are holding shares in demat form and had logged on to www.evoting.nsdl.com and voted on an earlier e-voting of any company, then your existing password is to be used.

(vi) If you are a first time user follow the steps given below:

	For Shareholders holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) ● Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence/PAN number which is mentioned in email.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. ● If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii).

(vii) After entering these details appropriately, click on "SUBMIT" tab.

(viii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is also to be used by the demat holders for voting on resolutions of any other company for which they are eligible to vote, provided that the company opts for e-voting through NSDL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(ix) For shareholders holding shares in physical form, the details can be used only for remote e-voting on the resolutions contained in this Notice.

(x) Click on the EVSN for the Kati Patang Lifestyle Limited.

(xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same, the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiii) After selecting the resolution on which you have decided to vote, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

PROCESS FOR THOSE SHAREHOLDERS WHO WISH TO OBTAIN LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE BUT WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES:

1. For Physical shareholders- Kindly send an email with a scanned request letter duly signed by 1st shareholder, scan copy of front and back of one share certificate, copy of PAN card and Aadhar card to info@masserv.com
2. For Demat shareholders - Kindly update your email id with your depository participant and send copy of client master to info@masserv.com

INSTRUCTIONS FOR JOINING MEETING THROUGH VC:

(i) To join the meeting, the shareholders should log on to the e-voting website http://www.evoting.nsdl.com/ and login as explained above. After logging-in, kindly click on 'live streaming' tab and you will be redirected to 'cisco' website.

In the "Name" field - Put your USERID as informed in e-email..
In the "last name" field - Enter your Name
In the "Email ID" field - Put your email ID
In the "Event password" field - Put the password as "NSDL@1234"
Click join now button.

Now screen will be displayed for downloading CISCO driver for VC. Please click on run temporary file download. Downloading of driver will be start open driver and click on run. Event will start and you will be in the AGM through Video conferencing. You can join meeting through laptop, tablet, and desktop. In case you want to join through mobile, you need to download the webex meet app from the respective play store .

PRE-REQUISITE FOR JOINING OF MEETING THROUGH DESKTOP OR LAPTOP:

1. System requirement:

✓ Windows 7, 8 or 10
✓ I3
✓ Microphone, speaker
✓ Internet speed minimum 700 kbps
✓ Date and time of computer should be current date and time

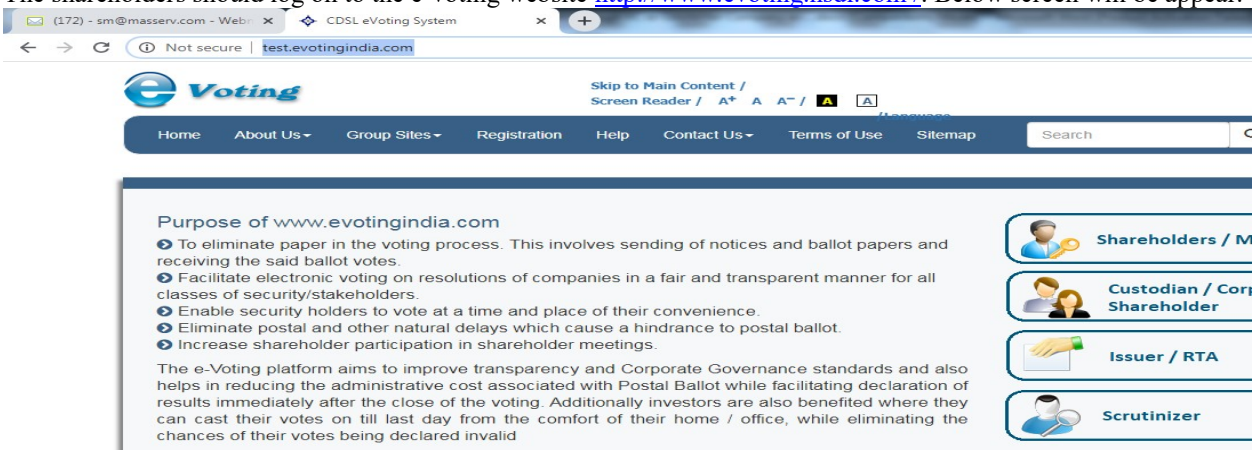
PRE-REQUISITE FOR JOINING OF MEETING THROUGH MOBILE:

✓ Please download webex application from play store

NOTE:IT IS ADVISABLE TO LOGIN BEFOREHAND AT E-VOTING SYSTEM AS EXPLAINED IN E-VOTING INSTRUCTIONS ABOVE,TO BE FAMILIAR WITH THE PROCEDURE, SO THAT YOU DO NOT FACE ANY TROUBLE WHILE LOGGING-INDURING THE AGM.

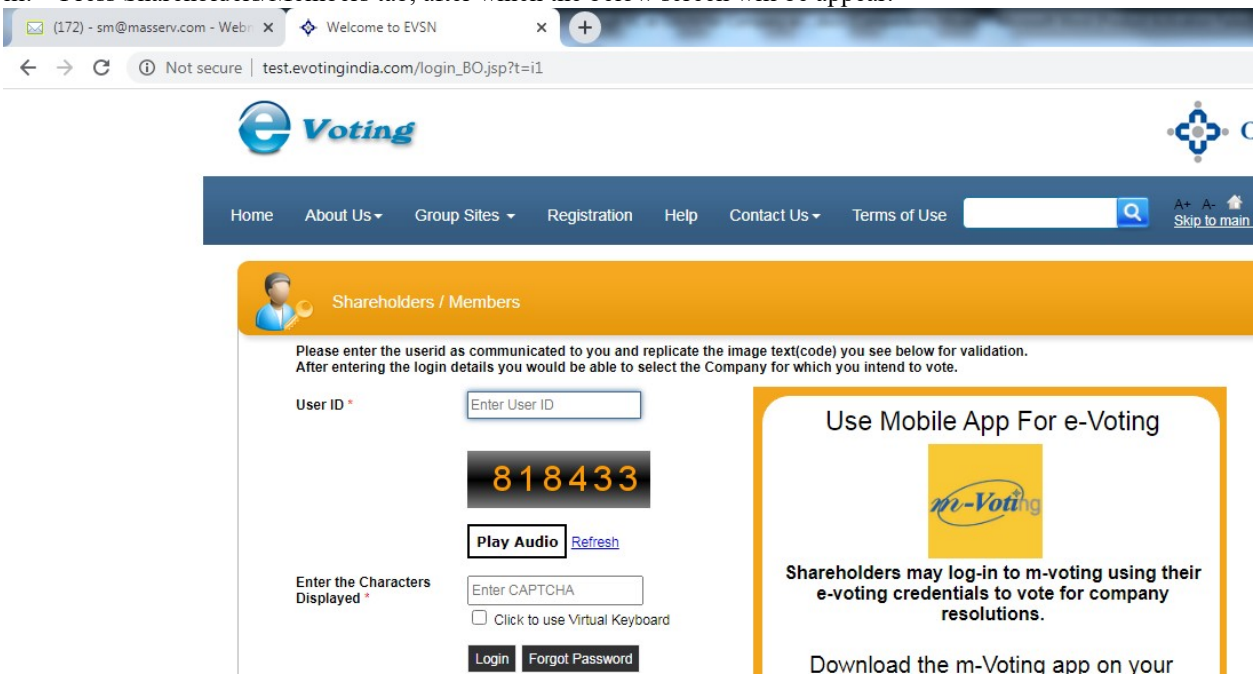
PROCEDURE FOR E-VOTING AND JOINING OF MEETING THROUGH VC (EXPLAINED USING SCREENSHOTS):

i. The shareholders should log on to the e-voting website http://www.evoting.nsdl.com /. Below screen will be appear.

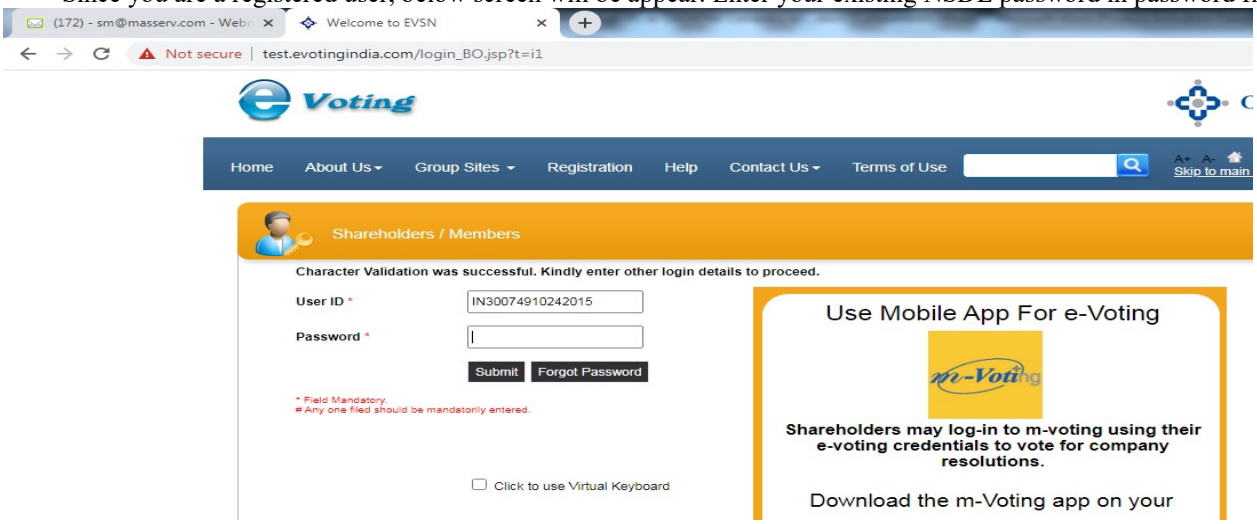


ii.

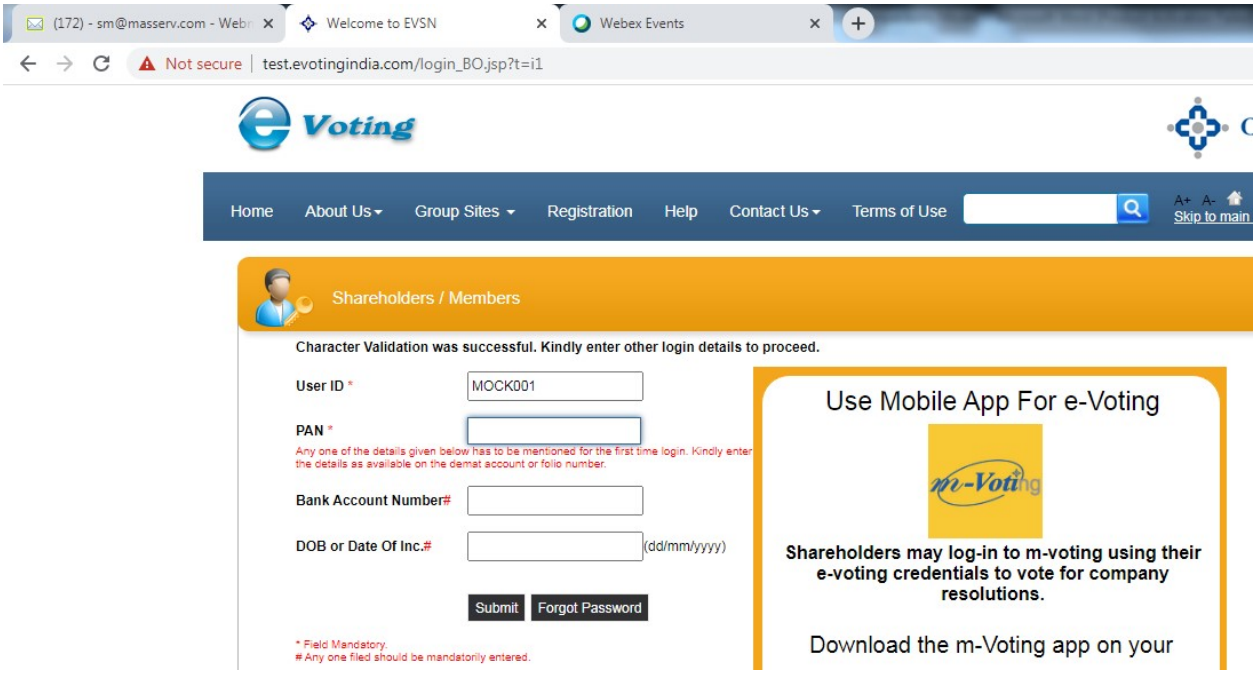
iii. Press Shareholders/Members tab, after which the below screen will be appear.



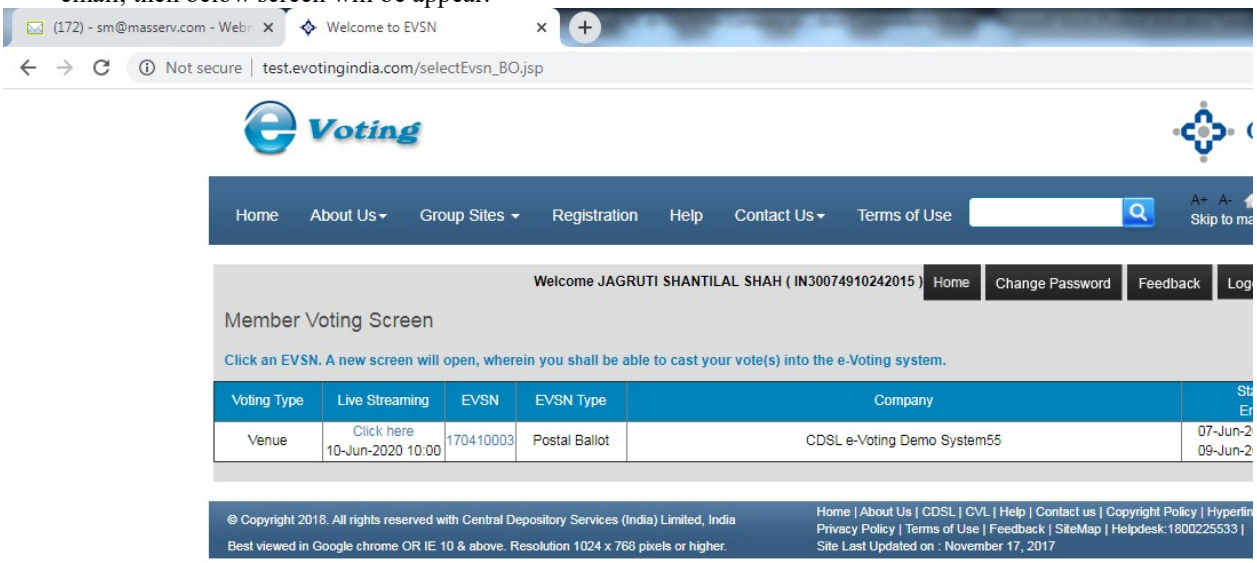
iv. Enter user id as mentioned in your invite email, or read point number (iii) as given above.
Since you are a registered user, below screen will be appear. Enter your existing NSDL password in password field.



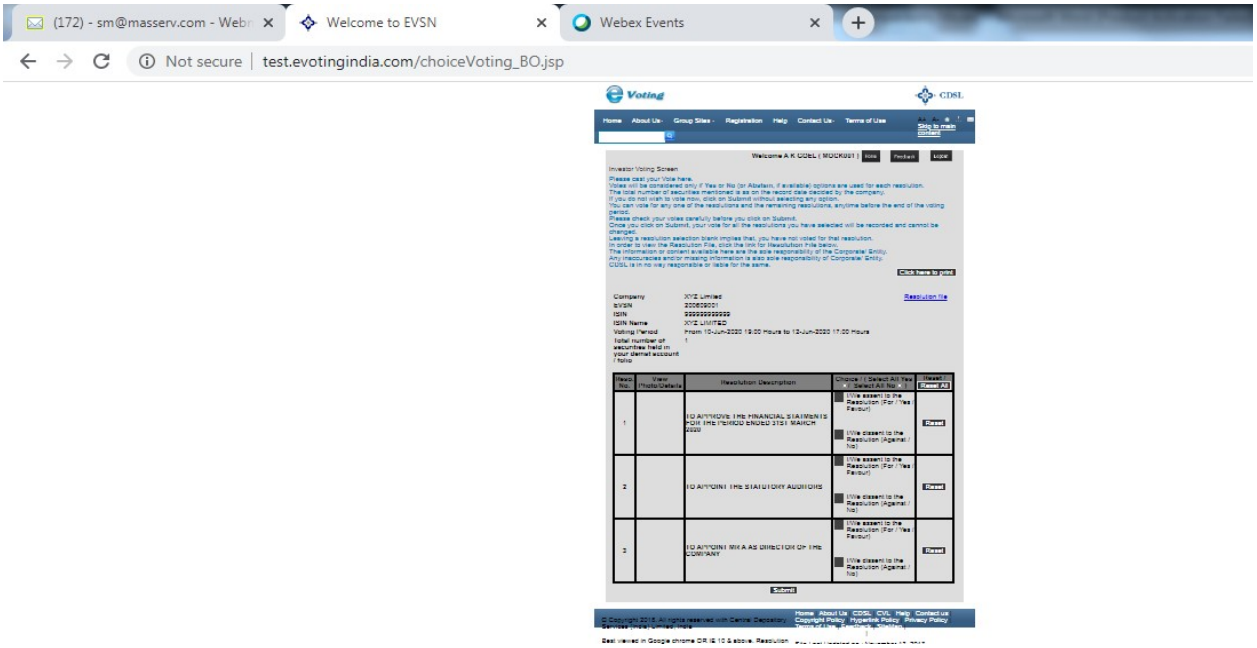
v. In case you are 1st time user of NSDL e-voting system, then below screen will be appear.



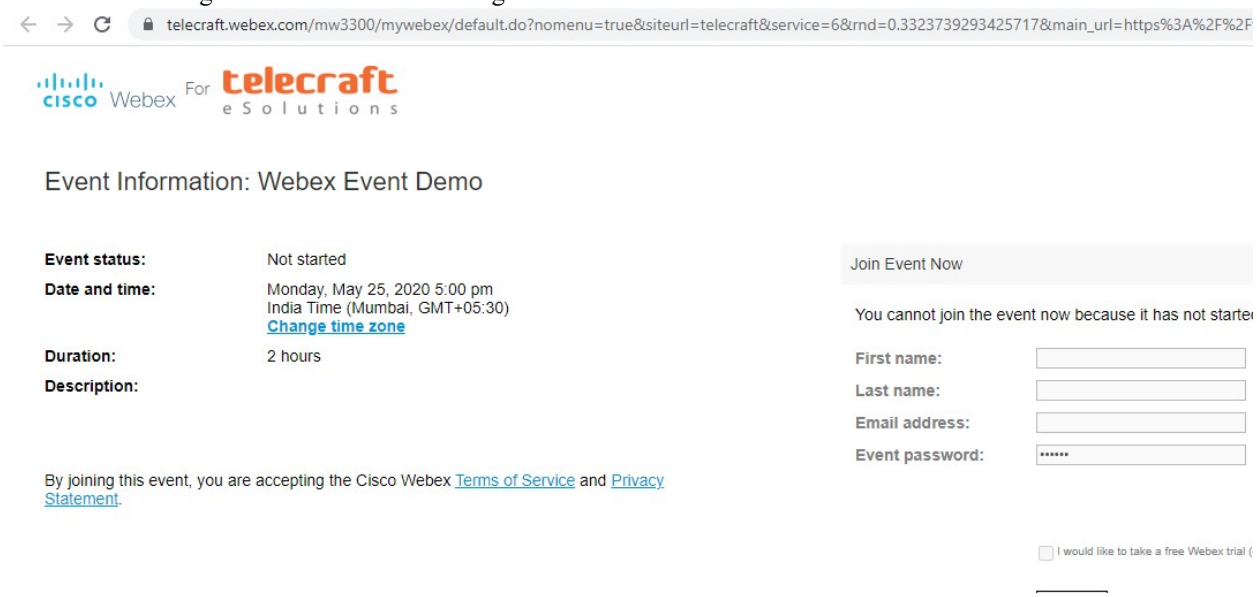
vi. Enter your PAN and bank detail/DOB or follow instruction as given point number (vi) above or mentioned in invite email; then below screen will be appear.



vii. For e-voting, press EVSN number given in EVSN column; and for joining AGM through video conferencing, click on "Click here" tab under the live streaming column.
E-voting screen will be shown as below, where you can cast your vote and press submit button given at the bottom of the screen.



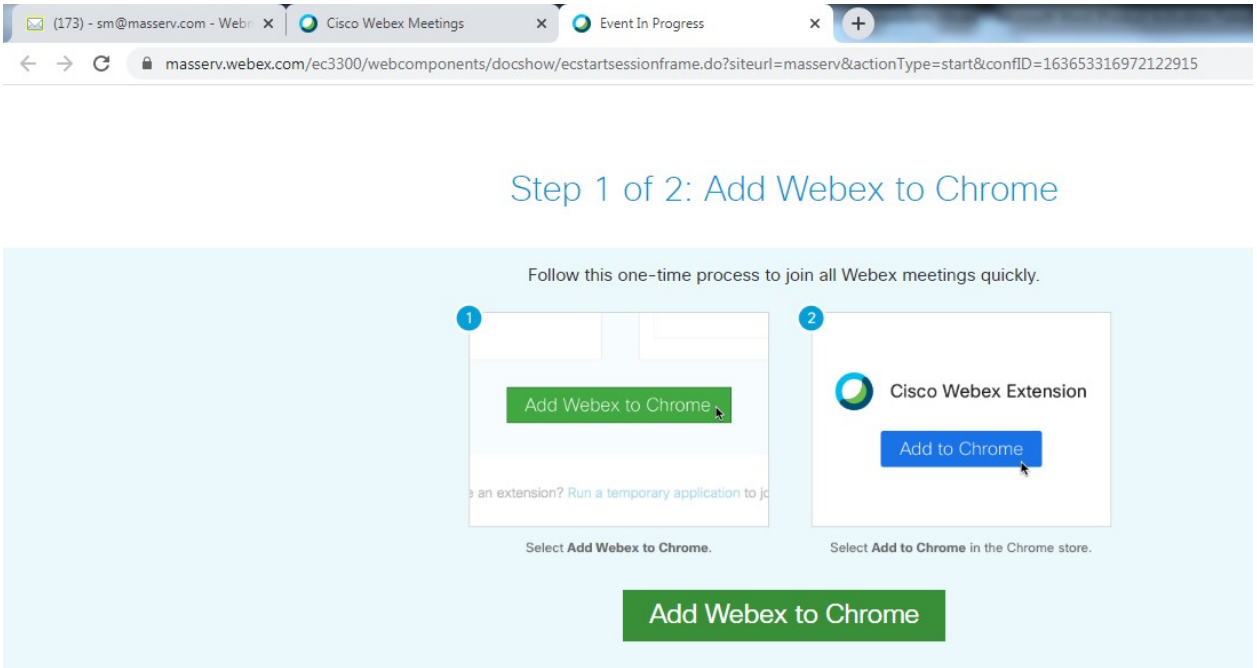
Screen for login into Video Conferencing is shown below:



<u>Fill the details as:</u>

In the "Name" field - Enter your USERID as given in email
In the "last name" field - Enter your Name
In the "Email ID" field - Put your email ID
In the "Event password" field - Put the password as "NSDL@1234"
Click join now button.
You can join meeting through laptop, tablet, and desktop.In case you want to join through mobile, you need to download the webex meet app from the respective play store .

viii. Once you click on 'Join now' tab, the following screen will be appear :



ix. Now, Kindly click on 'Run a temporary application', after which a Webex driver will get downloaded. After downloading webex driver, run the application and you will be directed to the AGM.

EXPLANATORY STATEMENT
(Pursuant to Section 102 (1) of the Companies Act, 2013 and Secretary Standard 2 on General Meetings)

Item No. 3: To appoint Secretarial Auditors of the Company

The Board at its meeting held on June 27, 2025, based on recommendation of the Audit Committee, after evaluating and considering various factors such as industry experience, competency of the audit team, efficiency in conduct of audit, independence, etc., has approved the appointment of Saket Billa & Associates, Practising Company Secretary, a peer reviewed firm as Secretarial Auditor of the Company for a term of five consecutive years commencing from FY 2025-26 till FY 2029-30, subject to approval of the Members. The appointment of Secretarial Auditors shall be in terms of the amended Regulation 24A of the SEBI Listing Regulations vide SEBI Notification dated December 12, 2024 and provisions of Section 204 of the Act and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Saket Billa & Associates is a well-known firm based in Delhi. Renowned for its commitment to quality and precision, the firm has been Peer Reviewed and Quality Reviewed by the Institute of Company Secretaries of India (ICSI), ensuring the highest standards in professional practices.

Saket Billa & Associates has confirmed that the firm is not disqualified and is eligible to be appointed as Secretarial Auditors in terms of Regulation 24A of the SEBI Listing Regulations. The services to be rendered by them as Secretarial Auditor is within the purview of the said regulation read with SEBI circular no. SEBI/ HO/CFD/CFD-PoD-2/CIR/P/2024/185 dated December 31, 2024.

The Board recommends the Ordinary Resolution as set out in Item No. 3 of this Notice for approval of the Members.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives is concerned or interested, in the Resolution set out in Item No. 3 of this Notice

Item No 4. APPROVAL OF MATERIAL RELATED PARTY TRANSACTIONS

Pursuant to the provision of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR"), all material related party transactions shall require the approval of the shareholders.

Accordingly, the approval of the shareholders by way of an Ordinary Resolution is sought under Regulation 23 of LODR for arrangements/ transactions/ contracts to be entered into with Related Parties in one or more tranches. The particulars of the Related Party Transactions for which approval/ratification of the Members is sought, are as follows:

Details of Related Party Transactions/ Arrangements/ Contracts per Financial Year.

S. No	Name of Related Party	Nature of Relationship	Type of Transaction(s)	Maximum Value of Transaction for Financial Year
1.	Mr. Gokul Naresh Tandan	Chairman & Managing Director	Receipt of Unsecured Loan from him and payment of Interest or principal thereon	As required as per decision to be taken by Chairman for any amount not exceeding INR 10,00,00,000 (Ten Crore)
2.	M/s Empyrean Spirits Pvt Ltd	Subsidiary company	Investment in equity	As required as per decision to be taken by Chairman for any amount not exceeding INR 15,00,00,000 (Fifteen Crore)
3.	M/s Empyrean Spirits Pvt Ltd	Subsidiary company	Grant of loan and receipt of repayment of loan	As required as per decision to be taken by Chairman for any amount not exceeding INR 10,00,00,000 (Ten Crore)
4	Any other company/ Firm/ individual as required as per decision to	Related party	Grant/receipt of loan & receipt/repayment of interest or principal	As required as per decision to be taken by Chairman for any amount not exceeding INR 10,00,00,000 (Ten

	be taken by Chairman on approval by audit committee.		thereon	Crore)

Accordingly, consent of the Members is sought by way of an Ordinary Resolution as set out in Item No. 4 of the accompanying Notice. This resolution enables the Board of Directors of the Company to approve related party transactions, as may be required by the Company, from time to time.

Moreover, by the proposed resolution, approval of the members is sought for the material related party arrangements/transactions/ contracts for financial years 2025-26 with the related party.

The aforesaid related party transactions do not fall under the purview of Section 188 of the Companies Act, 2013. However, the same are covered by Ind AS - 24 and hence, the approval of the members is sought by way of Ordinary resolution under Regulation 23 of the Listing Regulations.

Mr. Gokul Naresh Tandan and his relatives & associated companies/firms/LLP and Mr. Shantanu Upadhyay and his reletives & associated companies/firms/LLP may be interested in the Resolution and will abstain from vote on the resolution. All entities falling under definition of related party shall abstain from voting irrespective of whether the entity is party to the particular transaction or not.

Except as above mentioned, none of the Director(s), Manager(s) and Key Managerial Personnel(s) and their relative(s) is/are, in any way, concerned or interested in the said resolution, except to the extent of their equity shareholdings in the Company.

Item No 5. Appointment of Mr. Gokul Naresh Tandan (Din: 00441563) as Chairperson & Managing Director for a fresh term of Five (5) years.

The Shareholders of the Company at the 28th Annual General Meeting held on 28 September, 2020 approved reappointment of **Gokul Naresh Tandan (Din: 00441563)** as a Managing Director of the Company for a period of five years effective from 31th July 2020 to 30th July 2025 through a Special Resolution under the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification or re-enactment thereof) read with Schedule-V of the Companies Act, 2013 and Articles of Association of the Company. Mr. Gokul Naresh Tandan, Whole Time Director had attained the age of 70 years on 25 March, 2024. The company passed a Special Resolution in the annual general meeting held on 30th September 20254for continuation of their holding of existing office after the age of 70 years during the currency of his term of appointment under the provisions of Section 196 (3) (a) of the Companies Act, 2013.

The term of Managing Directors has come to expire on 30th July 2025. The Board on 27th June 2025 appointed him for a fresh term of another five years w.e.f. 31st July 2025 and ending on 30th July 2030 as Managing Director cum chairperson of the company which requires the approval of shareholders.

The Board therefore recommends the Special Resolutions for your approval.

Gokul Naresh Tandan aged 70 years is currently Group Executive Chairman. Gokul Naresh Tandan is essentially a Serial Entrepreneur with an experience of building multiple businesses to national and global scale with dedication and focus for 5 to 10 years and then exiting with significant value for all Shareholders.

Mr. Gokul Naresh Tandan and his relatives & associated companies/firms/LLP may be interested in the Resolution and will abstain from vote on the resolution.

Except as above mentioned, none of the Director(s), Manager(s) and Key Managerial Personnel(s) and their relative(s) is/are, in any way, concerned or interested in the said resolution, except to the extent of their equity shareholdings in the Company.

The Details required under Regulations 36(3) of The SEBI (Listing Obligations and Disclosure Requirements) Regulations,

2015 and Secretarial Standard -2 enclosed as an Annexure to the notice. This explanatory statement and the resolution at Item no. 5 may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013.

Name	**Mr. Gokul Naresh Tandan**
Age	**70 years**
Qualification	**Graduate, MBA**
Experience - Expertise in specific functional areas - Job profile and suitability	Gokul Naresh Tandan is essentially a Serial Entrepreneur with an experience of building multiple businesses to national and global scale with dedication and focus for 5 to 10 years and then exiting with significant value for all Shareholders.
No. of Shares held as on 31st March, 2025 including shareholding as a Beneficial Owner.	**Fully Paid Equity shares: 84,48,045** **Partly Paid Equity shares: 5,49,530** **(19.49% of total shares)**
Terms & Conditions of appointment	**As per Employment agreement**
Remuneration sought to be paid	**As per Employment agreement**
Remuneration Last Drawn	**NA**
Date of First appointment on the Board	**31st July 2000**
Number of Board Meetings attended during the Financial Year 2024-25	**10**
Directorships held in public companies including deemed public companies	**3**
Memberships /Chairmanships of committees of public companies**	**1**
Inter-se Relationship with other Directors.	**-**

Item No 6. Appointment of Mr. Shantanu Upadhyay (Din: 07709657) as Joint Managing Director & CEO for a term of Five (5) years.

The Board on 27th June 2025 appointed him for a term of another five years w.e.f. 28th June 2025 and ending on 27th June 2030 as Joint Managing Director & CEO of the company which requires the approval of shareholders.

The Board therefore recommends the Special Resolutions for your approval.

Shantanu Upadhyay aged 49 years is currently Executive Director & founder promoter of subsidiary company Empyrean Spirits Pvt Ltd. Shantanu Upadhyay is the co-founder of Kati Patang, one of India's most celebrated premium beer brands. It boasts an array of award-winning beer styles crafted with uniquely Indian ingredients such as saffron, turmeric, ginger, and peppercorn. Kati Patang is available in India, UK and the US. The brand is now owned by Kati Patang Lifestyle Limited through its 98% subsidiary Empyrean Spirits Private Limited. Shantanu's mandate now is to transform Kati Patang Lifestyle Limited in to India's first home-grown, professionally-managed, listed platform that will incubate other complementary lifestyle businesses (both Indian and international) with premium products and experiences. Before donning his entrepreneurial avatar, Shantanu spent 14 years in management consulting at the Boston Consulting Group and Deloitte across India and the US where he advised CXOs and the Boards of Fortune 500 companies on corporate strategy, growth, go-to-market, operational excellence and innovation. Fuelled by a deep passion for problem-solving, Shantanu has wellorchestrated Kati Patang's overall direction, forging new partnerships and championing data-driven decisions that stay true to the brand's free-spirited ideals. Under his elevated leadership with Kati Patang Lifestyle Limited, the brand would continue to expand its presence and loyal following (both in India and international markets) and also build a compelling premium alcobev portfolio and lifestyle experiences.

Mr. Shantanu Upadhyay and his reletives & associated companies/firms/LLP may be interested in the Resolution and will abstain from vote on the resolution.

Except as above mentioned, none of the Director(s), Manager(s) and Key Managerial Personnel(s) and their relative(s) is/are, in any way, concerned or interested in the said resolution, except to the extent of their equity shareholdings in the Company.

The Details required under Regulations 36(3) of The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard -2 enclosed as an Annexure to the notice. This explanatory statement and the resolution at Item no. 6 may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013.

Name	**Mr. Shantanu Upadhyay**
Age	**Aprox. 49 years**
Qualification	**MBA**
Experience - Expertise in specific functional areas - Job profile and suitability	Shantanu Upadhyay is the co-founder of Kati Patang, one of India's most celebrated premium beer brands. It boasts an array of award-winning beer styles crafted with uniquely Indian ingredients such as saffron, turmeric, ginger, and peppercorn. Kati Patang is available in India, UK and the US. The brand is now owned by Kati Patang Lifestyle Limited through its 98% subsidiary Empyrean Spirits Private Limited. Shantanu's mandate now is to transform Kati Patang Lifestyle Limited in to India's first home-grown, professionally-managed, listed platform that will incubate other complementary lifestyle businesses (both Indian and international) with premium products and experiences. Before donning his entrepreneurial avatar, Shantanu spent 14 years in management consulting at the Boston Consulting Group and Deloitte across India and the US where he advised CXOs and the Boards of Fortune 500 companies on corporate strategy, growth, go-to-market, operational excellence and innovation. Fuelled by a deep passion for problem-solving, Shantanu has wellorchestrated Kati Patang's overall direction, forging new partnerships and championing data-driven decisions that stay true to the brand's free-spirited ideals. Under his elevated leadership with Kati Patang Lifestyle Limited, the brand would continue to expand its presence and loyal following (both in India and international markets) and also build a compelling premium alcobev portfolio and lifestyle experiences.
No. of Shares held as on March 31, 2025 including shareholding as a Beneficial Owner.	**Fully Paid Equity shares: 38,36,590** **Partly Paid Equity shares: 1,45,000** **(8.63% of total shares)**
Terms & Conditions of appointment	**As per Employment agreement**
Remuneration sought to be paid	**As per Employment agreement**
Remuneration Last Drawn	**NA**
Date of First appointment on the Board	**14 November 2024**
Number of Board Meetings attended during the Financial Year 2024-25	**4**
Directorships held in public companies including deemed public companies	**2**
Memberships /Chairmanships of committees of public companies	**-**
Inter-se Relationship with other Directors.	**-**

Item Nos. 07 and 08: Kati Patang ESOP Scheme 2025

Employees Stock options in the hands of the employees have since long been recognized as an effective instrument to align the interests of the employees with that of the Company. In this highly competitive market, it is significant for us to retain existing talent and infuse new talent in order to have business growth and efficiency.

With a view to drive long term objectives of the Company, to attract, motivate and retain employees by rewarding for their performance and incentivize key talent to drive long term objectives of the Company, to ensure that the senior management employees compensation and benefits match the long gestation period of certain key initiatives and to drive ownership behavior and collaboration amongst employees, it is proposed to approve and adopt the Kati Patang Lifestyle Employee Stock Option Scheme – 2025 ***("Scheme").***

The Board of Directors has considered and approved the Scheme at its meeting dated 14th February 2025. The Scheme shall be implemented through Direct route to extend the benefits to the Eligible Employees by the way of fresh allotment from the Company.

The Company has structured the Scheme for its Eligible Employees with the following major objectives:

a. To reward and incentives the Employees for their association and performance;
b. To attract, motivate and retain the Employees to contribute to the growth and profitability of the Company;
c. Bringing sense of association with the Company and its growth.

These objectives are intended to be achieved through the grant of Employee Stock Options ***("Options")*** to Eligible Employees and Directors of the Company, its Subsidiary or Associate Company, in India or outside India, or of a Holding Company of the Company.

The intent is to cover senior leaders and key talent who can make a significant difference to the Company's performance and align their rewards directly with the Company's performance. The value of the award can be realized only through superior business performance leading to superior share price performance over time.

By extending the benefits of the Scheme to eligible employees of Subsidiary Company(ies), Associate Company(ies) and Holding Company, the Kati Patang Lifestyle Limited aims to reinforce a sense of unity, shared purpose, and collaboration among all employees within the broader corporate family. This approach not only strengthens the overall talent pool within the organization but also ensures consistent standards of performance and incentivization throughout the Company, its Subsidiary Company(ies), Associate Company(ies) and Holding Company. Moreover, it aligns with the strategic vision of promoting a unified corporate culture focused on long-term value creation and sustainable growth across all business entities under the Kati Patang Lifestyle Limited umbrella.

In terms of **Regulation 6(1)** of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 **["SEBI (SBEB & SE) Regulations, 2021"]**, and Section 62 and other applicable provisions, if any, of the Companies Act, 2013, the issue of Equity Shares under the captioned Scheme requires approval of the Shareholders by way of a Special Resolution. The Special Resolution set out at **Item No. 7** is to seek your approval for the said purpose.

Further, as per Regulation 6(3)(c) of SEBI (SBEB & SE) Regulations, 2021, approval of the Shareholders by way of separate Special Resolution is also required for grant of Options to Eligible Employees and Directors of Subsidiary Company, in India or outside India, of the Company. The Special Resolution set out at **Item No.8** is to seek your approval for the said purpose.

Brief Description of the Scheme: The Scheme shall be called as Kati Patang Lifestyle Employee Stock Option Scheme – 2025 ***("Scheme")***.

The Purpose of the Scheme: The Company has structured this Scheme for the Employees. The purpose of the Scheme includes the followings:

a) To attract relevant talent into the Company to drive its growth plans.
b) To motivate and retain the Employees to contribute to the growth and profitability of the Company.
c) To achieve sustained growth and the creation of shareholder value by aligning the interests of the Employees with the long-term interests of the Company.
d) To foster a sense of ownership and participation amongst the Employees, allowing them to share in the value they create for the Company in the years to come, and
e) To provide deferred rewards to Employees.

The total number of Options to be offered and granted under the Scheme:

The maximum number of Options that may be granted in one or more tranches, pursuant to this Scheme shall not exceed 45,00,000 (Forty-Five Lakhs) Options which shall be convertible into equal number of Shares not exceeding 45,00,000 (Forty-Five Lakhs) Equity Shares having face value of Rs. 10/- each.

If any Option Granted under the Scheme lapses or is forfeited or surrendered or cancelled under any provision of the Scheme, such Option shall be added back to the pool and shall be available for further Grant under the Scheme unless otherwise determined by the Committee.

Further, the maximum number of Options that can be Granted and the Shares arise upon Exercise of these Options shall stand adjusted in case of Corporate Action.

Identification of classes of Employees entitled to participate in the Scheme:

a. An Employee as designated by the Company, who is exclusively working in India or outside India; or
b. A Director of the Company, whether a Whole Time Director or not, including a non-executive Director who is not a Promoter or member of the Promoter Group, but excluding an Independent Director; or
c. An employee as defined in (a) or (b), of a Subsidiary or Associate Company, in India or Outside India, or of a Holding Company of the Company.

but does not include

(a) An Employee who is a Promoter or a person belonging to the Promoter Group; or
(b) A Director who either himself or through his Relative or through any Body Corporate directly or indirectly holds more than ten percent of the outstanding equity shares of the Company.

Requirement of Vesting and period of Vesting:

The Vesting Period shall commence from a period of 1 (One) year from the Grant Date and shall extend upto a maximum period of 4 (Four) years from the Grant Date, at the discretion of and in the manner prescribed by the Committee and set out in the Grant Letter. The Vesting Schedule, % of Options to be vested will be clearly defined in the Grant Letter of respective Grantees subject to minimum and maximum Vesting Period as specified in the Scheme and can vary from Grantee to Grantee as per the discretion of the Committee whose decision shall be final and binding.The actual Vesting of Options will be subject to the continued employment of the Grantee and further linked with achievement of performance condition or such other criteria's, as determined by the Committee and mentioned in the Grant Letter.

Maximum period within which the Options shall be vested:

The maximum period within which the Options shall be vested is 4 (Four) years from the date of grant of such Options.

Exercise Price or Pricing Formula:

Under this Scheme, the Exercise Price will be decided by the Committee at the time of Grant and shall be linked with the Market Price as defined in the Scheme.

The Committee has the power to provide suitable discount on such price as arrived above. However, in any case the Exercise Price shall not go below the face value of the Share of the Company.

Exercise period and process of Exercise:

After Vesting, Options can be exercised either wholly or partly, within a maximum Exercise Period of 3 (Three) years from the date of respective Vesting, during the Exercise Window as intimated from time to time to the Grantee, after submitting the Exercise Application along with payment of the Exercise Price, applicable taxes and other charges, if any. The mode and manner of the Exercise shall be communicated to the Grantees individually.

Appraisal process for determining the eligibility of the Employees to the scheme:

The Committee may on the basis of all or any of the following criteria, decide on the Employees who are eligible for the Grant and decide upon the quantum of Options under the Scheme and the terms and conditions thereof:

a) **Loyalty:** It will be determined on the basis of the tenure of employment of an Employee in the Company/ Holding Company/ Subsidiary Company/ Associate Company**.**

b) **Performance of Employee:** Employee's performance during the financial year on the basis of the parameters decided by the Company/ Holding Company/ Subsidiary Company/ Associate Company.

c) **Performance of Company:** Performance of the Company as per the standards set by the Committee.

d) Any other criteria as decided by the Committee from time to time.

The Maximum number of Options to be granted per Employee and in aggregate:

The Committee may decide to Grant such number of Options equal to or exceeding 1% of the issued equity share capital (excluding outstanding warrants and conversions) to any Eligible Employee as the case may be, subject to the separate approval of the Shareholders in a general meeting.

The maximum number of Options that may be granted in one or more tranches, pursuant to this Scheme shall not exceed 45,00,000 (Forty-Five Lakhs) Options which shall be convertible into equal number of Shares not exceeding 45,00,000 (Forty-Five Lakhs) Equity Shares having face value of Rs. 10/- each.

The Maximum quantum of benefits to be provided per Employee under the scheme:

The maximum quantum of benefits that will be available to every Eligible Employee under the Scheme will be the difference between the market value of Company's Share on the Recognized Stock Exchange(s) as on the Date of Exercise of Options and the Exercise Price paid by the Employee.

Whether the Scheme(s) is to be implemented and administered directly by the Company or through a Trust:

The Scheme shall be implemented through direct route for extending the benefits to the eligible Employees by the way of fresh allotment from the Company.

The Scheme shall be administered by the Nomination and Remuneration Committee of the Company.

Whether the Scheme involves new issue of shares by the company or secondary acquisition by the Trust or both:

The Scheme involves new issue of Equity Shares by the Company.

The amount of loan to be provided for implementation of the Scheme by the Company to the Trust, its tenure, utilization, repayment terms, etc.:

Not applicable, since the Scheme is proposed to be implemented by direct route.

The Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the Trust for the purposes of the Scheme:
Not applicable, since the Scheme is proposed to be implemented by direct route.

Disclosure and accounting policies:

The Company shall comply with the disclosures requirements and the accounting policies prescribed under Regulation 15 of the SEBI (SBEB & SE) Regulations, 2021 or as may be prescribed by regulatory authorities from time to time.

The method which the Company shall use to value its Options:

The Company shall comply with the requirements of IND – AS 102 and shall use Fair value method and the fair value of Options would be calculated as per the prescribed method under the applicable regulations.

Statement with regard to Disclosure in Director's Report:

As the company is adopting fair value method, presently there is no requirement for disclosure in director's report. However, if in future, the Company opts for expensing of share based employee benefits using the intrinsic value, then the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Directors' report and the impact of this difference on profits and on earnings per share ***("EPS")*** of the company shall also be disclosed in the Directors' report.

Period of lock-in:

The Shares allotted to the Grantees pursuant to Exercise of Options shall be subject to no lock-in period from the date of allotment. The Grantee is free to sell the Shares.

Terms & conditions for buyback, if any, of specified securities:

The Committee has the powers to determine the procedure for buy-back of Options granted under the Scheme, if to be undertaken at any time by the Company, and the applicable terms and conditions, in accordance with the applicable laws.

The Board of Directors recommend the resolutions as set out at **Item no. 7 & 8** for your approval as Special Resolutions.

None of the Directors, Manager, Key Managerial Personnel of the Company, and any relatives of such Director, Manager, Key Managerial Personnel are in anyway concerned or interested in the resolution except to the extent of Equity Shares held by them in the Company or the options may be granted under the Scheme.

Kati Patang Lifestyle Employee Stock Option Scheme – 2025 and other documents referred to in the aforesaid resolutions are available for inspection on the website of the Company or at the registered office of the Company.

Item Nos. 09: Grant of ESOP Options exceeding one percent of the issued capital of the Company

Ms. Lata Upadhyay is a full time employee of the subsidiary Company ESPL and holds the senior position. The Nomination and Remuneration Committee ("NRC") of the Company has proposed to grant 22,50,000 options to Ms. Lata Upadhyay pursuant to the proposed "Kati Patang ESOP Scheme, 2025'. In terms of Regulation 17(6)(a) and (ca) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and provisions of Section 188, 189 & Section 197 of the Companies Act 2013, ("Act"), approval of members/shareholders is being sought by way of Special Resolution as contained in the Notice, for payment of remuneration arising out of the proposed grant of 22,50,000 options to Ms. Lata Upadhyay for his valuable contribution towards the growth of the business of ESPL, and the said proposed grant shall be payable in the capacity of her employment.

Pursuant to Regulation 17(6)(a) and (ca) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the approval of members/shareholders is also being sought by way of Special Resolution, for payment of remuneration in the form of proposed grant of 22,50,000 options to Ms. Lata Upadhyay The above said remuneration has been approved by the Committee(s) and the Board of Directors at its respective meetings.

The details of remuneration to be payable in the form of employee stock options are set out below:

Employee Stock Options	The committee/Board may grant any number of options to **Ms. LATA UPADHYAY (**Co-founder and Chief Brand Officer) not exceeding 22,50,000 (Twenty Two Lakh Fifty Thousand Only) Options that can be converted to a maximum of 22,50,000 (Twenty Two Lakh Fifty Thousand Only) equity shares of face value of Rs. 10/- (Rupees Ten only) of the Company under ESOP Plan (subject to approval of such plan by the members of the Company) and will be entitled to participate in various employee incentive plans, including any employee stock options plans, as may be announced by the Company from time to time at the discretion of the Board.

Ms. Lata Upadhyay & Mr. Shantanu Upadhyay and their reletives & associated companies/firms/LLP are interested in the Resolution and will abstain from vote on the resolution.

Except as above mentioned, none of the Director(s), Manager(s) and Key Managerial Personnel(s) and their relative(s) is/are, in any way, concerned or interested in the said resolution, except to the extent of their equity shareholdings in the Company.

This Explanatory Statement may also be regarded as an appropriate disclosure under the Listing Regulations. Your directors recommend the Special Resolution(s) proposed at Item No. 09 of this Notice for your approval.

By Order of the Board of Directors
KATI PATANG LIFESTYLE LIMITED

Sd/-
Gokul Tandan
Chairperson & Managing Director
Dated: September 05, 2025

KATI PATANG LIFESTYLE LIMITED
DIRECTORS' REPORT

Dear Shareholders,

Your directors take pleasure in presenting for your consideration and approval the Thirty-Third Annual Report of Your Company for the financial year ended March 31, 2025.

1. Financial Result

The company's performance during the Financial Year ended March 31, 2025 as compared to the previous financial year is summarized below: -

PARTICULARS (Rupees in Lacs)

	Standalone		Consolidated	
PARTICULARS	2024-25	2023-24	2023-24	2023-24
Total Income	165.91	139.43	1837.25	514.21
Expenses (including depreciation & amortization)	249.32	250.63	2330.29	754.79
Profit/(Loss) before Tax	(83.41)	(111.20)	(492.94)	(240.58)
Less : Tax Expenses Current Tax Deferred Tax			 13.20	
Profit/ (Loss) for the Year	(83.41)	(111.20)	(479.74)	(240.58)
Basis EPS	(0.33)	(1.08)	(1.31)	(1.87)
Diluted EPS	(0.32)	(1.08)	(1.24)	(1.87)

2. BUSINESS AND OPERATIONS OF THE COMPANY

Kati Patang Lifestyle Limited, a BSE-listed company, owns a vibrant premium beer brand Kati Patang through its subsidiary Empyrean Spirits Private Ltd.. The brand boasts an array of award-winning beer styles crafted with uniquely Indian ingredients such as saffron, turmeric, ginger, and peppercorn. Kati Patang is available in India, UK and the US.

Kati Patang Lifestyle Limited successfully closed the Rights Issue 1,02,56,651 Partly paid-up Equity Shares of face value of Rs. 10/- each of the Company at an issue price of Rs. 20/- per Rights Equity Shares (including a premium of Rs. 10/- per Rights Equity Share), aggregating up to Rs. 20,51,33,020. The Issue was oversubscribed by more than 10%.
We stay fully vested in our stated vision to be **India's first homegrown, listed alco-bev and lifestyle platform managed by professionals which will incubate other complementary businesses (both Indian and International) with premium products and experiences**. Our differentiated business model combines our award-winning beer portfolio with asset-light approach and communities-centric brand narratives to seed the product.

Starting September/ October 2025, we will be in three new markets -- **Uttarakhand, Rajasthan and Chhattisgarh**. Our premium lager beer - Saffron Lager - will also be re-introduced in the Delhi and Haryana market by end of this quarter. We have signed up a **new lease capacity in Uttarakhand** to bolster our production capacity. This will immediately help alleviate Bhutan-linked regulatory headwinds/ hurdles especially in Delhi that impacted our revenues in Q1 FY26. We also foresee to substantially **grow our market share in Delhi** across premium/ mild beer styles.

We have been able to build three compelling beachheads when it comes to marketing IPs. Our strategic goal is to build these IPs as separate ROI centres besides being our RTMs for niche communities and experiences. We launched **Kati Patang Quiz League** in July **-** City's first quiz league that features some of the top names from Delhi's circuit. **Kati Patang Spin City b**rings back the charm of vinyl back into the heart of the music scene. And, **Kati Patang Trial Room t**hat creates an experimental safe space for the Indie artists where they get to showcase what they really love and the audience gets to seek, discover and witness it all. Our marketing IPs are scalable across markets. Please refer below a short overview.

Empyrean Spirits Pvt Ltd through its UK subsidiary now owns 23% stake in CHADKP HOLDINGS LIMITED – a transformative joint venture with Chadlington Brewery and The Tite Inn Chadlington, two esteemed establishments situated in the picturesque Cotswolds, UK. Our UK subsidiary is a vehicle to lead, operate and manage Kati Patang franchise in the UK. It would have exclusive rights to Kati Patang brand for the UK + the rights to further license out the brand to other markets within Continental Europe. J D Wetherspoons have formally approved Kati Patang for national rollout. This is a major milestone, as Wetherspoons operates 800+ venues across the UK.

Saffron Lager and Bareilly Bold are also being exported to the US. The pricing is 20-25% premium to competition (Kingfisher, Taj Mahal, Bira) and ingredients (eg. Saffron) lend the exotic appeal and enhance premium perception. They are currently being distributed across Washington State, Oregon, Arizona, California and North Carolina.

3. DIVIDEND

Your Directors do not recommend a dividend due to absence of profit during the current financial year.

4. TRANSFER OF UNCLAIMED DIVIDEND TO IEP FUND

The provisions of Section 125(2) of the Companies Act, 2013 do not apply pertaining to this financial year.

5. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes and commitments affecting the financial position of the Company occurred between the ends of the financial year to which this financial statement relate on the date of this report.

6. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Loans were granted to subsidiary company Empyrean Spirits Private Limited for which shareholder's approval was taken during the year under review following the due process of law.

7. STATUTORY AUDITORS

M/s. Rajesh Raj Gupta & Associates LLP, Chartered Accountants, has been appointed until the conclusion of 37th Annual General Meeting of the Company till FY 2028-29 at a remuneration to be determined by the Board of Directors of the Company in addition to the out-of-pocket expenses as may be incurred by them during the course of the Audit.

8. SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors has appointed Mr. Saket Billa from Saket Billa & Associates, practicing Company Secretary for conducting Secretarial Audit of the Company for the financial year 2024-25. The Secretarial Audit Report is annexed herewith as Annexure A.

The Secretarial Audit report does not contain any qualification, reservation or adverse remark.

9. INTERNAL AUDIT

Pursuant to the provisions of the Companies Act, 2013, the Board of Directors has appointed Dinesh Bajaj & Co. Chartered Accountant Firm for conducting Internal audit of the Company for the financial year 2024-2025.

10. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS

We would like to inform you that during the financial year ending March 2025, that company has already put in place adequate Internal control system within the guidance of management and also taking care of that system in liaison with auditors and management further putting efforts to improve the internal control system. The Audit report does not contain any qualification, reservation or adverse remark.

11. REPORTING OF FRAUD BY AUDITORS:

During the year under review, the Statutory Auditors have not reported any instances of fraud committed in the Company by its Officers or Employees to the Board under section 143(12) of the Companies Act, 2013 and rules made thereunder.

12. **ANNUAL RETURN**

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in Annexure B and is attached to this Report.

13. **NUMBER OF BOARD MEETINGS & THEIR COMMITTEES CONDUCTED DURING THE YEAR UNDER REVIEW**

The Company had Ten (10) Board meetings during the financial year under review. The details are mentioned elsewhere in the Corporate Governance Report.

14. DIRECTORS AND KEY MANAGERIAL PERSONNEL

a. Appointment of Directors

The Board of Directors is duly constituted as on the end of the financial year.

In pursuance of section 152 of the companies Act, 2013 and rules framed there under, Mr. Rajendra Virupaksha Kulkarni retires by rotation at the ensuing Annual General Meeting of the Company and being eligible offer himself for reappointment.

Mr. Shantanu Upadhyay was appointed as Executive Director & Mr. Sanjay Jain as Non-Executive Independent Director on 14th November 2024 during the year under review.

b. Changes in Key Managerial Personnel

During the financial year under review, Ms. Mukta Ahuja resigned as Company Secretary on 31st March 2024 and Mr. Sanjeev K Jha was appointed as Company Secretary w.e.f. 1st April 2025.

c. **DECLARATION OF INDEPENDENT DIRECTORS**

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

15. DEPOSITS

The Company has not accepted deposits from the public for the year under consideration.

16. **SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

The details of financial performance of Subsidiary/ Joint Venture/Associate Company is furnished in Annexure A and attached to this report.

17. CAPITAL MARKET DEVELOPMENTS

As on date, over 98% of Shares are in Demat form and are listed on various stock exchanges. The Company has, from time to time, reminded the shareholders/ investor, holding the Shares in Physical form to convert their Shareholding to dematerialized form.

18. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

(a) **Details of Conservation of Energy**

The Company uses electric energy for its equipment such as air-conditioners, computer terminals, lighting and utilities in the work premises.
Steps taken or impact on conservation of energy: All possible measures have been taken to conserve energy
By identifying potential areas for saving;
By incorporating energy efficient equipment;
By automation.
Steps taken by the company for utilizing alternate sources of energy: Nil
Capital Investment on energy conservation equipments: Nil

(b) **Technology Absorption**

1. Efforts in brief made towards technology absorption, adaptation and innovation:
These are adapted, wherever necessary, to local conditions.
2. Benefits derived as a result of the above efforts:
New product development, productivity and quality improvements, enhanced safety and environmental protection measures and conservation of energy.
3. Technology Imported: NIL
4. Expenditure on R&D: NIL

C. **Foreign Exchange earnings and outgo**
The information in this regard is provided in Notes to the Accounts. There had been no foreign exchanges earnings, during the year.

19. PARTICULARS OF EMPLOYEES

Particulars of Employees as required under the provision of section 197 of the Companies Act, 2013 and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable. Since none of the employee of the company is drawing salary of Rs. 1,02,00,000/- per annum or more or Rs. 8,50,000/- per month or more or for the part of the year during the year under review.

20. REMUNERATION POLICY FOR THE DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

The Remuneration Policy of the Company is to ensure that Directors, Company's Senior Management including Key Managerial Personnel are rewarded in a fair and reasonable manner, for their individual contributions to the success of the Company and are provided with appropriate incentives to encourage enhanced performance.

The remuneration paid to the Directors, Company's Senior Management including Key Managerial Personnel is recommended by the Nomination and Remuneration Committee for the approval by Board of Directors of the Company, subject to the approval of its shareholders, wherever necessary.

21. VIGIL MECHANISM/WHISTLE BLOWER POLICY

As per the provisions of Section 177 of the Act and Regulation 22 of the SEBI LODR the Company has adopted a Whistle Blower Policy to enable its employees, Directors, customers and vendors to report violations, genuine concerns, unethical behavior and irregularities, if any, which could adversely affect the Company.

The said policy is displayed on the Company's website at www.katipatang.com. None of the Whistle Blowers was denied access to the Audit Committee of the Board.

22. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has adequate system of internal controls to safeguard and protect from loss, unauthorized use or disposition of its assets; it also covers areas like financial reporting, fraud control, compliance with applicable laws and regulations etc. Regular internal audits are conducted to check and to ensure that responsibilities are discharged effectively. All the transactions are properly authorized, recorded and reported to the Management. The Company is following all the applicable Accounting Standards for proper maintaining of the books of accounts and reporting financial statements. The internal auditor of the company checks and verifies the internal control and monitors them in accordance with policy adopted by the company. The Company continues to ensure proper and adequate systems and procedures commensurate with its size and nature of its business.

23. **PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES**

No fresh Contracts or Arrangements was made with related parties pursuant to Section 188 except those continuing which were approved earlier by shareholders. Notes to Accounts on the transactions with related parties are self-explanatory.

24. **STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY**

The Company has devised and implemented a mechanism for risk management and has developed a Risk Management Policy. The provisions of Risk Management Committee are not applicable on the Company.

25. **DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

26. SECRETARIAL STANDARDS OF ICSI

The Company is in compliance with the applicable Secretarial Standards as issued by The Institute of Company Secretaries of India on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2).

27. DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submit its responsibility Statement:

a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
d) the directors had prepared the annual accounts on a going concern basis; and
e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
   Internal financial control means the policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.
f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

28. SHARES CAPITAL

The Authorized share Capital of the Company as on 31st March was Rs. 50,00,00,000 (Rupees Fifty Crores only) divided into 5,00,00,000 (Five Crore) equity shares of Rs. 10/- each.

The paid-up Share Capital of the Company as on 31st March was Rs. 35,89,82,800 (Rupees Thirty Five Crore Eighty Nine Lakh Eighty Two Thousand Eight Hundred only) divided into 3,58,98,280 (Three Crore Fifty Eight Lakh(s) Ninety-eight Thousand Two Hundred Eighty Only) equity shares of Rs. 10/- each.

The paid-up Share Capital of the Company as on signing of this Report is Rs. 41,02,66,055 (Rupees Forty One Crore Two Lakh(s) Sixty Six Thousand Fifty Five Only) divided into 3,58,98,280 equity shares of Rs. 10/- each fully paid up & 1,02,56,651 party paid equity shares of Rs. 10 each Rs. 5 paid up.

During the year, the company has not issued any share capital with differential voting rights, sweat equity or ESOP nor provided any money to the employees or trusts for purchase of its own shares.

During the current Year 2024-25, company has issued & allotted 2,56,00,680 (Two Crore Fifty Six Lakh Six Hundred eighty) equity shares of Rs. 10 each at PAR on preferential basis.

During the current Year 2024-25, company has granted 69,10,000 (Sixty Nine Lakh Ten Thousand) warrants convertible into equity at the option of shareholders within 18 months out of which 13,75,000 warrants has been converted on 28th March 2025 and the remaining warrants are yet to be converted as on the date of signing of this report.

29. KATI PATANG ESOP SCHEME, 2025

The Company on 14th February 2025 approved the scheme for grant of 4,50,000 ESOP's to eligible employees. ESOP Scheme is made available on the website of the company www.katipatang.com, salient features has been mentioned in the explanatory statement to the notice of ensuing Annual General Meeting of the company.

30. ACQUISITION OF EMPYREANS SPIRITS PVT LTD

The company has acquired 98% shares in the above mentioned company on 22nd August 2024 through share swap of the shares in the ratio 1:10 at an issue price of Rs. 10 each by virtue of which the company has entered into the business of alcoholic liquor mainly beer or craft beer. The requisite approval of shareholders, BSE, ROC and other concerned authorities were obtained for the transaction.

31. SALE OF SUBSIDIARY ROAM1 TELECOM LTD

The company sold 100% stake in the above mentioned company during the year under review by virtue of which the company has now moved away from sim card business. The requisite approval of shareholders, BSE, ROC and other concerned authorities were obtained for the transaction.

32. CHANGE OF NAME OF THE COMPANY

To give effect to the new business line of the company pursuant to acquisition of Empyrean Spirits Pvt Ltd & sale of subsidiary Roam1 telecom Ltd, the company changed it's name from VIRTUALSOFT SYSTEMS LTD to KATI PATANG LIFESTYLE LIMITED during the year under review. The requisite approval of shareholders, BSE, ROC and other concerned authorities were obtained for the transaction.

33. CORPORATE GOVERNANCE

A Separate statement on Corporate Governance along with the Certificate on its compliance is given as part of the Annual Reports.

34. **DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONGWITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR:**

Not Applicable.

35. **DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF:**

Not Applicable.

36. PREVENTION OF SEXUAL HARASSMENT

The Company is an equal opportunity employer and is committed to ensure safe and secure environment prohibiting discrimination on grounds of religion, race, caste, sex, place of birth and gender specific violence such as sexual harassment at the work place.

The Company has the Policy on Prevention, Prohibition &Redressal against Sexual Harassment of Women at Workplace as per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013. This policy provides for prevention and redressal of complaints of sexual harassment and incidental matters. There is an Internal Complaints Committee formed as per the prescribed rules.

The following is a summary of sexual harassment complaints received and disposed off during the period:

Number of Complaints received	NIL
Number of Complaints disposed off	NIL
Number of Complaints pending for disposal	NIL

37. ACKNOWLEDGEMENTS

Your directors acknowledge with a deep sense of gratitude the continued support extended by investors, customers, business associates, bankers and vendors. Your directors take this opportunity to thank the regulatory and governmental authorities.

For and on behalf of the Board of Directors
Kati Patang Lifestyle Limited

Sd/-	**Sd/-**
Gokul Naresh Tandan	**Shantanu Upadhyay**
Managing Director	**Joint Managing Director**
DIN: 00441563	**Din: 07709657**

Place : New Delhi
Date : 2nd September 2025

Annexure A

Statement containing salient features of the financial statement of Subsidiaries/Associates/Joint Venture (Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014:

Part "A": Subsidiary

Sl. No.	Particulars	Name of the Subsidiary
		EMPYREAN SPIRITS PRIVATE LIMITED
1.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
2.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	NA
3.	Share Capital	194.03 Lakhs
4.	Reserves and Surplus	(305.66) Lakhs
5.	Total assets	929.23 Lakhs
6.	Total liabilities	1040.86 Lakhs
7.	Investments	-
8.	Turnover	1661.02 Lakhs
9.	Profit / Loss before taxation	(411.49) Lakhs
10.	Provision for taxation	(13.20) Lakhs
11.	Profit/ Loss after taxation	(398.29) Lakhs
12.	Proposed Dividend	-
13.	% of shareholding	98%

No subsidiaries which are yet to commence operations
No subsidiary has been liquidated or sold during the year.

Part "B": Associates and Joint Ventures

Name of Joint Ventures/Associates	

No associates or joint ventures which are yet to commence operations

No associates or joint ventures has been liquidated or sold during the year.

KATI PATANG LIFESTYLE LIMITED
FORM No. AOC – 2

[Pursuant to clause (h) of Sub–section (3) of Section 134 of the Act and Rule 8 (2) of the Companies (Accounts) Rules, 2014]

For the year ending on 31st March 2025

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Sub–section (1) of Section 188 of the Companies Act, 2013 including arms' length transactions under third proviso thereto.

Name(s) of the related party and nature of relationship:

Names of related parties	Description of relationship
EMPYREAN SPIRITS PRIVATE LIMITED	Subsidiary
HEAL YOUR PAWS PET SERVICES LLP	Enterprises which are owned or have significant influence of or are partners with Key management person and their relatives
GOTO CUSTOMER SERVICES PVT LTD	Enterprises which are owned or have significant influence of or are partners with Key management person and their relatives
VIRTUAL SOFTWARE & TRAINING PVT LTD.	Enterprises which are owned or have significant influence of or are partners with Key management person and their relatives
ENHANCED COMMUNICATIONS & TECHNOLOGIES PVT LTD	Enterprises which are owned or have significant influence of or are partners with Key management person and their relatives
CLOUDCONNECT COMMUNICATIONS PRIVATELIMITED	Enterprises which are owned or have significant influence of or are partners with Key management person and their relatives
EMPYREAN BEVERAGES PRIVATE LIMITED	Enterprises which are owned or have significant influence of or are partners with Key management person and their relatives
PRIME VALVE INDIA LLP	Enterprises which are owned or have significant influence of or are partners with Key management person and their relatives
M R CAPITAL PVT. LTD.	Enterprises which are owned or have significant influence of or are partners with Key management person and their relatives.
VIJAY STAMPINGS PVT. LTD.	Enterprises which are owned or have significant influence of or are partners with Key management person and their relatives
MARBLE ARCH ESTATE PVT. LTD.	Enterprises which are owned or have significant influence of or are partners with Key management person and their relatives
SMOOTH AI PVT. LTD.	Enterprises which are owned or have significant influence of or are partners with Key management person and their relatives
COMMBITZ ESIM PRIVATE LIMITED	Enterprises which are owned or have significant influence of or are partners with Key management person and their relatives
COMMBITZ (UK) LTD	Enterprises which are owned or have significant influence of or are partners with Key management person and their relatives
KATI PATANG (UK) LTD	Subsidiary of subsidiary company

Mr. Gokul Naresh Tandan	Chairman & Managing Director
Mr. Rajendra V. Kulkarni	Director
Ms. Mukta Ahuja	Key Managerial Person
Mr. Athar Ahmad	Key Managerial Person
Mr. Vikram Grover	Director
Ms. Geeta Singh	Director
Mr. Sanjay Jain	Director
Mr. Shantanu Upadhyay	Director

Details of material contracts or arrangement or transactions not at arm's length basis – NIL
Details of material contracts or arrangement or transactions at arm's length basis-

B. Related Party Transactions:

Particulars	Subsidiary		KMP		Other Related		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
Receipts/ Payments Transaction during the year								
Unsecured Loans Received	2.00	24.40	162.30	118.60	10.00		174.30	143.00
Unsecured Loans Given	528.00						528.00	-
Repayment of Unsecured Loans	2.00	24.40	108.00	42.50	10.00		120.00	66.90
Payment against Reimbursement of expenses	3.75		0.54	1.58			4.29	1.58
Advance against expenses			2.00			2.00	2.00	2.00
Payment for Professional Services					0.44		0.44	-
Payment for Project expenses					-	2.04	-	2.04
Payment for Director Sitting Fees			1.20	0.93			1.20	0.93
Payment of Salary			23.14	19.95			23.14	19.95
Receipt against sale of services		10.50					-	10.50
Accural of Income during the year								
Sales of Services		10.50						10.50
Investment sold (Roam1 Telecom Limited)			1,004.88				1,004.88	-
Accural of expenses during the year								
Full and Final Settlement			2.18	-			2.18	-
Director Sitting Fees			1.05	1.15			1.05	1.15
Other Office expenses			4.63	0.90			4.63	0.90
Professional Expenses					0.44	-	0.44	-
Project related expenses					-	2.04	-	2.04
Staff recruitment expenses					2.00		2.00	-
Year End Balances : Receivables/(-)Payables								
Outstanding Loan	528.00		(1,224.75)	(2,175.33)			(696.75)	(2,175.33)
Sitting Fee Payable			(0.32)	(0.47)			(0.32)	(0.47)
Full and Final Settlement Payable			(2.18)	-			(2.18)	-
Advance against expenses			1.68	0.33	-	2.00	1.68	2.33

All transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured, for the year ended 31 March 2025 and 31 March 2024.

Corporate Governance Report

Corporate Governance is about commitment to values and about ethical business conduct. It's about how an organization is managed. This includes its Corporate Structure, its culture, policies and manner in which it deals with various stakeholders. Accordingly timely and accurate disclosure of information regarding the financial situation, performance, ownership and governance of the Company is an important part of Corporate Governance. This improves public understanding of the structure, activities and policies of the Organization. Consequently, the Organization is able to attract investors, and to enhance the trust and confidence of the stakeholders.

Your Company believes that sound Corporate Governance is critical to enhance and retain investor trust. Accordingly, your Company always seeks to attain its performance rules with integrity. The Board extends its fiduciary responsibilities in the widest sense of the term. Your Company's endeavors to enhance long – term shareholder value and respect minority rights in all our business decisions.

1. Philosophy on Corporate Governance

It satisfies the spirit of law and not just the letter of the law. Corporate Governance standards should go beyond the law. Corporate Governance should :

a. Be transparent and maintain high degree of disclosures levels. When in doubt, disclose.
b. Make a clear distinction between personal Conveniences and corporate resources.
c. Communicate externally, in a truthful manner, about how the Company is run internally.
d. Have a simple and transparent corporate structure driven solely by the business needs.
e. Management is the trustee of the shareholder's capital and not the owner.

2. Board of Directors

At the core of its Corporate Governance practice is the Board, which oversees how the management serves and protects the long-term interests of all the stakeholders of the Company. Your Company believes that an active, well – Informed and independent Board is necessary to ensure the highest standards of Corporate Governance. Three directors are independent Directors including a woman director.

During the Financial Year ended 31st March 2025, Ten Board Meetings were held on 30th May 2024, 25th June 2024, 14th August 2024, 22nd August 2024, 3rd September 2024, 14th November 2024, 23rd December 2024, 24th December 2024, 14th February 2024 & 28th March 2025.

The Last Annual General Meeting was held on 30th September 2024.

The Composition of the Board, attendance of Directors at the Board Meetings held during the year under review as well as in the last Annual General Meeting and the number of other Directorships / Committee positions held by them are as under:

S. No.	Name & Designation	Category	No. Of other Directorships held	No of Board meetings		Attended last AGM (30.09.24)
				Held	Attended	
1.	Mr. Gokul Naresh Tandan	MD	8	10	10	Yes
2.	Mr. Rajendra V. Kulkarni	D	8	10	10	Yes
3.	Mr. Geeta Singh	NEID & WD	2	10	10	Yes
4.	Mr. Vikram Grover	NEID	2	10	10	NA
5.	Mr. Sanjay Jain	NEID	15	4	4	NA
6.	Mr. Shantanu UPadhyay	D	3	4	4	NA

(MD- Managing Director, D – Director, NEID – Non-Executive Independent Director, WD-Woman Director)

Directorship / Committee Positions held by Directors: None of the Directors on the Board hold Directorships in more than fifteen Companies and hold memberships in more than ten Committees and they do not act as Chairman of more than five Committees across all the Companies in which they are Directors.

S. No.	Name of the Director	Directorships			
			Name of the Company	Committee	Position
1.	Mr. Gokul Naresh Tandan	9	1. M/s Kati Patang Lifestyle Ltd 2. M/s. Goto Customers Services Pvt. Ltd. 3. M/s. Virtual Software & Training Pvt.Ltd. 4. M/s. Roam1 Telecom Ltd. 5. M/s Enhanced Communications & Technologies Pvt Ltd 6. M/s Heal Your Paws Pet Services LLP 7. M/s Empyrean Beverages Private Limited 8. M/s Empyrean Spirits Private Limited 9. M/s Commbitz Esim Private Limited	Nil	Director Director Director Director Director DP Director Director Director
2.	Mr. Rajendra V. Kulkarni	9	1. M/s M R Capital Pvt. Ltd. 2. M/s. Vijay Stampings Pvt. Ltd. 3. M/s. Prime Valves India LLP 4 . M/s. Marble Arch Estate Pvt. Ltd 5 M/s. Virtual Software & Training (P). Ltd. 6. M/s. Roam1 Telecom. Ltd. 7. M/s Empyrean Beverages Private Limited 8. M/s Blue Lily Fist Trading LLP 9. M/s Kati Patang Lifestyle Ltd	3	Director Director DP Director Director Director Director DP Director
3.	Shnatanu Upadhyay	4	1. Kati Patang Lifestyle Limited 2. Empyrean Spirits Pvt Ltd 3. Empyrean Beverages Pvt Ltd 4. Alt-Attitude Advisory LLP	Nil	Director Director Director DP
4.	Sanjay Jain	16	1. Jk Defence & Aerospace Limited 2. Kati Patang Lifestyle Limited 3. Allen Reinforced Plastics Ltd 4. Carya Chemicals & Fertilizers Private Limited 5. Dwarkadhish Finance & Invest Company Pvt Ltd 6. Pga Securities Private Limited 7. B.G.K. Infrastructure Developers Private Limited 8. Taj Capital Partners Private Limited 9. Diensten Tech Limited 10. J K Consultancy And Services Private Limited 11. Ushta Te Consultancy Services Llp 12. Express Infra Financial Consultancy Private Limited 13. Manphul Trading And Finance Company Pvt Ltd 14. Tinna Rubber And Infrastructure Limited 15. Shri Gang Industries And Allied Products Limited 16. Suraj Industries Ltd	Nil	Director Director Director Director Director Director Director Director Director Director DP Director Director Director Director Director
5	Geeta Singh	3	1. Empyrean Spirits Private Limited 2. Kati Patang Lifestyle Limited 3. Roam1 Telecom Limited	3	Director Director Director
6.	Vikram Grover	3	1. Divine Power Energy Limited 2. Vibhor Steel Tubes Limited 3. Kati Patang Lifestyle Limited	3	Director Director Director

3. **Information Placed before the Board**

In addition to the matters which statutorily require Board's approval, as required by Corporate Governance, the following matters are regularly placed before the Board :

-Minutes of Audit Committee Meetings, Nomination & Remuneration Committee, Stakeholder Relationship Committee.

-Recruitment and Remuneration of senior executives below the board level.
-Details of Joint Ventures / Collaboration Agreement.
-Disclosure of material related party transaction, if any
-Compliance with Regulatory and statutory requirements including listing requirements & Shareholders services.
-Details of show cause, demand, prosecution and penalty notices which are materially important
-Transactions involving substantial payments towards goodwill, brand equity or intellectual Property.
-Sale of material nature of investments, subsidiaries and assets, which are outside the normal course of business.

4. **Committees of the Board**

In terms of the SEBI code, the Board of the Company has constituted the Following Committees:

4.1. **Audit Committee**

The following are the members and their attendance at the committee meetings:-

S.No.	Name of Directors	Status	No. of meetings	
			Held	Attended
1.	Mr. Rajendra V Kulkarni	Member	6	6
2.	Mr. Vikram Grover	Member	6	5
3.	Ms. Geeta Singh	Chairperson	6	6

During the year under review, the Audit Committee met 6 times on 30th May 2024, 25 June 2024, 14th August 2024, 22nd August 2024, 14th November 2024, 14th February 2025.

The broad terms of references of Audit Committee are as follows:

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

- Recommending the appointment / re- appointment of external and internal auditors, tax auditors, fixation of statutory audit fees, internal audit fees, secretarial audit fees and tax audit fees and also approval for payment of any other services.

- Review and management the annual financial statements before submission to the Board.

- Review quarterly UN – audited /audited financial results, half yearly review report.

-Review with Management, external and internal auditors the adequacy of internal control system.

-Review the adequacy of internal audit program me, internal audit reports; follow up reports and guidelines prepared for internal audit.

-To do any internal investigations either departmentally or with the help of internal auditors or any other outside agency into matters where they are suspected fraud or irregularities.

-Discussion with external Auditors before the Audit commences about nature and scope of audit as well as have post audit discussion to ascertain any area of concern.

-Review the Company's financial and Risk management policies.

-To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders and creditors.

4.2. **Nomination & Remuneration Committee**:

The Committee consists of three Directors chaired by NEID.

The Committee met Four times during the year on 5 times on 30th May 2024, 25 June 2024, 14th August 2024, 14th November 2024 & 14th February 2025.

. The following are the members and their attendance at the Committee Meetings: -

Name of Member	Status	No. of meetings	
		Held	Attended

Mr. Rajendra V Kulkarni	Member	5	5
Mr. Vikram Grover	Member	5	5
Ms. Geeta Singh	Chairperson	5	5

4.3. **Stakeholder Relationship Committee**

The Committee consists of three Directors chaired by NEID.
This Committee looks into transfer and transmission of Shares, issue of duplicate share certificates, Consolidation and sub – division of shares and investors' grievance. This Committee particularly looks into Investors Grievances and oversees the performance of the in- house Share Department/ Share Transfer Agents and to ensure prompt and Efficient investors' services. The Committee met Four times during the year on 5 times on 30th May 2024, 25 June 2024, 14th August 2024, 14th November 2024, 14th February 2025 The following are the members and their attendance at the Committee Meetings: -

Name of Member		No. of meetings	
		Held	Attended
Mr. Rajendra V Kulkarni	Member	5	5
Mr. Vikram Grover	Member	5	5
Ms. Geeta Singh	Chairperson	5	5

5. **General Body Meetings**
Location and time where General Meetings held in the last 3 years are given below:

Year	AGM / EGM	LOCATION	DATE	TIME
2024-25	EGM	Through Video Conferencing	25.07.2024	9:00 A.M.
2024-25	EGM	Through Video Conferencing	11.02.2025	9.00 A.M.
2024-25	AGM	Through Video Conferencing	30.09.2024	9.00 A.M
2023-24	AGM	Through Video Conferencing	29.09.2023	9.00 A.M
2022-23	AGM	Through Video Conferencing	30.09.2022	9.00 A.M

At the ensuing AGM also there is no such resolution to be passed through Postal Ballot.

6. Disclosures on materially significant related party transactions with Promoters, Directors, Management, their Subsidiaries or Relatives etc., which may have potential conflict with the interest of the Company at large.

None of the materially significant transactions with any of the related parties were in conflict with the interest of the Company.

7. Non – compliance by Company, penalties, strictures imposed on the Company by Stock Exchanges / Securities and Exchange Board of India (SEBI) etc.

No penalties apploicable. However, Interest was paid on late payment of annual listing fees to BSE during the year under review.

8. **Means of Communication**

This is being done through Quarterly, half yearly and annual results, which are being published in English and Hindi daily newspapers. Also published on the website of the company www.katipatang.com

9. **General Shareholders Information:**

Detailed information in this regard provided in the shareholder information section forms part of this Annual Report.

10. **Compliance Certificate:**

The Company Secretary have certified that the Company has complied with the conditions of Corporate Governance as stipulated in

clause 49 of the Listing Agreement with the Stock Exchanges and the same is annexed to The Director's Report.

The Certificate form the Statutory Auditors will be sent to the Listed Stock Exchanges along with the Annual Return of The Company.

SHAREHOLDERS INFORMATION

Registered Office : S-101, Panchsheel Park, New Delhi-110 017
Corporate Office : 504, Savitri Cinama Complex, Greater Kailash-II, New Delhi-110020
Ensuing Annual General Meeting : Date & Time: 30th September, 2025 at 9:00 a.m.

Financial Calendar:
-Financial reporting for the quarter ending June 30. 2025 : 14th August 2025
-Financial reporting for the quarter ending Sep 30. 2025 : 14th November 2025
-Financial reporting for the quarter ending Dec 31. 2025 : 14th February 2026
-Financial reporting for the Year ending March 31. 2026 : 30th May 2026

Date of Book Closures: September 23, 2025 to September 29, 2025, both days inclusive.

Listing on Stock Exchanges:

The Equity Shares of the Company are listed on the Stock Exchange at Bombay Stock Exchange, Mumbai.

Status of Dematerialization as on March 31, 2025:

PARTICULARS	**NO. OF SHARES**	**% TO TOTAL CAPITAL**
National Security Depository Limited	2,41,73,641	70.22%
Central Depository Services (India) Limited	97,39,583	28.29%
TOTAL DEMATERIALIZED	**3,39,13,224**	**98.51%**
PHYSICAL	5,10,056	1.49%
TOTAL	**3,44,23,280**	**100%**
SHARES UNDER LISTING	**14,75,000**	**-**
GRAND TOTAL	**3,58,98,280**	**100%**

FORM NO. MR.3

SECRETARIAL AUDIT REPORT
(For the Financial Year Ended 31st March 2025)
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2025

To,
The Members
Kati Patang Lifestyle Limited
(Formerly known as Virtual soft Systems Limited)
S-101, Panchsheel Park
New Delhi-110017

We have conducted the Secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s Kati Patang Lifestyle Limited (hereinafter referred to as the Company) bearing CIN L72200DL1992PLC047931. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March 2025, complied with the statutory provisions listed hereunder and also that the company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31st March 2025 according to the provisions of:
i. The Companies Act, 2013 (the Act) and the Rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign direct investment, Overseas direct Investment and External Commercial borrowings; (to the extent applicable)

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999
e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
(Not applicable to the company during the Audit period)
f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
(Not applicable to the company during the Audit period)
h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
(Not applicable to the company during the Audit period)

vi. We have also examined, on test-check basis, the relevant documents and records maintained by the Company according to the following laws applicable specifically to the Company:
a) The Employee State Insurance Act, 1948

b) The Employees Provident Fund & Miscellaneous Provisions Act, 1952
c) The Payment of Bonus Act, 1965
d) The Sexual harassment of Women at Workplace (P&R) Act, 2013
e) The Payment of Gratuity Act, 1979
f) Food Safety and Standards Act, 2006
g) The Legal Metrology Act, 2009
h) The Environment Protection Act, 1986 and all other related laws applicable

We have also examined compliance with the applicable clauses of the following:
i. Secretarial Standards issued by The Institute of Company Secretaries of India.
ii. The Listing Agreements entered into by the company with Stock exchange(s), if applicable

We have not examined compliance by the company with applicable financial laws like direct and indirect tax laws, since the same has been subject to review by statutory audit and other designated professionals. During the period under review the company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors. The changes in the composition of the Board of directors that took place during the period under review were carried out in compliance with the provisions of the Act.

In general, adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the chairman, the decision of the board was unanimous and no dissenting members' views have been recorded.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
We further report that during the audit period except for the following events, there was no events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

1. During the year under review, the company has acquired 1,901,568 equity shares of M/s Empyrean Spirits Private Limited (hereinafter referred to as the ESPL") having face value of Rs. 10/- per share for a total purchase consideration of Rs. 190,156,800 through swap of shares which eventually leads to the former becoming the material subsidiary of the company. Additionally, the company has divested its investment in Roam1 Telecom Limited, a former subsidiary.

2. During the year under review, the company had acquired 98% stake in ESPL, a beer manufacturing company known under the brand name Kati Patang. In light of the aforesaid acquisition and to reflect the business of ESPL in its name, the name of the company was changed from Virtualsoft systems Limited to Kati Patang Lifestyle Limited after the necessary approvals from Registrar and stock exchange. Moreover, the company has started a new line of business activity dealing in all types of beverages, soft drinks, soft drinks concentrates, mineral water and its by-products.

3. During the year under review, the company has applied for the listing of 24,125,680 equity shares each with a face value of Rs. 10 per share issued on a preferential basis in accordance with Chapter V of the SEBI (ICDR) Regulations, 2018. Further, the company has applied for the listing of 1,475,000 equity shares issued at a price of Rs. 10 per share upon exercise of conversion of warrants issued on a preferential basis in accordance with Chapter V of the SEBI (ICDR) Regulations, 2018.

For Saket Billa & Associates
(Company Secretaries)
Sd/-
Saket Billa
(Proprietor)
ACS: 22007, CP No: 21904, PR no. 4485/2023
UDIN: A022007G001105045
Dated August 29th 2025 at New Delhi

This report is to be read with our letter of even date which is annexed as 'Annexure 1' and forms an integral part of this report

Annexure 1

To,
The Members
Kati Patang Lifestyle Limited (Formerly known as Virtual soft Systems Limited)
S-101, Panchsheel Park, New Delhi-110017

Our report of even date is to be read along with this letter:
1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of accounts of the company.
4. Where ever required, we have obtained the Management confirmations about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For Saket Billa & Associates
(Company Secretaries)
Sd/-
Saket Billa
(Proprietor)
ACS: 22007 CP No: 21904, PR no. 4485/2023

FORM NO. MR.3
SECRETARIAL AUDIT REPORT

(For the Financial Year Ended 31st March 2025)

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
Empyrean Spirits Private Limited
504, Savitri Cinema Complex, Greater Kailash-2 , New Delhi-110048

We have conducted the Secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s Empyrean Spirits Private Limited ***(hereinafter referred to as the Company)*** bearing **CIN U15549DL2017PTC313380**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March 2025, complied with the statutory provisions listed hereunder and also that the company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31st March 2025 according to the provisions of:
i. The Companies Act, 2013 (**the Act**) and the Rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder
(Not applicable to the company during the Audit period)

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign direct investment, Overseas direct Investment and External Commercial borrowings; **(to the extent applicable)**

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**'SEBI Act')**

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not applicable to the company during the Audit period)**

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; **((Not applicable to the company during the Audit period)**

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **((Not applicable to the company during the Audit period)**

d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999 **(Not applicable to the company during the Audit period)**

e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the company during the Audit period)**

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable to the company during the Audit period)**

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and **(Not applicable to the company during the Audit period)**

vi. We have also examined, on test-check basis, the relevant documents and records maintained by the Company according to the following laws applicable specifically to the Company:
a) The Employee State Insurance Act, 1948
b) The Employees Provident Fund & Miscellaneous Provisions Act, 1952
c) The Payment of Bonus Act, 1965
d) The Sexual harassment of Women at Workplace (P&R) Act, 2013
e) The Payment of Gratuity Act, 1979
f) Food Safety and Standards Act, 2006
g) The Legal Metrology Act, 2009
h) The Environment Protection Act, 1986 (to the extent applicable)

We have also examined compliance with the applicable clauses of the following:
i. Secretarial Standards issued by The Institute of Company Secretaries of India.
ii. The Listing Agreements entered into by the company with Stock exchange(s), if applicable

We have not examined compliance by the company with applicable financial laws like direct and indirect tax laws, since the same has been subject to review by statutory audit and other designated professionals.

During the period under review the company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors. The changes in the composition of the Board of directors that took place during the period under review were carried out in compliance with the provisions of the Act.

In general, adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the chairman, the decision of the board was unanimous and no dissenting members' views have been recorded.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period except for the following events, there was no events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

1. During the year under review, the company became the Material subsidiary of M/s Kati Patang Lifestyle Limited by transfer of 1,901,568 equity shares of the company having face value of Rs. 10/- per share for a total sale consideration of Rs. 190,156,800/- through swap of shares.

2. Members of the Company at their Extraordinary General Meeting held on June 24, 2024 accorded approval for:
(a) Re-Classification of the Authorised Share Capital of the Company;
(b) Increase in the Authorised Share Capital of the Company;
(c) Alteration in Article of Association of the company;
(d) Variation of the terms of Class B equity shares by converting them into only Equity class of the company and
(e) Offer and issue of upto 560,000 equity shares on preferential basis to the lenders towards conversion of outstanding unsecured loans

For Saket Billa & Associates
(Company Secretaries)
Sd/
Saket Billa
(Proprietor)
ACS: 22007, CP No: 21904, PR no. 4485/2023
UDIN: A022007G001105111
Dated August 29th 2025 at **New Delhi**

This report is to be read with our letter of even date which is annexed as 'Annexure 1' and forms an integral part of this report.

Annexure 1
To,
The Members
Empyrean Spirits Private Limited
504, Savitri Cinema Complex, Greater Kailash-2, New Delhi-110048

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of accounts of the company.

4. Where ever required, we have obtained the Management confirmations about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For Saket Billa & Associates
Sd/-
Saket Billa
ACS: 22007, CP No: 21904, PR no. 4485/2023

Rajesh Raj Gupta & Associates LLP
Chartered Accountants

- 412A, Chiranjiv Tower, Nehru Place, New Delhi - 110019, Ph. : 011-49424708
- E-mail : info@rrga.in, Web : www.rrga.in
LLP Identity No. : AAT-7061

INDEPENDENT AUDITOR'S REPORT

To
The Board of Directors
Kati Patang Lifestyle Limited
(Formerly known as Virtual soft Systems Limited)
New Delhi

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of Kati Patang Lifestyle Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2025, the Statement of Profit and Loss (including the Other Comprehensive Income), the Cash Flow Statement and the Statement of changes in equity for the year then ended, and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view, in conformity with the Accounting Standards specified under section 133 of the Act, read with (the Companies (Indian Accounting Standards) Rules, 2023) and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2025, and its loss, cash flows and changes in equity for the year ended on that date.

Basis for Opinion

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

Rajesh Raj Gupta & Associates LLP
New Delhi
LLP No: AAT-7061

Emphasis of Matter

We draw attention to Note 46 of the financial statements, which outlines the Company's development of a CRM software, *Live Webcast Suite*, which was intended to support its telecom services and website operations. Following the acquisition of Empyrean Spirits Pvt. Ltd. (a company engaged in the manufacture and sale of liquor), the company has undergone a strategic shift in its business model.

As a result, management is currently evaluating the potential disposal of the CRM software, *Live Webcast Suite* in the coming years. Nevertheless, management continues to assert that the carrying value of the related expenditure, reported under Capital Work in Progress (CWIP), is recoverable and represents a fair estimate of its market value as of the reporting date.

Our opinion is not modified in respect of this matter.

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

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the financial statements and auditor's report(s) thereon. The Company's annual report is expected to be made available to us after the date of this auditor's report.

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

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

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

Management's Responsibilities for the Standalone Financial Statements

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

Rajesh Raj Gupta & Associates LLP
New Delhi
LLP No: AAT-7061

to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has an 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 Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that,

Rajesh Raj Gupta & Associates LLP
New Delhi
LLP No: AAT-7061

individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in

(i) planning the scope of our audit work and in evaluating the results of our work; and

(ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

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

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

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

Other Matter

Report on Other Legal and Regulatory Requirements

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

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

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

(c) The company do not have the branch offices as per information provided to us hence the reporting on "the report on the accounts of any branch office of the company audited under sub-section (8) by a person other than the company's auditor has been sent to him under the proviso to that sub-section and the manner in which he has dealt with it in preparing his report" is not applicable in this case;

(d) The Balance Sheet, the Statement of Loss, the Cash Flow Statement and the Statement of changes in equity dealt with by this Report are in agreement with the books of account;

(e) In our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards as specified under section 133 of the Act;

Rajesh Raj Gupta & Associates
New Delhi
LLP No: AAT-7061

(f) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164(2) of the Act

(g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and operating effectiveness of such controls, refer to our separate report in **"Annexure- B".**

(h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations provided to us, no remuneration was paid by the Company to its directors during the year under audit. Accordingly, the provisions of Section 197 of the Act have been complied with.

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

i. The Company does not have any pending litigations as on March 31, 2025, which would impact its financial position.

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

iii. In our opinion and according to the information and explanations given to us, the Company has transferred the amounts required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act 2013 and the rules made thereunder.

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

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

(iii) Based on the audit procedures that we considered reasonable and appropriate under the circumstances, nothing has come to our attention that causes us to believe that the representations made under sub-clauses (i) and (ii) of clause (iv), as stated above, contain any material misstatement.

Rajesh Raj Gupta & Associates LLP
New Delhi
LLP No: AAT-7061

v. The company has not declared or paid any dividend during the year in contravention of the provisions of section 123 of the Companies Act, 2013.

vi. *As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023*, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail. The company utilized accounting software with an audit trail (edit log) feature, which remained operational throughout the year for all recorded transactions and was not tampered with. Furthermore, the responsibility for retaining the audit trail in accordance with statutory requirements lies with the company."

For Rajesh Raj Gupta & Associates LLP
Chartered Accountants
(FRN No.026338N/N500357)

Rajesh Raj Gupta & Associates LLP
New Delhi
LLP No: AAT-7061

CA. MANOJ KUMAR
Partner
Membership No. 521409
UDIN: 25521409BMNTDM1704

Date: 30-05-2025
Place: New Delhi

Annexure-A to the Independent Auditor's Report to the Members of Kati Patang Lifestyle Limited on the standalone financial statements for the year ended 31st March 2025

Report on the matter specified in paragraph 3 of the Companies (Auditor's Report) Order, 2020 (''the Oder") issued by the Central Government of India in terms of Section 143(11) of the Companies Act, 2013 ("the Act") as referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

i. In respect of the Company's property, plant and equipment, right-of-use assets and intangible assets:

a)

(i) The Company has maintained proper records showing full details, including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets.

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

b) In our opinion property, plant and equipment have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification during the year.

c) The clause regarding details of immovable properties not held in the name of the Company is not applicable, as no such cases exist.

d) The Company has not revalued any of its property, plant and equipment (including right-of-use assets) and intangible assets during the year.

e) No proceedings have been initiated and are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Therefore, reporting under this sub-clause is not required.

ii.

a) The company does not have any inventory. Therefore, reporting under this clause is not applicable.

b) The company has not been sanctioned working capital limits in excess of five crore rupees during the year in aggregate, from banks or financial institutions on the basis of security of current assets;

iii. The company has made **investments**, ~~provided guarantees or securities,~~ or **granted** loans ~~or advances in the nature of loans (secured or unsecured) to companies, firms, LLPs, or other parties~~ during the financial year.

a) The company has acquired **19,01,568 equity shares** on **August 22, 2024**, with a face value of **₹10 per share**, representing a **98% stake in Empyrean Spirits Pvt. Ltd.** as part of its investment strategy for the financial year **2024–25**.

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New Delhi
LLP No: AAT-7061

b) Additionally, the company has **divested its investment** in **Roam1 Telecom Limited**, a former subsidiary, during the financial year **2024–25**.

Amount in INR Lakh

S. No.	Financial assets - Investments	As at 31st March 2025	As at 31st March 2024
(A)	<u>Investment in Subsidiary</u> **Equity instruments (unquoted)** Nil - Investment in Roam1 Telecom Limited (a former subsidiary) was sold during the financial year 2024-25.	-	-
	(As of 31 March 2020: 1,595,000 shares; Face Value ₹10 per share)	-	926.30
	Equity instruments (unquoted) 19,01,568 no. of shares acquired on 22 August 2024: Face Value ₹10 per share - representing a 98% stake in Empyrean Spirits Pvt. Ltd. during the financial year 2024-25.	1,901.57	-
	Total	**1,901.57**	**926.30**

c) During the financial year, the company extended a loan of ₹528 lakh to its subsidiary (Empyrean Spirits Pvt. Ltd.) for principal business activities. This amount remains outstanding as of the financial year-end. In the previous financial year, no such loan was granted.

iv. In our opinion and according to the information and explanation given to us, there are no loans, investments, ~~guarantees and securities~~ given in contravention of provisions of sections 185 and 186 of the Act.

v. According to the information and explanations given to us, the company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the Rules framed there under to the extent notified. Hence the provisions of clause (v) of paragraph 3 of the order are not applicable to the company.

vi. As per the information and explanation given to us, The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for the services of the company.

vii. According to the information and explanation given to us and on the basis of our examinations of the records of the company. The company is generally regular in depositing the undisputed statutory dues including goods and services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, value added tax, cess and any other statutory dues to the appropriate authorities.

There were no undisputed amounts payable in respect of aforesaid dues were outstanding as at March 31, 2025 for a period of more than six months from the date of becoming payable.

Rajesh Raj Gupta & Associates LLP
New Delhi
LLP No: AAT-7061

viii. In our opinion and as per the information and explanation given to us, there are no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the Tax Assessment under the Income tax Act, 1961(43 of 1961).

ix.

a) Based on the information and explanations provided to us, the company has not obtained any loans or borrowings from banks, financial institutions, or other external lenders during the financial year, except for borrowings from its directors. Accordingly, the reporting requirements under this clause do not apply.

b) The company has not been classified as a wilful defaulter by any bank, financial institution, government, or regulatory authority.

c) The company has not availed any term loans from banks, financial institutions, or other external lenders during the financial year, nor were there any outstanding term loans at the beginning of the year from such lenders. Therefore, reporting under clause 3(ix)(c) of the Order is not applicable.

d) Upon review of the company's financial statements, no funds raised on a short-term basis from banks, financial institutions, or other external lenders during the financial year have been identified. Accordingly, reporting under this sub-clause is not applicable.

e) Based on our examination of the company's financial statements, no funds have been obtained from any entity or individual for the purpose of meeting the obligations of its subsidiaries.

f) As the company has not raised any loans from banks, financial institutions, or other external lenders during the financial year, reporting under clause 3(ix)(f) of the Order is not applicable.

x.

a) Based on our review and the information and explanations provided, the company has not raised funds through an initial public offering or a further public offering during the financial year. Accordingly, reporting under this clause is not applicable.

b) **Preferential Allotment of Shares**
In our opinion, and as per the information and explanations provided, the company has undertaken a preferential allotment of shares during the year.

- The company has applied for the listing of **2,41,25,680 Equity Shares**, each with a face value of ₹10 per share, issued on a preferential basis in accordance with **Chapter V of the SEBI (ICDR) Regulations, 2018**.
- The allotment of **1,90,15,680 Equity Shares** was settled by the respective allottees through the transfer of **19,01,568 Equity Shares** of Empyrean Spirits Private Limited **(ESPL)** by **August 22, 2024**, amounting to a total purchase consideration of ₹19,01,56,800.
- The company received **₹5,11,00,000** as application/allotment money from the respective allottees via their bank accounts for the allotment of **51,10,000 Equity Shares** by **August 22, 2024**, with no indication of fund circulation or mere book entry transactions.
- Compliance with the **Companies Act, 2013**, **Chapter V of SEBI (ICDR) Regulations, 2018**, including **Regulation 169(5) of SEBI (ICDR) Regulations,**

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New Delhi
LLP No: AAT-7061

2018, Section 42(6) of the Companies Act, 2013, and **Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014** has been ensured.

- Relevant documents, including details of the **ESPL shares** held by the allottees, as well as bank account statements reflecting subscription money received from their respective accounts, are properly maintained by the issuer.

c) **Warrants Convertible into Equity**

- The company has applied for the listing of **14,75,000 Equity Shares**, issued at a price of ₹10 per share upon exercise of conversion of warrants issued on a preferential basis in terms of **Chapter V of SEBI (ICDR) Regulations, 2018**.
- The company received **₹1,72,75,000** as **25% upfront money** for the allotment of **69,10,000 warrants** by **August 22, 2024**, and subsequently realized the **remaining 75% allotment money** amounting to **₹1,10,62,500** from the allottees' bank accounts by **March 28, 2025**, upon the conversion of **14,75,000 equity shares** from warrants. No circulation of funds or mere book-entry transactions was observed.
- The **25% upfront money** received for unexercised warrants has not been adjusted toward the remaining **75% allotment money** or any other allottee's obligation.
- The **Application/Allotment Money** has been duly deposited into a separate bank account maintained in the name of **KATI PATANG LIFESTYLE LTD-SHARE APP A/C** with **HDFC Bank Ltd**, as mandated under **Section 42(6) of the Companies Act, 2013**.
- Compliance with the **Companies Act, 2013**, **Chapter V of SEBI (ICDR) Regulations, 2018**, **Regulation 169(5) of SEBI (ICDR) Regulations, 2018**, **Section 42(6) of the Companies Act, 2013**, and **Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014** has been ensured, and supporting records, including **bank account statements for subscription money received**, are duly maintained by the issuer.

xi.

a) According to the information and records furnished to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

b) No report under subsection (12) of section 143 of Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year and upto date of this report in view of sub clause (a) above.

c) As auditors, we did not receive any whistle-blower complaint during the year.

xii. In our opinion, and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(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 Indian accounting standards.

xiv.

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

Rajesh Raj Gupta & Associates LLP
New Delhi
LLP No: AAT-7061

b) 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. According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, clause (xvi) (a) to (d) of Paragraph 3 is not applicable.

xvii. According to the information and explanations given to us and based on our examination of the records of the Company, the company has incurred **a net cash loss** of INR 300.37 lakh (March 2024: INR 98.69 lakh) **from operating activities**.

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

xix. According to the information and explanations given to us and based on our examination of the records of the company, no amount has been incurred towards CSR expenses based on the loss for the period.

For Rajesh Raj Gupta & Associates LLP
Chartered Accountants
(FRN No.026338N/N500357)

Rajesh Raj Gupta & Associates LLP
New Delhi
LLP No: AAT-7061

CA. MANOJ KUMAR
Partner
Membership No. 521409
UDIN: 25521409BMNTDM1704

Date: 30-05-2025
Place: New Delhi

"Annexure B" to the Independent Auditor's Report of even date on the Standalone Financial Statements of Kati Patang Lifestyle Limited

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

We have audited the internal financial controls over financial reporting of **Kati Patang Lifestyle Limited** ("the Company") as of March 31st, 2025, in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management`s Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on 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 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.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls 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 Standalone Financial Statements, whether due to fraud or error.

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

Rajesh Raj Gupta & Associates LLP
New Delhi
LLP No: AAT-7061

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 Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorities of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Financial Statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of the 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 the changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2025, 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 Rajesh Raj Gupta & Associates LLP
Chartered Accountants
(FRN No.026338N/N500337)

Rajesh Raj Gupta & Associates LLP
New Delhi
LLP No: AAT-7061

CA. MANOJ KUMAR
Partner
Membership No. 521409
UDIN: 25521409BMNTDM1704

Date: 30-05-2025
Place: New Delhi

KATI PATANG LIFESTYLE LIMITED
(Formerly known as VIRTUALSOFT SYSTEMS LIMITED)
CIN: L72200DL1992PLC047931
Balance Sheet as at 31st March 2025

(All amounts in Lacs unless otherwise stated)

		Particulars	Note	As at 31st March 2025	As at 31st March 2024
		ASSETS			
I		Non-current assets			
	(a)	Property, plant and equipment	6	13.36	15.03
	(b)	Intangible assets under Development	7	90.11	90.11
	(c)	Other Intangible assets		-	-
	(d)	Financial assets			
		(i) Investments	8	1,901.57	926.30
		(ii) Loans	9	528.55	1.15
	(e)	Deferred Tax Assets (Net)		-	-
	(f)	Other non-current assets	10	-	-
				2,533.60	1,032.59
II		Current assets			
	(a)	Inventories	11	-	-
	(b)	Financial assets			
		(i) Trade receivables	12	-	53.51
		(ii) Cash and cash equivalents	13	45.65	25.40
		(iii) Other bank balances	14	115.63	4.77
		(iv) Loans	9	-	-
		(v) Other Financial Assets	15	0.07	0.30
	(c)	Other current assets	16	40.63	31.21
				201.97	115.19
		TOTAL ASSETS		2,735.56	1,147.78
		EQUITY AND LIABILITIES			
III		Equity			
	(a)	Equity share capital	17	3,589.83	1,029.76
	(b)	Other equity	18	(2,103.33)	(2,149.61)
		Total equity		1,486.50	(1,119.85)
IV		Share Application Money Pending Allotment		-	-
		LIABILITIES			
V		Non-current liabilities			
	(a)	Financial liabilities			
		(i) Borrowings	19	1,224.75	2,175.33
		(ii) Other Financial Liabilities	20	-	-
	(b)	Provisions	21	13.55	19.13
				1,238.30	2,194.46
VI		Current liabilities			
	(a)	Financial liabilities			
		(i) Borrowings	19	-	-
		(ii) Trade payables	22	3.63	64.47
		(iii) Other financial liabilities	23	-	0.71
	(b)	Other current liabilities	24	5.64	6.76
	(c)	Provisions	21	1.49	1.23
				10.76	73.18
		Total liabilities		1,249.06	2,267.63
		TOTAL EQUITY AND LIABILITIES		2,735.56	1,147.78

Summary of significant Accounting policies 3
The accompanying notes are an integral part of the financial statements

As per our report of even date
For Rajesh Raj Gupta & Associates LLP
Chartered Accountants
FRN: 026338N/N500357

Rajesh Raj Gupta & Associates LLP New Delhi LLP No: AAT-7061

CA Manoj Kumar
Partner
Membership No.: 521409

UDIN: 25521409BMNTDM1704
Place : New Delhi
Date : 30-05-2025

For and on behalf of the Board of Directors
KATI PATANG LIFESTYLE LIMITED

Rajendra V Kulkarni
Director
DIN: 00988255

Gokul Naresh Tandan
Managing Director
DIN: 00441563

Athar Ahmed
C.F.O.

Sanjeev K Jha
Company Secretary
M. FCS No.8690

KATI PATANG LIFESTYLE LIMITED
(Formerly known as VIRTUALSOFT SYSTEMS LIMITED)
CIN: L72200DL1992PLC047931
Statement of profit & loss for the year ended 31st March 2025

(All amounts in Lacs unless otherwise stated)

	Particulars	Note	For the year ended 31st March 2025	For the year ended 31st March 2024
I	Revenue from operations	26	87.00	138.73
II	Other income	27	78.91	0.70
III	**Total income (I+II)**		**165.91**	**139.43**
IV	**Expenses**			
	(a) Purchase of services	28	78.90	113.55
	Changes in inventories of finished goods and work-in-progress			
	(b) Employee benefit expense	30	49.40	53.94
	(c) Finance costs	31	-	-
	(d) Depreciation and amortization expense	32	2.33	1.57
	(e) Other expenses	33	118.70	81.57
	Total expense		**249.32**	**250.63**
V	**Profit before exceptional and extraordinary items and tax (III-IV)**		(83.41)	(111.20)
VI	Exceptional items	34	-	-
VII	**Profit before tax (V+VI)**		**(83.41)**	**(111.20)**
VIII	**Income tax expense**			
	(a) Current tax		-	-
	(b) Deferred tax			
	Total tax expense		-	-
IX	**Profit for the year (VII-VIII)**		**(83.41)**	**(111.20)**
X	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss in subsequent periods:			
	(i) Remeasurements of post-employment defined benefit obligations	36	(6.18)	(1.41)
	(ii) Change in fair value of FVOCI equity instruments		-	-
	(iii) Income tax effect		-	-
	Other comprehensive income for the year, net of tax		**(6.18)**	**(1.41)**
XI	**Total comprehensive income for the year (IX+X)**		**(89.59)**	**(112.61)**
XII	**Earnings per share in Rs.**	40		
	Basic earnings per equity share		(0.33)	(1.08)
	Diluted earnings per equity share		(0.32)	(1.08)

Summary of significant Accounting policies 3

The accompanying notes are an integral part of the financial statements

As per our report of even date
For Rajesh Raj Gupta & Associates LLP
Chartered Accountants
FRN: 026338N/N500357

Rajesh Raj Gupta & Associates LLP New Delhi LLP No: AAT-7061

CA Manoj Kumar
Partner
Membership No.: 521409

UDIN: 25521409BMNTDM1704
Place : New Delhi
Date : 30-05-2025

For and on behalf of the Board of Directors
KATI PATANG LIFESTYLE LIMITED

Rajendra V Kulkarni
Director
DIN: 00988255

Gokul Naresh Tandan
Managing Director
DIN: 00441563

Athar Ahmed
C.F.O.

Sanjeev K Jha
Company Secretary
M. FCS No.8690

KATI PATANG LIFESTYLE LIMITED
(Formerly known as VIRTUALSOFT SYSTEMS LIMITED)
CIN: L72200DL1992PLC047931
Cash Flow Statement for the Year ended 31 March 2025

(All amounts in Lacs unless otherwise stated)

Particulars	31-Mar-25	31-Mar-24
Cash flow from operating activities		
Total comprehensive income for the year	(83.41)	(111.20)
Adjustment to reconcile profit before tax to net cash flows :		
Depreciation/amortization	2.33	1.57
Provision for employees benefits obligation	(5.32)	4.12
(Profit)/Loss on sale of Investment (Former subsidiary co.)	(78.58)	0.17
Assets written off/ Bad debts	1.61	-
Other comprehensive income	(6.18)	(1.41)
Operating profit before working capital changes	(169.55)	(106.75)
Movements in working capital:		
(Decrease)/increase in trade payables and other liabilities	(62.67)	(32.25)
Decrease/(increase) in trade receivable	53.51	32.28
Decrease/(increase) in other current assets including financial assets	(121.65)	8.03
Cash generated from operations	(300.37)	(98.69)
Direct taxes paid	-	-
Net cash flow from/(used in) operating activities (A)	(300.37)	(98.69)
Cash flows from investing activities		
Purchase of property, plant and equipment, including intangible assets, capital work in progress	(0.66)	(1.83)
Proceeds from sale of property, plant and equipment	-	0.20
Purchase of non-current investments (New Subsidiary Co.)	(1,901.57)	-
Sales of non-current investments (Former Subsidiary Co.)	1,004.88	-
Inter Corporate Loan to New Subsidiary Co.	(527.40)	-
Net cash flow from investing activities (B)	(1,424.75)	(1.63)
Cash flow from financing activities		
Proceeds/(Repayment) of long-term borrowings & Lease liabilities	(950.58)	76.10
Proceeds from issue of Share Capital	2,560.07	-
Proceeds from issue of Share Warrants	135.88	-
Net cash flow from / (used in) financing activities (C)	1,745.36	76.10
Net increase/(decrease) in cash and cash equivalents (A + B +C)	20.25	(24.22)
Cash and cash equivalents at the beginning of the year	25.40	49.62
Cash and cash equivalents at the end of the year	45.65	25.40
Components of cash and cash equivalents		
Cash in hand	1.82	1.42
With banks in current account	43.83	23.27
Unpaid dividend accounts	-	0.71
Total cash and cash equivalents [Refer Note No. 13]	45.65	25.40

Note : The above Cash flow statement has been prepared under the Indirect method setout in Ind AS-7 'Statement of Cash Flow'.

Summary of significant Accounting policies 3
The accompanying notes are an integral part of the financial statements

As per our report of even date
For Rajesh Raj Gupta & Associates LLP
Chartered Accountants
FRN: 026338N/N500357

Rajesh Raj Gupta & Associates LLP New Delhi LLP No: AAT-7061

CA Manoj Kumar
Partner
Membership No.: 521409

UDIN: 25521409BMNTDM1704
Place : New Delhi
Date : 30-05-2025

For and on behalf of the Board of Directors
KATI PATANG LIFESTYLE LIMITED

Rajendra V Kulkarni
Director
DIN: 00408255

Athar Ahmed
C.F.O.

Gokul Naresh Tandan
Managing Director
DIN: 00441563

Sanjeev K Jha
Company Secretary
M. FCS No.8690

KATI PATANG LIFESTYLE LIMITED
(Formerly known as VIRTUALSOFT SYSTEMS LIMITED)
CIN: L72200DL1992PLC047931
Statement of changes in equity for the year ended 31st March 2024

Note: 17 (All amounts in Lacs unless otherwise stated)

Equity share capital	Note	Nos.	Rs.
As at 31st March 2023		1,02,97,600	1,029.76
Changes in equity share capital	17	-	-
As at 31st March 2024		1,02,97,600	1,029.76
Changes in equity share capital	17	2,56,00,680	2,560.07
As at 31st March 2025		3,58,98,280	3,589.83

Note: 18

Other equity				
Particulars	Capital Reserve	Retained Earnings	FVOCI-Equity instruments	Total other equity
Balance as at 31st March 2023	20.00	(2,057.00)	-	(2,037.00)
Profit for the year	-	(111.20)	-	(111.20)
Other comprehensive income	-	(1.41)	-	(1.41)
Total comprehensive income for the year	-	(112.61)	-	(112.61)
Equity Dividend including taxes thereon	-	-	-	-
Issue of equity shares	-	-	-	-
Balance as at 31st March 2024	20.00	(2,169.61)	-	(2,149.61)
Profit for the year	-	(83.41)	-	(83.41)
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	(83.41)	-	(83.41)
Equity Dividend including taxes thereon	-	-	-	-
Issue of equity shares	-	-	-	135.88
Balance as at 31st March 2025	20.00	(2,253.03)	-	(2,097.15)

The accompanying notes form an integral part of these financial statements

As per our report of even date
For Rajesh Raj Gupta & Associates LLP
Chartered Accountants
FRN: 026338N/N500357

Rajesh Gupta & Associates LLP New Delhi LLP No: AAT-7061

CA Manoj Kumar
Partner
Membership No.: 521409

UDIN: 25521409BMNTOM1704
Place : New Delhi
Date : 30-05-2025

For and on behalf of the Board of Directors
KATI PATANG LIFESTYLE LIMITED

Rajendra V Kulkarni
Director
DIN: 00988255

Gokul Naresh Tandan
Managing Director
DIN: 00441563

Athar Ahmed
C.F.O.

Sanjeev K Jha
Company Secretary
M. FCS No.8690

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Note : 6
Property, plant and equipment

Particulars	Furniture and fixtures	Office Equiptment	Computer	Vehicle	P&M	Total
Deemed Cost						
At 31 March 2024	7.84	18.48	10.17	4.95	6.00	47.44
Additions	-	-	0.66	-	-	0.66
Disposals / adjustments	-	-	-	-	-	-
At 31 March 2025	7.84	18.48	10.83	4.95	6.00	48.10
Depreciation						
At 31 March 2024	3.86	14.68	9.00	4.70	0.17	32.41
Charge for the year	0.75	0.81	0.44	-	0.33	2.33
Disposals / adjustments	-	-	-	-	-	-
At 31 March 2025	4.61	15.49	9.45	4.70	0.49	34.73
Net Block						
At 31 March 2024	3.98	3.81	1.17	0.25	5.83	15.03
At 31 March 2025	3.23	3.00	1.38	0.25	5.51	13.36

Note : 7 (Read with Note 47) Intangible assets under Development	CRM Software	Website under development	Total
At 31 March 2024	69.71	20.40	90.11
Additions	-	-	-
Disposals / adjustments	-	-	-
At 31 March 2025	69.71	20.40	90.11
Net block			
At 31 March 2024	69.71	20.40	90.11
At 31 March 2025	69.71	20.40	90.11

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(All amounts in Lacs unless otherwise stated)

8	Financial assets - Investments	As at 31st March 2025	As at 31st March 2024
(A)	Investment in Subsidiary		
	Equity instruments (unquoted)		
	Nil - Investment in Roam1 Telecom Limited (a former subsidiary) was sold during the financial year 2024-25. (As of 31 March 2020: 1,595,000 shares; Face Value ₹10 per share)	-	926.30
	Equity instruments (unquoted)		
	19,01,568 no. of shares aquired on 22 August 2024: Face Value ₹10 per share - representing a 98% stake in Empyrean Spirits Pvt. Ltd. during the financial year 2024-25.	1,901.57	-
	Total	**1,901.57**	**926.30**
	Aggregate amount of quoted investments	-	-
	Aggregate market value of quoted investments	-	-
	Aggregate amount of unquoted investments	1,901.57	926.30
	Aggregate amount of impairment in value of investments	-	-

9	Financial assets - Loans	As at 31st March 2025	As at 31st March 2024
	(a) Non Current Loans (Unsecured, Considered Good)		
	Loans to related parties (subsidiary)	528.00	-
	Security Deposits	0.55	1.15
	Loans and advances to employees	-	-
	Total Non Current Loans	**528.55**	**1.15**
	(b) Current Loans (Unsecured, Considered Good)		
	Advances to related parties (subsidiary)	-	-
	Advances Recoverable	-	-
	Security Deposits	-	-
	Loans and advances to employees	-	-
	Total Current Loans	-	-

10	Other non-current assets	As at 31st March 2025	As at 31st March 2024
	Capital advances (unsecured, considered good)	-	-
	Accrued Income	-	-
	Prepaid expenses	-	-
	Total	-	-

11	Inventories	As at 31st March 2025	As at 31st March 2024
	(valued at lower of cost and net realizable value)		
	Raw Materials*	-	-
	Work-in-Progress	-	-
	Finished Goods	-	-
	Stores and Spares	-	-
	Total	-	-

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12	Financial assets - Trade receivables	As at 31st March 2025	As at 31st March 2024
	Trade receivables	-	53.57
	Total	-	**53.57**
	Break-up of security details		
	Secured, considered good		-
	Unsecured, considered good	-	53.51
	Doubtful	-	0.07
	Total	-	**53.57**
	Less : Allowance for bad and doubtful debts	-	0.07
	Total	-	**53.51**

13	Financial assets - Cash and cash equivalents	As at 31st March 2025	As at 31st March 2024
	Balances with banks:		
	-In current accounts	43.83	23.27
	-in unpaid dividend accounts	-	0.71
	-Deposits with original maturity of 3 months or less	-	-
	Cash in hand	1.82	1.42
	Total	**45.65**	**25.40**

14	Financial assets - Other Bank Balances	As at 31st March 2025	As at 31st March 2024
	Other bank balances / Share Application money	110.63	
	Deposits with original maturity for more than 3 months but not more than 12 months	5.00	4.77
	Total	**115.63**	**4.77**

15	Financial assets - Other Current Financial Assets	As at 31st March 2025	As at 31st March 2024
	Interest Accrued on FDR	0.07	0.30
	Total	**0.07**	**0.30**

16	Other current assets	As at 31st March 2025	As at 31st March 2024
	Balances with statutory / government authorities	35.83	27.01
	Unbilled Revenue	0.20	0.20
	Advance against expenses	4.60	4.00
	Total	**40.63**	**31.21**

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13 Financial - Trade Receivables

As at 31 March 2025

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 Months	6 months - 1 year	1- 2 Years	2 - 3 Years	More than 3 Years	Total
(i) Undisputed Trade receivables (Considered Goods)	-	-	-	-	-	-
(ii) Undisputed Trade receivables (Considered doubtful)	-	-	-	-	-	-
(ii) Disputed Trade receivables (Considered Goods)	-	-	-	-	-	-
(ii) Undisputed Trade receivables (Considered doubtful)	-	-	-	-	-	-
Total	-	-	-	-	-	-
Less: Provision for Bad debts	-	-	-	-	-	-
Total	-	-	-	-	-	-

13 Financial - Trade Receivables

As at 31 March 2024

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 Months	6 months - 1 year	1- 2 Years	2 - 3 Years	More than 3 Years	Total
(i) Undisputed Trade receivables (Considered Goods)	53.10	-	0.41	-	-	**53.51**
(ii) Undisputed Trade receivables (Considered doubtful)	-	-	-	-	0.07	**0.07**
(ii) Disputed Trade receivables (Considered Goods)	-	-	-	-	-	-
(ii) Undisputed Trade receivables (Considered doubtful)	-	-	-	-	-	-
Total	**53.10**	-	**0.41**	-	**0.07**	**53.57**
Less: Provision for Bad debts	-	-	-	-	0.07	**0.07**
Total	**53.10**	-	**0.41**	-	-	**53.51**

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22 Financial - Trade Payables

As at 31 March 2025

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 Year	1- 2 Years	2 - 3 Years	More than 3 Years	Total
(i) MSME*	0.00	-	-	-	**0.00**
(ii) Others	3.57	0.06	-	-	**3.63**
(iii) Disputed- dues MSME	-	-	-	-	-
(iv) Disputed- Dues others	-	-	-	-	-
Total	**3.57**	**0.06**	**-**	**-**	**3.63**

22 Financial - Trade Payables

As at 31 March 2024

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 Year	1- 2 Years	2 - 3 Years	More than 3 Years	Total
(i) MSME*	-	-	-	-	-
(ii) Others	64.01	0.03	0.20	0.23	**64.47**
(iii) Disputed- dues MSME	-	-	-	-	-
(iv) Disputed- Dues others	-	-	-	-	-
Total	**64.01**	**0.03**	**0.20**	**0.23**	**64.47**

* Steps have been taken to identify the suppliers who qualify under the definition of micro and small enterprises, as defined under the Micro, Small and Medium Enterprises Development Act 2006. Since no intimation has been received from the suppliers regarding their status under the said Act as at 31st March 2025, disclosures relating to amounts unpaid as at the year end, if any, have furnished to the extent of available information. In the opinion of the management, the impact of interest, if any,that may be payable in accordance with the provisions of the Act, is not expected to be material.

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17 Share capital	As at 31st March 2025	As at 31st March 2024
Authorised share capital		
50,000,000 (31 March 2024 : 15,000,000) Equity Shares of Rs. 10/- each	5,000.00	1,500.00
Total	**5,000.00**	**1,500.00**
Issued, Subscribed and fully paid up shares		
3,58,98,280 (31 March 2024 : 1,02,97,600) Equity Shares of Rs. 10/- each, fully paid up	3,589.83	1,029.76
Total	**3,589.83**	**1,029.76**

(a) Reconciliation of shares outstanding at the beginning and at the end of reporting period

Particulars	As at 31st March 2025		As at 31st March 2024	
	No.	Rs. in Lakhs	No.	Rs. in Lakhs
Equity Shares at the beginning of the year	1,02,97,600	1,029.76	1,02,97,600	1,029.76
Add : Shares issued on exercise of preferential allotment during the year	2,56,00,680	2,560.07	-	-
Equity Shares at the end of the year	3,58,98,280	3,589.83	1,02,97,600	1,029.76

Terms/ rights attached to equity shares

The company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends only in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(b) Details of shareholders holding more than 5% shares in the company

Particulars	As at 31st March 2025		As at 31st March 2024	
	No.	% Holding	No.	% Holding
Virtual Software & Training Pvt Ltd	37,50,000	10.45%	37,50,000	36.42%
Gokul Naresh Tandan	84,48,045	23.53%	28,66,725	27.84%
Samrath Bedi	45,26,450	12.61%		
Shantanu Upadhyay	38,36,590	10.69%		
Alt- Attitude Advisory LLP	18,35,000	5.11%		
Total	**2,23,96,085**	**62.39%**	**66,16,725**	**64.26%**

(c) Details of Promoters holding

Particulars	As at 31st March 2025		As at 31st March 2024	
	No.	% Holding	No.	% Holding
Virtual Software & Training Pvt Ltd	37,50,000	10.45%	37,50,000	36.42%
Gokul Naresh Tandan	84,48,045	23.53%	28,66,725	27.84%
Total	**1,21,98,045**	**33.98%**	**66,16,725**	**64.26%**

(d) Change (%) in Promoters holding

Particulars	As at 31st March 2025	As at 31st March 2024
Virtual Software & Training Pvt Ltd	-25.97%	0.00%
Gokul Naresh Tandan	-4.31%	0.00%

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18	Other Equity	As at 31st March 2025	As at 31st March 2024
(i)	Capital Reserve	20.00	20.00
(ii)	Securities Premium	-	-
(iii)	General reserve	(2,259.20)	(2,169.61)
(iv)	Profit and Loss	-	-
(v)	Share Warrants	135.88	-
	Total	**(2,103.33)**	**(2,149.61)**
(i)	**Capital Reserve**		
	Opening Balance	20.00	20.00
	Less : Issue of equity shares	-	-
	Closing Balance	**20.00**	**20.00**
(ii)	**Securities Premium**		
	Opening Balance	-	-
	Add : Addition on Issue of equity shares	-	-
	Closing Balance	-	-
(iii)	**Retained earnings**		
	Opening Balance	(2,169.61)	(2,057.00)
	Add : Profit for the year	(83.41)	(111.20)
	Add : Remeasurement of post employement benefit obligation, net of tax	(6.18)	(1.41)
	Closing Balance	**(2,259.20)**	**(2,169.61)**
(iv)	**Other Reserves**		
	Opening Balance	-	-
	Add : Change in fair value equity instruments measured at FVOCI	-	-
	Closing Balance	-	-
(v)	**Share Warrants**		
	Opening Balance	-	-
	Add : 25% received against 54,35,000 (FV INR 10/-)	135.88	-
	Closing Balance	**135.88**	-

19	Financial liabilities - Non-Current Borrowings	As at 31st March 2025	As at 31st March 2024
	Secured Loans		
	Term Loans from Banks	-	-
	Term Loans from Others	-	-
	Total (A)	-	-
	Unsecured Loans		
	Loans from Directors	1,224.75	2,175.33
	Total (B)	**1,224.75**	**2,175.33**
	Total Borrowings [C=A+B]	**1,224.75**	**2,175.33**
	Current Maturities	-	-
	Non-current Maturities	**1,224.75**	**2,175.33**

20	Other Financial Liabilities	As at 31st March 2025	As at 31st March 2024
	Financial Guarantee Obligation	-	-
	Total	-	-
	Current	-	-
	Non-current	-	-

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21	Provisions	As at 31st March 2025	As at 31st March 2024
	Provision for gratuity	13.59	17.40
	Provision for Leave Encashment	1.45	2.96
	Total	**15.04**	**20.36**
	Current	**1.49**	**1.23**
	Non-current	**13.55**	**19.13**

22	Financial liabilities - Trade Payables	As at 31st March 2025	As at 31st March 2024
	Current		
	Total outstanding dues of micro & small enterprises*	0.00	-
	Others	3.63	64.47
	Total	**3.63**	**64.47**

23	Other financial liabilities	As at 31st March 2025	As at 31st March 2024
	Current Maturities of Non-Current Borrowings (refer to Note : 19)	-	-
	Unclaimed Dividend	-	0.71
	Interest accrued but not due on borrowings	-	-
	Total	**-**	**0.71**

24	Other current liabilities	As at 31st March 2025	As at 31st March 2024
	Statutory Dues Payable	2.28	1.62
	Salary Payable	2.61	3.93
	Other Payables	-	0.47
	Audit Fee Payable	0.75	0.75
	Total	**5.64**	**6.76**

25	Current tax libilities (Net)	As at 31st March 2025	As at 31st March 2024
	Income tax Payable	-	-

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26	Revenue from operations	31st March 2025	31st March 2024
	Sales of Services	87.00	138.73
	Total	**87.00**	**138.73**

27	Other Income	31st March 2025	31st March 2024
	Interest received	0.28	0.70
	Profit on Sale of investment	78.58	-
	Liability no longer required, written back	0.05	-
	Total	**78.91**	**0.70**

28	Purchase of Services	31st March 2025	31st March 2024
	Purchases	78.90	113.55
	Total Cost of Purchase of Services [A]	**78.90**	**113.55**

29	Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	31st March 2025	31st March 2024
	Opening Stock of Finished Goods	-	-
	Less: Closing Stock of Finished Goods		
	Total (A)	-	-
	Opening Stock of Work-in-Progress	-	-
	Less: Closing Stock of Work-in-Progress		
	Total (B)	-	-
	Total Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade [A+B]	-	-

30	Employee Benefit Expenses	31st March 2025	31st March 2024
	Salaries, Wages, Bonus and Other Benefits	47.16	50.73
	Gratuity	1.92	2.25
	Leave Compensation	-	0.47
	Contribution to Provident and Other Funds	0.32	0.49
	Total (through P&L)	**49.40**	**53.94**
	Gratuity	**6.48**	**1.11**
	Leave Compensation	**(0.31)**	**0.30**
	Total (through OCI)	**6.18**	**1.41**

31	Finance Costs	31st March 2025	31st March 2024
	Interest Expenses	-	-
	Other Financial Charges	-	-
	Total	-	-

32	Depreciation and amortization expenses	31st March 2025	31st March 2024
	Depreciation on Property Plant & Equipment (refer Note No. 6 and 7)	2.33	1.57
	Total	**2.33**	**1.57**

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33	Other Expenses	31st March 2025	31st March 2024
	Advance to supplier written off	1.00	0.40
	Assets written off/ Bad debts	0.61	18.23
	Advertisement and Publicity	0.40	0.29
	Auditors' Remuneration & Refreshment	0.75	1.45
	Bank Charges	0.06	0.00
	Communication Expense	0.11	0.12
	Travelling & Conveynace - Domestic	1.23	0.89
	Travelling & Conveynace - International	1.61	0.16
	Directors Sitting Fees	1.05	1.13
	Diwali Expenses	0.31	0.24
	Domain Expenses	0.31	0.25
	Electricity & Water Expenses	1.63	1.62
	Fees and Subscription Expense	41.58	4.67
	Legal & Professional Fees	46.73	42.61
	Loss on sale of assets	-	0.17
	Miscelleneous Expenses	2.11	0.07
	Printing & Stationery	0.21	0.26
	Provision for bad and doubtful debts	-	0.07
	Rates & Taxes	5.94	0.52
	Rent	12.24	6.67
	Repair & Maintenance-Office	0.81	1.48
	Server Expenses	-	0.27
	Total Other Expenses	**118.70**	**81.57**

34	Exceptional Items	31st March 2025	31st March 2024
	Prior Period Expenses	-	-
	Total	-	-

Payment to auditor	31st March 2025	31st March 2024
i) Audit fees	0.75	1.45
ii) Fees for income tax matters	0.25	-
iii) Certification charges & others	0.10	-
Total	**1.10**	**1.45**

*Corporate Social Responsibility Expenses	31st March 2025	31st March 2024
Gross Amount required to be spent by the Company (as per Section 135 of Companies Act, 2013)	NIL	NIL
Amount spent during the year i) Construction/acquisition of any assets ii) On purposes other than (i) above	NA	NA

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35 RATIO ANALYSIS AND ITS ELEMENTS

S.No.	Ratio	31-Mar-25	31-Mar-24	% change	Remark/Reason for variance
1	Current ratio	18.77	1.57	1777%	The improvement is primarily due to a significant increase in cash and cash equivalents, resulting from the receipt of application money on warrants and the balance proceeds from their conversion into equity during the current year.
2	Return on Equity ratio	-	-	-	No meaningful insight can be derived in the absence of profit.
3	Return on Capital Employed	-	-	-	No meaningful insight can be derived in the absence of profit.
4	Debt- Equity Ratio	0.82	-	100%	No meaningful insight could be derived from the debt-to-equity (D/E) ratio in the previous financial year due to negative equity. However, with the fresh issue of equity in the current year resulting in a positive total equity, the D/E ratio has now been considered.
5	Debt Service Coverage ratio	-	-	-	Borrowings include loans from directors, which are not interest-bearing; hence, DCR is not applicable.
6	Net Profit ratio	-	-	-	No meaningful insight can be derived in the absence of positive equity.
7	Inventory Turnover ratio	-	-	-	The ratio is not applicable because there is no inventory holding as of the reporting date.
8	Trade Receivable Turnover Ratio	3.3	1.99	225%	As of March 31, 2025, there are no trade receivables outstanding due to early collections during the year.
9	Trade Payable Turnover Ratio	2.3	1.42	132%	As of March 31, 2025, trade payables are nominal due to a faster payment cycle.
10	Net Capital Turnover Ratio	0.46	3.30	-54%	The decline is attributed to a significant increase in working capital without a corresponding rise in revenue, along with a slowdown in sales compared to the previous year.
11	Return on Investment	-	-	0%	There is no return on investment.

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36 Employee benefit obligations

(A) Defined benefit plans

Gratuity:

Provision for gratuity is determined by actuaries using the projected unit credit method.

The Compay has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The company makes provision of such gratuity asset/liability in the books of accounts on basis of actuarial valuation for FY 2024-2025

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans:

(i) ***Changes in the present value of the defined benefit obligation are as follows:***

Particulars	Gratuity Funded	Leave Encashment
Defined benefit obligation at 31 March 2024	**17.40**	**2.96**
Interest expense	1.26	0.21
Current service cost	0.65	0.07
Benefits paid	(12.21)	(1.20)
Actuarial (gain)/ loss	6.48	(0.59)
Defined benefit obligation at 31 March 2025	**13.59**	**1.45**

(ii) **The amount to be recognized in the Balance Sheet:**

Particulars	Gratuity Funded	Leave Encashment
Net (assets) / liability recognized in balance sheet as provision as at 31 March 2024	**17.40**	**2.96**
Present value of obligation	13.59	1.45
Fair value of plan assets	-	-
Net (assets) / liability recognized in balance sheet as provision as at 31 March 2025	**13.59**	**1.45**

(iii) **Amount recognised in Statement of Profit and Loss:**

Particulars	Gratuity Funded	Leave Encashment
Amount recognised in Statement of Profit and Loss for year ended 31 March 2024	**2.25**	**0.47**
Interest Cost	1.26	0.21
Current service cost	0.65	0.07
Amount recognised in Statement of Profit and Loss for year ended 31 March 2025	**1.92**	**0.28**

(iv) **Amount recognised in Other Comprehensive Income:**

Particulars	Gratuity Funded	Leave Encashment
Amount recognised in Other Comprehensive Income for year ended 31 March 2024	**1.11**	**0.30**
Actuarial (gain)/ loss on obligations	6.48	(0.59)
Actuarial (gain)/ loss on plan assets	-	-
Amount recognised in Other Comprehensive Income for year ended 31 March 2025	**6.48**	**(0.59)**

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(v) *Changes in the fair value of plan assets are as follows:*

Particulars	Gratuity Funded	Leave Encashment
Fair value of plan assets at 31 March 2024	-	-
Expected return on plan assets	-	-
Actuarial gain/(loss)	-	-
Fair value of plan assets at 31 March 2025	-	-

(vi) *The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:*

Particulars	31st March, 2025	31st March, 2024
Investment Details	Gratuity	Gratuity
Investment with Insurer	0%	0%

(vii) **The principal assumptions used in determining gratuity & leave encashment obligations for the Company's plans are**
Gratuity & Leave Encashment

Particulars	31st March, 2025	31st March, 2024
Average Past Service (Years)	9.80	12.30
Average remaining working life (Years)	13.60	15.10
Average Age (Years)	44.40	42.90
Weighted average duration (Years) - Gratuity	8.00	10.00
Weighted average duration (Years) - Leave Encashment	8.00	11.00
Discounting rate	6.75%	7.25%
Salary Growth Rate	8.00% PA	5.00% PA

(viii) *Sensitivity Analysis*

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

Particulars	31st March, 2025		31st March, 2024	
	Gratuity Funded	Leave Encashment	Gratuity Funded	Leave Encashment
Liability with 1% increase in Discount Rate	12.96	1.38	16.24	2.74
Liability with 1% decrease in Discount Rate	14.28	1.52	18.69	3.20
Liability with 1% increase in Salary Growth Rate	14.27	1.52	18.71	3.20
Liability with 1% decrease in Salary Growth Rate	12.96	1.38	16.21	2.74

(B) **Defined contribution plans**	31st March, 2025	31st March, 2024
Employer's Contribution to Provident Fund	0.32	0.49
Employer's Contribution to ESI	-	-
Employer's Contribution to NPS	-	-
Total	**0.32**	**0.49**

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KATI PATANG LIFESTYLE LIMITED
(Formerly known as VIRTUALSOFT SYSTEMS LIMITED)
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(All amounts in Lacs unless otherwise stated)

37	Segment information		
	The Company's operations predominately relate to empower business and learning communities with rich "knowledge-on demand". The Company was engaged in pioneering Broadband, Virtual event & proving mobile roaming services & solutions during the current and previous financial year.		
	Geographical Information		
	Particulars	**31st March, 2025**	**31st March, 2024**
	1. Revenue from external customers		
	- Within India	87.00	138.73
	- Outside India	-	-
	Total revenue per statement of profit and loss	**87.00**	**138.73**
	The revenue information above is based on the locations of the customers		
	2. Non-current operating assets		
	- Within India	103.48	105.14
	- Outside India		-
	Total	**103.48**	**105.14**
	Non-current operating assets for this purpose consist of property, plant and equipment,CWIP, investment properties and intangible assets.		

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38 A. Related Party Disclosures:

In accordance with the requirements of Ind AS - 24 'Related Party Disclosures' the names of the related parties where control exists/ able to exercise significant influence along with the aggregate transactions and year end balances with them as identified by the management in the ordinary course of business and on arms' length basis are given below:

(a) Subsidiary Company :

1 EMPYREAN SPIRITS PVT. LTD.

(b) Key Management Personnel (KMP):

1	Mr. Gokul Tandan	Managing Director
2	Mr. Rajendra V. Kulkarni	Director
3	Ms. Geeta Singh	Director
4	Mr. Vikram Grover	Director
5	Mr. Sanjay Jain	Director (Appointed on 14/11/2024)
6	Mr. Shantanu Upadhay	Director (Appointed on 14/11/2024)
7	Ms. Mukta Ahuja	Company Secretary
8	Mr. Athar Ahmad	CFO

(c) Enterprises over which KMP/ relatives of KMP exercise significant influence :-

1	M/s CloudConnect Communications Pvt. Ltd.	Common Director
2	M/s Empyrean Beverages Pvt. Ltd.	Common Director
3	M/S Empyrean Spirits Pvt. Ltd.	Common Director
4	M/S Enhanced Communications & Technologies Pvt Ltd.	Common Director
5	M/S Goto Customer Services Pvt. Ltd.	Common Director
6	M/S Heal Your Paws Pet Services LLP	Common Director
7	M/s M R Capital Pvt. Ltd.	Common Director
8	M/s Marble Arch Estate Pvt. Ltd.	Common Director
9	M/s Prime Valve India LLP.	Common Director
10	M/s Roam 1 Telecom Limited	Common Director
11	M/s Vijay Stampings Pvt. Ltd.	Common Director
12	M/s Virtual Software & Training Pvt Ltd.	Common Director

B. Related Party Transactions:

Particulars	Subsidiary		KMP		Other Related		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
Receipts/ Payments Transaction during the year								
Unsecured Loans Received	2.00	24.40	162.30	118.60	10.00		174.30	143.00
Unsecured Loans Given	528.00						528.00	-
Repayment of Unsecured Loans	2.00	24.40	108.00	42.50	10.00		120.00	66.90
Payment against Reimbursement of expenses	3.75		0.54	1.58			4.29	1.58
Advance against expenses			2.00			2.00	2.00	2.00
Payment for Professional Services					0.44		0.44	-
Payment for Project expenses					-	2.04	-	2.04
Payment for Director Sitting Fees			1.20	0.93			1.20	0.93
Payment of Salary			23.14	19.95			23.14	19.95
Receipt against sale of services		10.50					-	10.50
Accural of Income during the year								
Sales of Services		10.50						10.50
Investment sold (Roam1 Telecom Limited)			1,004.88				1,004.88	-
Accural of expenses during the year								
Full and Final Settlement			2.18	-			2.18	-
Director Sitting Fees			1.05	1.15			1.05	1.15
Other Office expenses			4.63	0.90			4.63	0.90
Professional Expenses					0.44	-	0.44	-
Project related expenses					-	2.04	-	2.04
Staff recruitment expenses					2.00		2.00	-
Year End Balances : Receivables/(-)Payables								
Outstanding Loan	528.00		(1,224.75)	(2,175.33)			(696.75)	(2,175.33)
Sitting Fee Payable			(0.32)	(0.47)			(0.32)	(0.47)
Full and Final Settlement Payable			(2.18)	-			(2.18)	-
Advance against expenses			1.68	0.33	-	2.00	1.68	2.33

All transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured, for the year ended 31 March 2025 and 31 March 2024.

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(All amounts in Lacs unless otherwise stated)

39	Detail of loans given, Investment made and guarantee given covered U/s 186(4) of the Companies Act, 2013		
S.No.	Particulars	31st March, 2025	31st March, 2024
(a)	Loan given by the Company for general business purposes as at balance sheet date : - to EMPYREAN SPIRITS PRIVATE LIMITED (Subsidiary Co.)	528.00	-
(b)	Corporate guarantee given by the Company as at balance sheet date : For securing the credit facilities sanctioned to subsidiary company	-	-

40	Earnings per share (EPS)		
	Basic EPS amounts are calculated by dividing the profit for the year attributable to equity shareholders of the company by the weighted average number of equity shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit for the year attributable to the equity shareholders of the company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares. The following reflects the profit and share data used in the basic and diluted EPS computation:		
	Particulars	31st March, 2025	31st March, 2024
	Profit for the year	(83.41)	(111.20)
	Weighted average number of equity shares in calculating basic EPS (absolute value in number)	2,49,17,327	1,02,97,600
	Effect of dilution	-	-
	Weighted average number of equity shares in calculating diluted EPS (absolute value in number)	2,62,76,077	1,02,97,600
	Earnings per share		
	- Basic (on nominal value of Rs. 10 per share) Rs./ share	(0.33)	(1.08)
	- Diluted (on nominal value of Rs. 10 per share) Rs./ share	(0.32)	(1.08)

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41	**Leases**		
	Finance Lease The company does not have any finance lease as at March 31, 2025.		
42	**Capital commitments**		
	Particulars	**31st March, 2025**	**31st March, 2024**
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	-
43	**Contingent liabilities** There is contingent liabilities of INR 5.08 lakh as on date of Balance sheet.		
44	**Reconciliation and confirmations**		
	Balances of creditors and loans and advances to/from parties, security deposits are subject to reconciliations and confirmations.		
45	**Provision for tax**		
	In view of the carried forward losses, no provision for current tax have been made during the year. Provision for Deferred tax has also not been recognized in the Balance Sheet in view of the fact that there exits no virtual certainty supported by convincing evidence that there will be available sufficient future profits against which such deferred tax asset can be adjusted.		
46	**Intangible assets under development**		
	The company had been developing CRM software called Live Webcast Suite to support its telecom services and website operations. As the development process remained ongoing, no costs were capitalized during the previous financial years. Consequently, management concluded that amortization was not applicable for those periods. However, due to a strategic shift in the business model following the acquisition of a liquor company, management is now evaluating the potential disposal of these assets in the coming years. Nevertheless, we maintain that the value reported under Capital Work in Progress (CWIP) is both recoverable and represents a fair estimate of market value.		
48	**Corporate Social Responsibilty**		
	As per section 135 of the Companies Act, 2013, NIL amount is payable towards CSR expenses based on the loss for the period. Therefore, no Corporate Social Responsibility (CSR) committee has been constituted by the Company.		
49	**Other Disclosures**		
	The MCA vide notification dated 24th March 2021 has amended Schedule III to the Companies Act. 2013 in respect of certain disclosures which are applicable from 1st April 2021. The Company has incorporated the changes as per the said amendment in the financial statements and below disclosures are made in compliance of the said amendment :		
i)	The company has not received any Government Grants during the year		
ii)	As at year end, there was amount of Rs. 401 due to small scale industrial undertaking		
iii)	The Company has not traded or invested in Crypto Currency or Virtual Currency during the period.		
iv)	The Company do not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.		
v)	The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.		
vi)	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		
vii)	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.		
viii)	The Company does not have any loans and advances in the nature of loans to promoters, directors, KMP and other related parties.		
ix)	The Company does not have any transaction which is not recorded in the books of accounts that has been subsequently surrendered or disclosed as income during the year as part of the on going tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).		
x)	The Company has not been declared as willful defaulter by any bank or financial institution or government or any government authority.		
xi)	The Company has complied with the number of layers prescribed under the Companies Act, 2013.		
xii)	The Company do not have any title deeds of immovable properties not held in name of the company.		
xiii	The Company does not have any investment property.		
xiv)	The Company is not required to submit statement of current assets with the bank and therefore reconciliation of the statement filed by the company with bank and the books of accounts is not applicable.		
xv)	The Company has not revalued any item of property, plant and equipment.		
xvi)	The Company does not have any borrowings from banks and financial institutions.		
xvii)	The Company have not entered into any scheme(s) of arrangements in terms of sections 230 to 237 of the Companies Act, 2013 during the financial year.		
xviii)	The Company has no borrowings from banks and financial institutions on the basis of security of current assets.		
xix)	The Company does not have any transactions with companies struck off.		
xx)	**Figures are rounded off to nearest Lakh rupee.**		
xxi)	Previous year's figures have been regrouped and reclassified wherever necessary.		
xxii)	The Company has made the disclosures at appropiates place regardig the relevant items or transactions of balance sheet and statement of profit and loss. Any non-disclosure is due to non occurrence of related transaction.		

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50 **Financial Instruments measurements and disclosures**

(a) **Financial instruments by category :**

Particulars	31st March, 2025			31st March, 2024		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial Assets						
Non-current						
Investment	-	-	1,901.57	-	-	926.30
Loans	-	-	528.55	-	-	1.15
Current						
Trade receivables	-	-	-	-	-	53.51
Cash and cash equivalents	-	-	45.65	-	-	25.40
Other bank balances	-	-	115.63	-	-	4.77
Loans	-	-	-	-	-	-
Other Financial assets	-	-	0.07	-	-	0.30
Total	-	-	2,591.45	-	-	1,011.43
Financial liabilities						
Non-current						
Borrowings	-	-	1,224.75	-	-	2,175.33
Other Financial Liabilities	-	-	-	-	-	-
Current						
Borrowings	-	-	-	-	-	-
Trade payables	-	-	3.63	-	-	64.47
Other financial liabilities	-	-	-	-	-	0.71
Total	-	-	1,228.38	-	-	2,240.52

(b) **Fair value of financial assets and liabilities measured at amortised cost :**

The carrying amounts of financial assts and liabilities carried at amortised cost are reasonable approximation of their fare value.

(c) **Fair value hierarchy :**

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows based on the lowest level input that is significant to the fair value measurement as whole.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices, for example listed equity instruments, traded bonds and mutual funds that have quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques that maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The following table presents assets and liabilities measured at fair value at 31 March 2025 and 31 March 2024:

Particulars	31st March, 2025			31st March, 2024		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets for which fair values are disclosed						
Investment Property	-	-	-	-	-	-
Financial assets:						
Measured at fair value						
Financial investments at FVTOCI						
Listed Equity investments	-	-	-	-	-	-
Financial assets at amortised cost						
Non-current						
Investment	-	-	1,901.57	-	-	926.30
Loans	-	-	528.55	-	-	1.15
Current						
Trade receivables	-	-	-	-	-	53.51
Cash and cash equivalents	-	-	45.65	-	-	25.40
Other bank balances	-	-	115.63	-	-	4.77
Loans	-	-	-	-	-	-
Other Financial assets			0.07		-	0.30
	-	-	2,591.45	-	-	1,011.43
Financial liabilities:						
Measured at fair value						
Financial liabilities at amortised cost						
Financial liabilities						
Non-current						
Borrowings	-	-	1,224.75	-	-	2,175.33
Other Financial Liabilities	-	-	-	-	-	-
Current						
Borrowings	-	-	-	-	-	-
Trade payables	-	-	3.63	-	-	64.47
Other financial liabilities	-	-	-	-	-	0.71
	-	-	1,228.38	-	-	2,240.52

There are no transfers among levels 1, 2 and 3 during the year.

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FAR Register -SLM method of Depreciation

DOA	Life	Assets Life till		Cummulative 31-03-2025 Used(No.of days)	Asset Group	Vch Type	Vch#	Original Cost	Salvage@5%	31-03-2025 Accumulated Dep		31-03-2024 Accumulated Dep	Check-1 Dep. During the year	Check-2 Dep. During the year
09-Jul-14	3	09-Jul-17	Life completed		Computer			3,03,573	15,179	2,88,395	31.67%	2,88,394.72	-	-
09-Jul-14	3	09-Jul-17	Life completed		Computer	Journal	D-Jul-14-15-005	87,576	4,379	83,197	31.67%	83,197.20	-	-
17-Jul-14	3	17-Jul-17	Life completed		Computer	Journal	D-Jul-14-15-025	52,500	2,625	49,875	31.67%	49,875.00	-	-
08-Dec-14	3	08-Dec-17	Life completed		Computer	Journal	D-Dec-14-15-005	54,600	2,730	51,870	31.67%	51,870.00	-	-
10-Aug-15	3	10-Aug-18	Life completed		Computer	Journal	D-Aug-15-16-002	2,02,833	10,142	1,92,691	31.67%	1,92,691.35	-	-
27-Nov-19	3	27-Nov-22	Life completed		Computer	Journal	D-Nov-19-20-006	26,144	1,307	24,837	31.67%	24,836.80	-	-
05-Dec-19	3	05-Dec-22	Life completed		Computer	Journal	D-Dec-19-20-002	62,500	3,125	59,375	31.67%	59,375.00	-	-
07-Feb-20	3	07-Feb-23	Life completed		Computer	Journal	D-Feb-19-20-002	6,000	300	5,700	31.67%	5,700.00	-	-
01-Sep-20	3	02-Sep-23	Life completed		Computer	Journal	D-Sep-20-21-012	62,500	3,125	59,375	31.67%	59,375.00	-	-
29-Oct-21	3	29-Oct-24	Life completed		Computer	Journal	D-Oct-21-22-003	76,990	3,850	73,141	31.67%	59,052.98	14,087.52	14,087.52
17-Jun-23	3	17-Jun-26		654.00	Computer	Journal	D-Jun-23-24-002	3,814	191	2,164	31.67%	1,207.89	956.39	956.39
04-Jul-23	3	04-Jul-26		637.00	Computer	Journal	D-Jul-23-24-001	77,966	3,898	43,092	31.67%	24,691.83	18,400.49	18,400.49
31-May-24	3	01-Jun-27		305.00	Computer	Journal	D-May-24-25-004	32,500	1,625	8,601	31.67%		8,600.79	8,600.79
10-Jan-25	3	11-Jan-28		81.00	Computer	Journal	D-May-24-25-009	33,500	1,675	2,354	31.67%		2,354.43	2,354.43
07-Jan-19	10	05-Jan-29		2,276.00	Furniture and fixtures	Journal	D-Jan-18-19-012	6,72,917	33,646	3,98,625	9.50%	3,34,347.57	64,277.40	64,277.40
02-May-19	10	30-Apr-29		2,161.00	Furniture and fixtures	Journal	D-May-19-20-009	1,10,899	5,545	62,375	9.50%	51,811.10	10,564.27	10,564.27
09-Jul-14	5	09-Jul-19	Life completed		Air Conditioner			5,02,460	25,123	4,77,337	19.00%	4,77,337.00	-	-
09-Jul-14	5	09-Jul-19	Life completed		Office Equiptment			9,21,527	46,076	8,75,451	19.00%	8,75,450.75	-	-
09-Apr-21	5	09-Apr-26		1,453.00	Office Equiptment	Journal	D-Apr-21-22-013	15,000	750	11,345	19.00%	8,487.53	2,857.81	2,857.81
01-Sep-22	5	01-Sep-27		943.00	Office Equiptment	Journal	D-Sep-22-23-013	3,08,244	15,412	1,51,310	19.00%	92,422.53	58,887.27	58,887.27
04-Jul-23	5	03-Jul-28		637.00	Office Equiptment	Journal	D-Jul-23-24-002	59,697	2,985	19,795	19.00%	8,452.44	11,342.43	11,342.43
04-Jul-23	5	03-Jul-28		637.00	Office Equiptment	Journal	D-Jul-23-24-003	13,900	695	4,609	19.00%	1,968.09	2,641.00	2,641.00
19-Jul-23	5	18-Jul-28		622.00	Office Equiptment	Journal	D-Jul-23-24-019	27,520	1,376	8,910	19.00%	3,681.65	5,228.80	5,228.80
09-Jul-14	8	08-Jul-22	Life completed		Vehicle- Skoda			4,94,700	24,735	4,69,965	11.88%	4,69,965.00	-	-
26-Mar-22	35	18-Mar-57		1,102.00	P&M -Generator	Journal	D-Mar-21-22-013	6,00,000	30,000	49,092	2.71%	16,527.29	32,564.55	32,564.55
								48,09,860		**34,73,482**		**32,40,719**	**2,32,763**	**2,32,763**

	AFS-GB 2024	AFS-AD 2024	AFS-GB 2024	AFS-AD 2024	FAR-GB 2025	FAR-AD 2024	FAR-CYD 2025
Furniture and fixtures	7.84	3.86	7,83,816.00	3,86,158.67	7,83,816.00	3,86,158.67	74,841.67
Office Equiptment	18.48	14.68	18,48,348.10	14,67,799.99	18,48,348.10	14,67,799.99	80,957.31
Computer	10.17	9.00	10,16,996.39	9,00,267.77	10,82,996.39	9,00,267.77	44,399.62
Vehicle	4.95	4.70	4,94,700.00	4,69,965.00	4,94,700.00	4,69,965.00	-
P&M	6.00	0.17	6,00,000.00	16,527.29	6,00,000.00	16,527.29	32,564.55
	47.44	**32.41**	**47,43,860.49**	**32,40,718.72**	**48,09,860.49**	**32,40,718.72**	**2,32,763.14**
Computer-Additions during the year					66,000.00	-	
					13,36,378.63		
					13,36,378.63		
Check					-		

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Rajendra V Kulkarni
Director
DIN: 00988255

Gokul Naresh Tandan
Managing Director
DIN: 00441563

Place : New Delhi
Date : 30-05-2025

Place : New Delhi
Date : 30-05-2025

WN:- FOR COMPUTATION OF WEIGHTED NO. of outstanding Shares.

31-03-2025

	No.	Oustanding Days	Weighted No.	
Openings No. of Shares	1,02,97,600	365	1,02,97,600	
Shares issued during the year				
22-08-2024	2,41,25,680	221	1,46,07,604	
28-03-2025	14,75,000	3	12,123	
Total No. of Shares	**3,58,98,280**		**2,49,17,327**	
Potential Shareholders (Share Warrants, 25% Paid UP) - No. converted to 100% by dividing balance warrants No. of 54,35,000 by 4	13,58,750		13,58,750	
	3,72,57,030		**2,62,76,077**	

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1. Corporate information

Kati Patang Lifestyle Limited ('the Company') is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its equity shares are listed on the BSE Limited in India. The registered office of the Company is located at Flat No.S-101, Panchsheel Park, New Delhi - 110017.

The vision of the company is to empower business and learning communities with rich "knowledge on demand". The Company is primarily engaged in the business of Pioneering Broadband, Virtual Event & Providing Mobile Roaming Services & Solutions.

These standalone financial statements are approved for issue by the Board of Directors on May 30, 2025.

2. Basis of preparation

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) (Amendment) Rules, 2016 as amended and the relevant provisions of the Companies Act, 2013.

The standalone financial statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets and financial liabilities which are measured at fair value/ amortized cost (Refer accounting policy regarding financial instruments).

The standalone financial statements are presented in Indian Rupees Lakhs and all values have been rounded to the nearest rupees, unless stated otherwise.

3. Significant accounting policies

The Company has applied the following accounting policies to all periods presented in the standalone financial statements.

a) Functional and presentation currency

The standalone financial statements are prepared in Indian Rupees, which is the Company's presentation currency and the functional currency for all its operations.

b) Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is classified as current when it is:

- expected to be realised or intended to sold or consumed in the normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when:

- it is expected to be settled in the normal operating cycle;

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- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting date; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.

All other liabilities are classified as non-current.

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

Operating cycle of the Company is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. As the Company's normal operating cycle is not clearly identifiable, it is assumed to be twelve months.

c) **Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Sale of goods

Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer which usually is on actual despatch of goods to the buyer. Amounts disclosed are inclusive of excise duty and net of returns and allowances, trade discounts, volume rebates, value added taxes and goods and service tax and amounts collected on behalf of third parties.

Rendering of services

Revenue from services is recognised by reference to the stage of completion of work.

d) **Other Income**

i. **Interest Income**

Interest income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable. Interest income is included in finance income in the statement of profit and loss.

ii. **Dividends**

Dividend income is recognised in the statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

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iii. **Rental Income**

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in other income in the statement of profit and loss.

e) **Property, plant and equipment**

All property, plant and equipment are stated at historical cost, net of accumulated depreciation (other than freehold land) and accumulated impairment losses, if any.

The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use. It also includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Items such as spares are capitalized when they meet the definition of property, plant and equipment.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Likewise, expenditure towards major inspections and overhauls are identified as a separate component and depreciated over the expected period till the next overhaul expenditure.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future economic benefits from the existing asset beyond its previously assessed standard of performance/life. All other expenses on existing property, plant and equipment, including day-today repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Depreciation on property, plant and equipment is calculated using the straight-line method (SLM) to allocate their cost, net of their residual values, over their estimated useful lives, as per the useful life prescribed in Schedule II to the Companies Act, 2013.

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

Freehold land is not depreciated.

Leasehold buildings are amortised over the duration of the shorter of the useful life or lease term.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on the disposal or retirement or derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in the statement of profit and loss.

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Capital work-in-progress represents cost of property, plant and equipment that are not yet ready for their intended use and are carried at cost determined as aforesaid.

f) **Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets are not capitalised and the expenditure is recognised in the statement of profit and loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates to be adjusted prospectively. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

The Company does not have any intangible assets with indefinite useful lives.

Softwares are amortized on a straight-line basis over a period of 4 years.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

g) **Investment properties**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and wherever applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Depreciation on investment properties is calculated using the straight-line method (SLM) to allocate their cost, net of their residual values, over their estimated useful lives, as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from

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their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit and loss in the period of derecognition.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its investment properties recognised as of 1 April, 2016 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

h) Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

- Raw materials, components, stores and spares, packing materials and others: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first-in, first-out (FIFO) basis.
- Work in progress: cost includes cost of direct materials and labour and estimated overheads up to the stage of completion. Cost is determined on first-in, first-out (FIFO) basis.
- Finished goods: cost includes cost of direct materials, labour, cost of manufacturing, cost of conversion and other costs incurred in finishing the goods. Cost is determined on first-in, first-out (FIFO) basis.
- Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first-in, first-out (FIFO) basis.
- Scrap is valued at estimated net realizable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

i) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

j) Borrowing Costs

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

All other borrowing costs are expensed in the period in which they occur and are recognised in the statement of profit and loss using the effective interest method.

k) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains,

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a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 April 2016, the Company has determined whether the arrangements contain lease on the basis of facts and circumstances existing on the date of transition.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Leases in which a significant portion of the risk and rewards of ownership are not transferred to the Company are classified as operating lease. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless the payments are structured to increase in line with the expected general inflation to compensate for the lessor's expected inflationary cost increases.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease unless the receipts are structured to increase in line with the expected general inflation to compensate for the expected inflationary cost increases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Leases are classified as finance leases when substantially all the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

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l) Income taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognized outside of profit or loss is recognized outside of profit or loss [either in other comprehensive income (OCI) or in equity]. Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

- in respect of taxable temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled by the Company and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

- In respect of deductible temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Current tax and deferred tax relating to items recognised outside profit or loss are recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and tax liabilities on a net basis.

m) **Employee benefits**

Short-term obligations
Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Other long-term employee benefit obligations
The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected an it credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experienced judgments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Post-employment obligations
The Company operates the following post-employment schemes:
a. Defined benefit plans in the nature of gratuity, and
b. Defined contribution plans such as provident fund.

Gratuity obligations
The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting

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period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in Indian Rupees 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.

Defined contribution plans
The company pays provident fund contributions to publicly administered provident funds as per local regulations. The company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

n) **Impairment of non-financial assets**
Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

o) **Provisions, contingent liabilities and contingent assets**
Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss, net of any reimbursement.

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This category is most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss.

ii. Debt instruments at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
b. The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

iii. Debt instruments at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

iv. Equity investments

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

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

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If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. The unwinding of discount is recognized in the statement of profit and loss as a finance cost.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefits is probable.

p) **Financial instruments**

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

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.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified into four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

i. **Debt instruments at amortised cost**

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

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

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Equity investment in subsidiaries and joint ventures are carried at historical cost as per the accounting policy choice given by Ind AS 27.

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:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

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

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities and deposits;
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in the subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on a twelve-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

Financial liabilities

Initial recognition and measurement

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 and borrowings, etc.

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Subsequent measurement

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

i. **Financial liabilities at FVTPL**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

ii. **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 amortisationis included as finance costs in the statement of profit and loss.

Derecognition

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

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

q) **Financial guarantee contracts**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are measured at their fair values and recognised as income in the statement of profit and loss.

Where guarantees in relation to loans or other payables of group companies are provided for no compensation, the fair value are accounted for as contributions and recognised as part of cost of investment.

r) **Accounting for foreign currency transactions**

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

Transactions in currencies other than the functional currency are translated into the functional currency at the exchange rates that approximates the rate as at the date of the

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transaction. Monetary assets and liabilities denominated in other currencies are translated into the functional currency at exchange rates prevailing on the reporting date. Non-monetary assets and liabilities denominated in other currencies and measured at historical cost or fair value are translated at the exchange rates prevailing on the dates on which such values were determined.

All exchange differences are included in statement of profit and loss.

s) **Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

t) **Dividends**

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

u) **Earnings per share**

Basic earnings per share

Basic earnings per share are calculated by dividing the profit attributable to the shareholders of the Company by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per share

Diluted earnings per share is calculated by dividing the profit attributable to the shareholders of the Company (after adjusting the corresponding income/ charge for dilutive potential equity shares, if any) by the weighted average number of equity shares outstanding during the financial year plus the weighted average number of additional equity shares that would have been issued on conversion of all the dilutive potential equity shares.

4. **Significant accounting judgments, estimates and assumptions**

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described

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below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Income taxes

The Company is subject to income tax laws as applicable in India. Significant judgment is required in determining provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

In assessing the reliability of deferred tax assets, management considers whether it is probable, that some portion, or all, of the deferred tax assets will not be realised. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable incomes over the periods in which the deferred tax assets are deductible, management believes that it is probable that the Company will be able to realize the benefits of those deductible differences in future.

Useful lives of property, plant and equipment ('PPE') and intangible assets

Management reviews the estimated useful lives and residual value of PPE and Intangibles at the end of each reporting period. Factors such as changes in the expected level of usage, technological developments and product life-cycle, could significantly impact the economic useful lives and the residual values of these assets. Consequently, the future depreciation charge could be revised and may have an impact on the profit of the future years.

Employee benefit obligations

The cost of the defined benefit obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes.

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Future salary increases and gratuity increases are based on expected future inflation rates. Further details about gratuity obligations are given in Note No. 36.

Contingencies

Management judgment of contingencies is based on the internal assessments and opinion from the consultants for the possible outflow of resources, if any.

5. **Recent accounting pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards have been incorporated in the financial statements, wherever applicable.

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INDEPENDENT AUDITOR'S REPORT

To
The Board of Directors
Kati Patang Lifestyle Limited
(Formerly known as Virtualsoft Systems Limited)
New Delhi

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of Kati Patang Lifestyle Limited ("the Company" or "the Holding Company"), and its subsidiary (the company and its subsidiaries together referred to as the "Group"), which comprise the Balance Sheet as at 31 March 2025, the Statement of Profit and Loss (including the Other Comprehensive Income), the Cash Flow Statement and the Statement of changes in equity for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated 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 Standards specified under section 133 of the Act, read with (the Companies (Indian Accounting Standards) Rules, 2023) and other accounting principles generally accepted in India, of the state of affairs of the Group as at 31 March 2025, and its deficit, cash flows and changes in equity for the year ended on that date.

Basis for Opinion

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

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Emphasis of matter

We draw attention to Note 46 of the financial statements, which outlines the Company's development of a CRM software, *Live Webcast Suite*, which was intended to support its telecom services and website operations. Following the acquisition of Empyrean Spirits Pvt. Ltd. (a company engaged in the manufacture and sale of liquor), the company has undergone a strategic shift in its business model.

As a result, management is currently evaluating the potential disposal of the CRM software, *Live Webcast Suite* in the coming years. Nevertheless, management continues to assert that the carrying value of the related expenditure, reported under Capital Work in Progress (CWIP), is recoverable and represents a fair estimate of its market value as of the reporting date.

Our opinion is not modified in respect of this matter.

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

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the financial statements and auditor's report(s) thereon. The Company's annual report is expected to be made available to us after the date of this auditor's report.

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

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

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

Management's Responsibilities for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the financial position, financial performance, statement of changes in equity and cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards as specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making

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judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the group has an 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 Group'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 Consolidated Financial Statements or, if such disclosures are inadequate, to modify our

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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 Group to cease to continue as a going concern.

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

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated 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 Consolidated Financial Statements.

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

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

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

Other Matter

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, According to the information and explanations given to us, and based on the reports, *issued by the auditors of the subsidiary (Empyrean Spirits Pvt. Ltd.) included in the consolidated financial statements of the Company, to which reporting on matters specified in paragraph 3 and 4 of the Order is applicable*, provided to us by the Management of the Company *and based on the identification of matters of qualifications or adverse remarks in their Companies (Auditor's Report) Order, 2020 reports by the respective component auditors and provided to us, we report that the auditors of such companies have not reported any qualifications or adverse remarks except Clause VII of Annexure A of independent audit report on consolidated financial statement of Empyrean Spirits Pvt. Ltd.*

The following subsidiaries included in the consolidated financial statements:-

Serial No.	Name of the Entity	Relationship with the Holding Company
1	Empyrean Spirits Pvt. Ltd.	Subsidiary
2	Kati Patang Ltd (UK)	Subsidiary of Subsidiary Co.

Clause VII of Annexure A of independent audit report on consolidated financial statement of Empyrean Spirits Pvt. Ltd.-

According to the information and explanation given to us and on the basis of our examinations of the records of the company. The company is regular in depositing the undisputed statutory dues including goods and services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, value added tax, cess and any other statutory dues to the appropriate authorities.

There are undisputed amounts payable in respect of the aforesaid dues, outstanding as at March 31, 2025, for a period of more than six months from the date of becoming payable :-

Particulars	Amount
Cow Cess of Chandigarh	Rs.1,24,980
VAT (Chandigarh)	Rs.3,57,192
Tax deducted at source	Rs.4,08,400

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

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

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

(c) The group do not have the branch offices as per information provided to us hence the reporting on "the report on the accounts of any branch office of the group audited under sub-section (8) by a person other than the group's auditor has been sent to him under the proviso to that sub-section and the manner in which he has dealt with it in preparing his report" is not applicable in this case;

(d) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of changes in equity dealt with by this Report are in agreement with the books of account;

(e) In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards as specified under section 133 of the Act;

(f) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164(2) of the Act

(g) Reporting on the adequacy with respect to the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, According to the information and explanations given to us, *and based on the reports, issued by the auditors of the subsidiary (Empyrean Spirits Pvt. Ltd.) included in the consolidated financial statements of the Company, to which reporting on matters of internal financial controls over financial reporting of the company and the operating effectiveness of such controls,* provided to us by the Management of the Company and *based on the identification of matters of qualifications or adverse remarks in their reports by the respective component auditors and provided to us, we report that the auditors of such companies have not reported any qualifications or adverse remarks on their internal financial controls.*

(h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, *the remuneration paid by the Group to its directors during the year is in accordance with the provisions of Section 197 of the Act.*

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

i. The Group does not have any pending litigations as on March 31, 2025, which would impact on its financial position;

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

iii. There is no delay in transferring the amounts required to be transferred to the Investor Education and Protection Fund by the Group.

iv.

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

(ii) The management has represented, that, to the best of it's knowledge and belief, no funds have been received by the group from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the group shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party

("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(iii) Based on audit procedures which we considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) of clause iv contain any material misstatement.

v. The group has not declared or paid any dividend during the year in contravention of the provisions of section 123 of the Companies Act, 2013.

vi. *As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023*, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail. The Company and its subsidiary utilized accounting software with an audit trail (edit log) feature, which remained operational throughout the year for all recorded transactions and was not tampered with. Furthermore, the responsibility for retaining the audit trail in accordance with statutory requirements lies with the group."

For Rajesh Raj Gupta & Associates LLP
Chartered Accountants
(FRN No.026338N/N500357)

Manoj

CA. MANOJ KUMAR
Partner
Membership No. 521409
UDIN: 25521409BMNTDN1724

Date: 30-05-2025
Place: New Delhi

1. Corporate information

Kati Patang Lifestyle Limited ('the Company') is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its equity shares are listed on the BSE Limited in India. The registered office of the Company is located at Flat No.S-101, Panchsheel Park, New Delhi - 110017.

The vision of the company is to empower business and learning communities with rich "knowledge on demand". The Company is primarily engaged in the business of Pioneering Broadband, Virtual Event & Providing Mobile Roaming Services & Solutions.

These consolidated Ind AS financial statements are approved for issue by the Board of Directors on May 30, 2025.

Corporate Information of Subsidiaries Company

Empyrean Spirits Private Limited (CIN: U15549DL2017PTC313380) is a private limited company incorporated on February 23, 2017, under the provisions of the Companies Act, 2013. The Company's registered office is located at 504, Savitri Cinema Complex, 5th Floor Greater Kailash-2 Greater Kailash, South Delhi New Delhi - 110048.

Kati Patang Limited (UK) is Private Limited Company incorporated on November 20, 2023. The Company's regitered office is located at 1 Beauchamp Court, 10 Victors Way, Barnet, Hertfordshire, England, EN5 5TZ.

2. Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) (Amendment) Rules, 2016 as amended and the relevant provisions of the Companies Act, 2013.

The consolidated financial statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets and financial liabilities which are measured at fair value/ amortized cost (Refer accounting policy regarding financial instruments).

The consolidated financial statements are presented in Indian Rupees and all values have been rounded to the nearest rupees, unless stated otherwise.

3. Significant accounting policies

The Company has applied the following accounting policies to all periods presented in the consolidated financial statements.

a) Functional and presentation currency

The consolidated financial statements are prepared in Indian Rupees, which is the Company's presentation currency and the functional currency for all its operations.

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b) **Current and non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is classified as current when it is:

- expected to be realised or intended to sold or consumed in the normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when:

- it is expected to be settled in the normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting date; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.

All other liabilities are classified as non-current.

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

Operating cycle of the Company is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. As the Company's normal operating cycle is not clearly identifiable, it is assumed to be twelve months.

c) **Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Sale of goods

Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer which usually is on actual despatch of goods to the buyer. Amounts disclosed are inclusive of excise duty and net of returns and allowances, trade discounts, volume rebates, value added taxes and goods and service tax and amounts collected on behalf of third parties.

Rendering of services

Revenue from services is recognised by reference to the stage of completion of work.

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Revenue recognition of Subsidiaries Company

(a) Revenue recognition
Revenue from contracts with customers is recognized when control of the goods or services is transferred to the customer, at an amount that reflects the consideration the Company expects to receive in exchange. Revenue is recognized when it is probable that economic benefits will flow to the Company and the amount can be measured reliably, regardless of the timing of payment.

Revenue is measured based on the transaction price allocated to each performance obligation, net of variable consideration such as discounts and promotional schemes offered by the Company. The Company assesses that it acts as the principal in all its revenue arrangements , sets prices, and bears inventory and credit risks.

In accordance with the Educational Material on Ind AS 115 issued by the Institute of Chartered Accountants of India (ICAI), excise duty is considered a liability of the manufacturer and is recovered by the Company on its own account, forming part of the cost of production. Therefore, revenue includes excise duty. However, sales tax, value added tax (VAT), and goods and services tax (GST) are collected on behalf of the government and do not represent economic benefits flowing to the Company. As such, these amounts are excluded from revenue.

Sale of products
Revenue from the sale of products is recognized at a point in time when control of the goods is transferred to the customer, and there are no remaining obligations that could affect the customer's acceptance of the products. The revenue is measured at the transaction price, net of estimated returns, allowances, discounts, and incentives.

Where a contract includes variable consideration, such as discounts or incentives, the Company estimates the amount it expects to be entitled to at the inception of the contract. These estimates are based on historical experience, current conditions, and other relevant factors, ensuring that the recognized revenue reflects the expected consideration for the transferred goods.

b) **Revenue from Manufacture and Sale of Products under Tie-up Manufacturing Arrangements**
The Company has entered into arrangements with Tie-up Manufacturing Units (TMUs) wherein the TMUs manufacture and sell beverage alcohol on behalf of the Company. Under these arrangements, the Company bears significant risks and rewards, including primary responsibility for fulfilling customer orders, pricing control, and exposure to inventory and credit risks. As such, the Company is considered the principal in these transactions.

Accordingly, revenue, excise duty, and related expenses from TMU operations are recorded on a gross basis, as if the transactions were conducted directly by the Company. Inventory held by TMUs under these arrangements is recognized as part of the Company's inventory. Any net amounts receivable from or payable to TMUs are presented under other financial assets or other financial liabilities, respectively.
c) Income from Job Work / Services

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Revenue from job work and service activities is recognized upon fulfillment of contractual obligations, i.e., when the services are rendered and delivered to the customer.

d) Other Income

i. Interest Income

Interest income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable. Interest income is included in finance income in the statement of profit and loss.

ii. Dividends

Dividend income is recognised in the statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

iii. Rental Income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in other income in the statement of profit and loss.

e) Property, plant and equipment

All property, plant and equipment are stated at historical cost, net of accumulated depreciation (other than freehold land) and accumulated impairment losses, if any.

The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use. It also includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Items such as spares are capitalized when they meet the definition of property, plant and equipment.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Likewise, expenditure towards major inspections and overhauls are identified as a separate component and depreciated over the expected period till the next overhaul expenditure.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future economic benefits from the existing asset beyond its previously assessed standard of performance/life. All other expenses on existing property, plant and equipment, including day-today repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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Depreciation on property, plant and equipment is calculated using the straight-line method (SLM) to allocate their cost, net of their residual values, over their estimated useful lives, as per the useful life prescribed in Schedule II to the Companies Act, 2013.

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

Freehold land is not depreciated.

Leasehold buildings are amortised over the duration of the shorter of the useful life or lease term.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on the disposal or retirement or derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in the statement of profit and loss.

Capital work-in-progress represents cost of property, plant and equipment that are not yet ready for their intended use and are carried at cost determined as aforesaid.

f) **Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets are not capitalised, and the expenditure is recognised in the statement of profit and loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates to be adjusted prospectively. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

The Company does not have any intangible assets with indefinite useful lives.

Software's are amortized on a straight line basis over a period of 4 years.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

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g) **Investment properties**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and wherever applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Depreciation on investment properties is calculated using the straight-line method (SLM) to allocate their cost, net of their residual values, over their estimated useful lives, as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit and loss in the period of derecognition.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its investment properties recognised as of 1 April, 2016 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

h) **Inventories**

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

- Raw materials, components, stores and spares, packing materials and others: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first-in, first-out (FIFO)basis.
- Work in progress: cost includes cost of direct materials and labour and estimated overheads up to the stage of completion. Cost is determined on first-in, first-out (FIFO) basis.
- Finished goods: cost includes cost of direct materials, labour, cost of manufacturing, cost of conversion and other costs incurred in finishing the goods. Cost is determined on first-in, first-out (FIFO) basis.
- Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first-in, first-out (FIFO) basis.
- Scrap is valued at estimated net realizable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

i) **Segment Reporting**

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Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

j) **Borrowing Costs**

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

All other borrowing costs are expensed in the period in which they occur and are recognised in the statement of profit and loss using the effective interest method.

k) **Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 April 2016, the Company has determined whether the arrangements contain lease on the basis of facts and circumstances existing on the date of transition.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Leases in which a significant portion of the risk and rewards of ownership are not transferred to the Company are classified as operating lease. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless the payments are structured to increase in line with the

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expected general inflation to compensate for the lessor's expected inflationary cost increases.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease unless the receipts are structured to increase in line with the expected general inflation to compensate for the expected inflationary cost increases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Leases are classified as finance leases when substantially all the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

l) Income taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognized outside of profit or loss is recognized outside of profit or loss [either in other comprehensive income (OCI) or in equity]. Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

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- in respect of taxable temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled by the Company and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

- In respect of deductible temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Current tax and deferred tax relating to items recognised outside profit or loss are recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and tax liabilities on a net basis.

m) **Employee benefits**

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

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Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Post-employment obligations

The Company operates the following post-employment schemes:

a. Defined benefit plans in the nature of gratuity, and
b. Defined contribution plans such as provident fund.

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity 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 actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in Indian Rupees 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.

Defined contribution plans

The company pays provident fund contributions to publicly administered provident funds as per local regulations. The company has no further payment obligations once the contributions have been paid. The contributions area counted for as defined contribution

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plans and the contributions are recognised as employee benefit expense when they are due.

n) **Impairment of non-financial assets**

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

o) **Provisions, contingent liabilities and contingent assets**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. The unwinding of discount is recognized in the statement of profit and loss as a finance cost.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefits is probable.

p) **Financial instruments**

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

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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.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified into four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

i. Debt instruments at amortised cost

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

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

This category is most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss.

ii. Debt instruments at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
b. The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss.

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Interest earned whilst holding FVTOCI debt instrument Is reported as interest income using the EIR method.

iii. Debt instruments at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

iv. Equity investments

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

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity investment in subsidiaries and joint ventures are carried at historical cost as per the accounting policy choice given by Ind AS 27.

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:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

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

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- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities and deposits;
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in the subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on a twelve month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

Financial liabilities

Initial recognition and measurement
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 and borrowings, etc.

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

i. **Financial liabilities at FVTPL**
   Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

ii. **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.

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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.

Derecognition

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

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

q) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are measured at their fair values and recognised as income in the statement of profit and loss.

Where guarantees in relation to loans or other payables of group companies are provided for no compensation, the fair value are accounted for as contributions and recognised as part of cost of investment.

r) Accounting for foreign currency transactions

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

Transactions in currencies other than the functional currency are translated into the functional currency at the exchange rates that approximates the rate as at the date of the transaction. Monetary assets and liabilities denominated in other currencies are translated into the functional currency at exchange rates prevailing on the reporting date. Non-monetary assets and liabilities denominated in other currencies and measured at historical cost or fair value are translated at the exchange rates prevailing on the dates on which such values were determined.

All exchange differences are included in statement of profit and loss.

s) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

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t) Dividends

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

u) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the shareholders of the Company by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per share

Diluted earnings per share is calculated by dividing the profit attributable to the shareholders of the Company (after adjusting the corresponding income/ charge for dilutive potential equity shares, if any) by the weighted average number of equity shares outstanding during the financial year plus the weighted average number of additional equity shares that would have been issued on conversion of all the dilutive potential equity shares.

4. Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Income taxes

The Company is subject to income tax laws as applicable in India. Significant judgment is required in determining provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will

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impact the income tax and deferred tax provisions in the period in which such determination is made.

In assessing the reliability of deferred tax assets, management considers whether it is probable, that some portion, or all, of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable incomes over the periods in which the deferred tax assets are deductible, management believes that it is probable that the Company will be able to realize the benefits of those deductible differences in future.

Useful lives of property, plant and equipment ('PPE') and intangible assets

Management reviews the estimated useful lives and residual value of PPE and Intangibles at the end of each reporting period. Factors such as changes in the expected level of usage, technological developments and product life-cycle, could significantly impact the economic useful lives and the residual values of these assets. Consequently, the future depreciation charge could be revised and may have an impact on the profit of the future years.

Employee benefit obligations

The cost of the defined benefit obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates. Further details about gratuity obligations are given in Note No. 35.

Contingencies

Management judgment of contingencies is based on the internal assessments and opinion from the consultants for the possible outflow of resources, if any.

5. Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards have been incorporated in the financial statements, where ever applicable.

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New Delhi
LLP No: AAT-7061

KATI PATANG LIFESTYLE LIMITED
(Formerly known as VIRTUALSOFT SYSTEMS LIMITED)
CIN: L72200DL1992PLC047931
Consolidated Balance Sheet as at 31st March 25

(All amounts in Lacs unless otherwise stated)

	Particulars	Note	As at 31st March 2025	As at 31st March 2024
	ASSETS			
I	Non-current assets			
(a)	Property, plant and equipment	6	27.64	77.41
(b)	Intangible Assets	7	1,801.36	815.30
(c)	Intangible Asset under development	8	90.11	1,087.76
(d)	Right-of-use assets			
(e)	Financial assets			
	(i) Investments	9	215.94	-
	(ii) Loans	10	51.92	8.17
(f)	Deferred Tax Assets (Net)	11	15.31	-
(g)	Other non-current assets		-	-
			2,202.29	1,988.63
II	Current assets			
(a)	Inventories	12	74.73	-
(b)	Financial assets			
	(i) Trade receivables	13	497.20	127.44
	(ii) Cash and cash equivalents	14	78.65	36.77
	(iii) Other bank balances	15	224.63	21.32
	(iv) Loans	10	15.65	19.87
	(v) Other financial assets	16	4.86	0.30
(c)	Other current assets	17	126.15	98.98
			1,021.88	304.68
	TOTAL ASSETS		3,224.17	2,293.31
	EQUITY AND LIABILITIES			
III	Equity			
(a)	Equity share capital	18	3,589.83	1,029.76
(b)	Other equity	19	(2,339.41)	(3,394.70)
(c)	Non controlling Interest		(2.22)	(435.57)
	Total equity		1,248.20	(2,800.51)
IV	Share Application Money Pending Allotment		209.30	-
	LIABILITIES			
V	Non-current liabilities			
(a)	Financial liabilities			
	(i) Borrowings	20	1,313.56	4,640.04
	(ii) Other Financial Liabilities	21	248.93	-
(b)	Provisions	22	25.53	54.72
			1,588.03	4,694.76
VI	Current liabilities			
(a)	Financial liabilities			
	(i) Borrowings	23	24.03	111.25
	(ii) Trade payables	24	28.77	94.79
	(iii) Other financial liabilities	25	-	1.32
(b)	Other current liabilities	26	124.36	188.06
(c)	Provisions	22	1.49	3.64
			178.64	399.06
	Total liabilities		1,975.97	5,093.83
	TOTAL EQUITY AND LIABILITIES		3,224.17	2,293.31

Summary of significant Accounting policies 3

The accompanying notes are an integral part of the financial statements

As per our report of even date
For Rajesh Raj Gupta & Associates LLP
Chartered Accountants
FRN: 026338N/N500357

Rajesh Raj Gupta & Associates LLP New Delhi LLP No: AAT-7061

CA Manoj Kumar
Partner
Membership No.: 521409

UDIN: 25521409BMNTDN1724
Place : New Delhi
Date : 30-05-2025

For and on behalf of the Board of Directors
KATI PATANG LIFESTYLE LIMITED

Rajendra V Kulkarni
Director
DIN: 00988255

Gokul Naresh Tandan
Managing Director
DIN: 00441563

Athar Ahmed
C.F.O.

Sanjeev K Jha
Company Secretary
M. No.-8690

KATI PATANG LIFESTYLE LIMITED
(Formerly known as VIRTUALSOFT SYSTEMS LIMITED)
CIN: L72200DL1992PLC047931

Consolidated Statement of profit & loss for the year ended 31st March 2025

(All amounts in Lacs unless otherwise stated)

		Particulars	Note	For the year ended 31st March 2025	For the year ended 31st March 2024
I		Revenue from operations	27	1,747.76	511.82
II		Other income	28	89.59	2.39
III		**Total income (I+II)**		**1,837.35**	**514.21**
IV		**Expenses**			
	(a)	Cost of raw material consumed			
	(b)	Purchase of stock in trade / services	29	759.05	227.91
	(c)	Changes in inventories of finished goods,stock in trade and work-in-progress	30	(38.86)	-
	(d)	Excise duty on sale of goods	27	655.39	-
	(e)	Employee benefit expense	31	263.54	275.08
	(f)	Finance costs	32	0.13	9.22
	(g)	Depreciation and amortization expense	33	14.18	15.79
	(h)	Other expenses	34	676.88	226.79
		Total expense		**2,330.29**	**754.79**
V		**Profit before exceptional items and tax (III-IV)**		**(492.94)**	**(240.58)**
VI		Exceptional items	35	-	-
VII		**Profit before tax (V+VI)**		**(492.94)**	**(240.58)**
VIII		**Income tax expense**			
	(a)	Current tax		-	-
	(b)	Deferred tax		13.20	-
		Total tax expense		**13.20**	**-**
IX		**Profit for the year (VII-VIII)**		**(479.74)**	**(240.58)**
		Less: Share of Minority in Current Year Profits/Loss		**(7.91)**	**(48.13)**
		Less: Preacquisition losses		**(152.07)**	**-**
		Profit for the year after Non Controlling Interest and pre-acquisition losses		**(319.76)**	**(192.45)**
X		**Other comprehensive income**			
		Items that will not be reclassified to profit or loss:			
		(i) Foreign exhange unrealised Income		0.27	-
		(ii) Remeasurements of post-employment defined benefit obligations		(6.18)	(3.70)
		(iii) Change in fair value of FVOCI equity instruments		-	-
		(iv) Income tax effect		-	-
		Other comprehensive income for the year, net of tax		**(5.91)**	**(3.70)**
XI		**Total comprehensive income for the year (IX+X)**		**(325.67)**	**(196.16)**
XII		**Earnings per share in Rs.**	40		
		Basic earnings per equity share		(1.31)	(1.90)
		Diluted earnings per equity share		(1.24)	(1.90)

Summary of significant Accounting policies 3
The accompanying notes are an integral part of the financial statements

As per our report of even date
For Rajesh Raj Gupta & Associates LLP
Chartered Accountants
FRN: 026338N/N500357

Rajesh Raj Gupta & Associates LLP New Delhi LLP No: AAT-7061

CA Manoj Kumar
Partner
Membership No.: 521409

UDIN: 25521409BMNTDN1724
Place : New Delhi
Date : 30-05-2025

For and on behalf of the Board of Directors
KATI PATANG LIFESTYLE LIMITED

Rajendra V Kulkarni
Director
DIN: 00988255

Gokul Naresh Tandan
Managing Director
DIN: 00441563

Athar Ahmed
C.F.O.

Sanjeev K Jha
Company Secretary
M. No.-8690

KATI PATANG LIFESTYLE LIMITED
(Formerly known as VIRTUALSOFT SYSTEMS LIMITED)
CIN: L72200DL1992PLC047931

Consolidated Cash Flow Statement for the Year ended 31 March 2025

(All amounts in Indian Rupees unless otherwise stated)

Particulars	31-Mar-25	31-Mar-24
Cash flow from operating activities		
Profit after tax	**(479.74)**	**(240.58)**
Adjustment to reconcile profit before tax to net cash flows :		
Depreciation/amortization	14.18	15.79
Deferred Tax Assets (Net)	(15.31)	-
Change in Non Controlling Interest	433.35	-
Adjustment on disposal of stake sale of Roam1 Telecom Limited (a former subsidiary)	848.36	-
(Profit)/Loss on sale of property, plant and equipment	-	0.17
(Profit)/Loss on sale of Investment on Roam1 Telecom Limited (a former subsidiary)	(78.58)	-
Assets written off/ Bad debts	60.91	-
Liability no longer required, written back	0.05	-
Other comprehensive income	(5.91)	(3.70)
Provision for employees benefits obligation	(31.35)	8.99
Interest expense	0.13	9.22
Interest income	(4.55)	(1.69)
Operating profit before working capital changes	**741.55**	**(211.79)**
Movements in working capital:		
(Decrease)/increase in trade payables and other liabilities	(130.28)	(74.29)
Decrease/(increase) in trade receivable	(430.67)	(24.55)
Decrease/(increase) in inventories	(74.73)	-
Decrease/(increase) in other bank balances	(203.31)	(13.55)
Decrease/(increase) in short term loans	4.22	(0.38)
Decrease/(increase) in other current assets including financial assets	(31.74)	1.49
Cash generated from operations	**(124.96)**	**(323.07)**
Direct taxes paid	(0.81)	-
Net cash flow from/(used in) operating activities (A)	**(125.77)**	**(323.07)**
Cash flows from investing activities		
Purchase of property, plant and equipment, including intangible assets, capital work in progress	(1.45)	(90.80)
Purchase of Goodwill on acquisition of 98% stake in Empyrean Spirits	(1,774.37)	-
Proceeds from sale of property, plant and equipment	-	0.20
Purchase of other non-current investments	(215.94)	-
Security Deposits	205.18	-
Other loans	-	(1.54)
Interest received	4.55	1.69
Net cash flow from investing activities (B)	**(1,782.03)**	**(90.44)**
Cash flow from financing activities		
Proceeds/(Repayment) of borrowings & lease liabilities	(955.44)	405.37
Proceeds from issue of Share Capital	2,560.07	-
Proceeds from issue of Share Warrants and Share Application monies	345.17	-
Interest paid	(0.13)	(9.22)
Net cash flow from / (used in) financing activities (C)	**1,949.68**	**396.14**
Net increase/(decrease) in cash and cash equivalents (A + B +C)	**41.88**	**(17.37)**
Cash and cash equivalents at the beginning of the year	36.77	54.14
Cash and cash equivalents at the end of the year	**78.65**	**36.77**
Components of cash and cash equivalents		
Cash in hand	3.38	3.67
With banks in current account	75.27	32.39
Unpaid dividend accounts	-	0.71
Total cash and cash equivalents [Refer Note No. 14]	**78.65**	**36.77**

Note : The above Cash flow statement has been prepared under the Indirect method setout in Ind AS-7 'Statement of Cash Flow'.

Summary of significant Accounting policies 3
The accompanying notes are an integral part of the financial statements

As per our report of even date
For Rajesh Raj Gupta & Associates LLP
Chartered Accountants
FRN: 026338N/N500357

Rajesh Raj Gupta & Associates LLP New Delhi LLP No: AAT-7061

CA Manoj Kumar
Partner
Membership No.: 521409

UDIN: 25521409BMNTDN1724
Place : New Delhi
Date : 30-05-2025

For and on behalf of the Board of Directors
KATI PATANG LIFESTYLE LIMITED

Rajendra V Kulkarni
Director
DIN: 00980253

Gokul Naresh Tandan
Managing Director
DIN: 00441563

Athar Ahmed
C.F.O.

Sanjeev K Jha
Company Secretary
M. No.-8690

KATI PATANG LIFESTYLE LIMITED
(Formerly known as VIRTUALSOFT SYSTEMS LIMITED)
CIN: L72200DL1992PLC047931
Notes to the consolidated financial statements for the year ended 31st March 2025

6 Property, plant and equipment

(All amounts in Lacs unless otherwise stated)

Particulars	Furniture and Fixtures	Office Equipments	Computer	Vehicles	P&M	Leasehold Improvements	Total
Deemed Cost							
At 31st March 2024	44.25	141.14	61.07	35.05	6.00	-	287.51
Opening Gross Block of Empyrean Spirits Pvt. Ltd. (Subsi. Co.)	18.52	25.89	6.24		37.79	30.77	119.20
Additions	-	0.33	0.66	-	0.46	-	1.45
Disposals / adjustments	-	-	-	-	-	-	-
Disposals / adjustments for Roam1 Telecom Limited (a former Subsi. Co.)	(36.42)	(122.65)	(50.90)	(30.10)	-	-	(240.07)
At 31st March 2025	26.36	44.70	17.07	4.95	44.25	30.77	168.09
Accumulated Depreciation							
At 31st March 2024	14.68	117.58	53.35	24.32	0.17	-	210.10
Opening Accumulated Depreciation of Empyrean Spirits Pvt. Ltd. (Subsi. Co.)	2.06	5.34	4.18		29.13	-	40.71
Charge for the year	1.15	1.80	1.03	-	4.92	-	8.89
Disposals / adjustments	14.34	13.01			0.32	30.77	58.44
Disposals / adjustments for Roam1 Telecom Limited (a former Subsi. Co.)	(10.82)	(102.90)	(44.35)	(19.62)	-	-	(177.69)
At 31st March 2025	21.41	34.83	14.21	4.70	34.53	30.77	140.44
Net Block							
At 31st March 2024	29.57	23.56	7.73	10.72	5.83	-	77.41
At 31st March 2025	4.95	9.87	2.86	0.25	9.72	-	27.64

7 Intangible Assests

Particulars	Logo	Trade Mark	Receipe Development Cost	Mobile Application Software	Goodwill on acquisition	Website	Total
Deemed Cost							
At 31st March 2024	-	0.32	-	47.98	768.32	12.00	828.62
Opening Gross Block of Empyrean Spirits Pvt. Ltd. (Subsi. Co.)	45.44	4.68	5.35	-	-	-	55.46
Additions (arises on account of acquisition)	-	-	-	-	1,774.37	-	1,774.37
Disposals / adjustments	-	-	-	-	-	-	
Disposals / adjustments for Roam1 Telecom Limited (a former Subsi. Co.)		(0.32)	-	(47.98)	(768.32)	(12.00)	(828.62)
At 31st March 2025	45.44	4.68	5.35	-	1,774.37	-	1,829.83
Accumulated Depreciation							
At 31st Mar, 2024	-	0.32	-	2.98	-	10.02	13.32
Opening Accumulated Depreciation of Empyrean Spirits Pvt. Ltd. (Subsi. Co.)	18.51	1.70	2.98	-	-	-	23.19
Charge for the year	4.33	0.45	0.51	-	-	-	5.28
Disposals / adjustments	-	-	-	-	-	-	-
Disposals / adjustments for Roam1 Telecom Limited (a former Subsi. Co.)	-	(0.32)	-	(2.98)	-	(10.02)	(13.32)
At 31st Mar, 2025	22.83	2.15	3.49	-	-	-	28.47
Net Block							
As on 31st March 2024	-	-	-	45.00	768.32	1.98	815.30
As on 31st March 2025	22.60	2.53	1.86	-	1,774.37	-	1,801.36

8 Intangible assets under development

Particulars	CRM Software	Website under development	Software under development	Total
At 31st March 2024	1,067.06	0.30	20.40	1,087.76
Opening Accumulated Depreciation of Empyrean Spirits Pvt. Ltd. (Subsi. Co.)				-
Additions	-	-	-	-
Disposals / adjustments	-	-	-	-
Disposals / adjustments for Roam1 Telecom Limited (a former Subsi. Co.)	(997.35)	20.10	(20.40)	(997.65)
At 31st March 2025	69.71	20.40	-	90.11

Rajesh Gupta & Associates LLP
New Delhi
LLP No. AAT-7061

KATI PATANG LIFESTYLE LIMITED
(Formerly known as VIRTUALSOFT SYSTEMS LIMITED)
CIN: L72200DL1992PLC047931
Notes to the consolidated financial statements for the year ended 31st March 2025

(All amounts in Lacs unless otherwise stated)

9	Financial assets - Investments	As at 31 March 2025	As at 31 March 2024
(A)	Investment in Subsidiary		
	Equity instruments (unquoted) -Net of Intercompany transaction		
	Nil - Investment in Roam1 Telecom Limited (a former subsidiary) was sold during the financial year 2024-25. (As of 31 March 2020: 1,595,000 shares; Face Value ₹10 per share)	-	-
	Equity instruments (unquoted) -Net of Intercompany transaction		
	19,01,568 no. of shares aquired on 22 August 2024: Face Value ₹10 per share - representing a 98% stake in Empyrean Spirits Pvt. Ltd. during the financial year 2024-25.	-	-
	Equity instruments (unquoted) -Net of Intercompany transaction		
	14000 Eq Share @ GPP 1 each in Kati Patang Ltd (UK)	-	-
(B)	**Other Investments**		
	Equity instruments (unquoted)	215.94	-
	Total	**215.94**	**-**
	Aggregate amount of quoted investments	-	-
	Aggregate market value of quoted investments	-	-
	Aggregate amount of unquoted investments	215.94	-
	Aggregate amount of impairment in value of investments	-	-

10	Financial assets - Loans	As at 31 March 2025	As at 31 March 2024
	(a) Non Current Loans (Unsecured, Considered Good)		
	Security Deposits *	51.92	8.17
	Total Non Current Loans	**51.92**	**8.17**
	(b) Current Loans (Unsecured, Considered Good)		
	Inter corporate loans	15.65	-
	Loan and Advances to Employees	-	19.87
	Security Deposits	-	-
	Total Current Loans	**15.65**	**19.87**

* Security deposit includes Electricity, telephone and other deposits.

11	Deferred tax Assets (Net)	As at 31 March 2025	As at 31 March 2024
	Movement in deferred tax balances		
	Deferred tax Assets		
	Property, plant and equipment	15.31	-
	Deferred tax assets / liabilities (net)	15.31	-
	Funtional currency translation	-	-
	Deferred tax assets / (liabilities) net	**15.31**	**-**
	Opening Def. Tax balance of Empyrean Spirits Pvt. Ltd. (Subsi. Co.)	2.11	-
	Deferred tax charged / (income) to Statement of profit and loss	(13.20)	-

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New Delhi
LLP No: AAT-7061

12	Inventories	As at 31 March 2025	As at 31 March 2024
	(valued at lower of cost and net realizable value)		
	Stock in Trade	74.73	-
	Total	74.73	-

13	Financial assets - Trade receivables	As at 31 March 2025	As at 31 March 2024
	Trade receivables	497.20	130.96
	Other receivables	-	0.08
	Total	497.20	131.03
	Break-up of security details		
	Secured, considered good	-	-
	Unsecured, considered good	497.20	127.44
	Doubtful	-	3.59
	Total	497.20	131.03
	Less : Allowance for bad and doubtful debts	-	3.59
	Total	497.20	127.44

14	Financial assets - Cash and cash equivalents	As at 31 March 2025	As at 31 March 2024
	Balances with banks:		
	-In current accounts	75.27	32.39
	-in unpaid dividend accounts	-	0.71
	-Deposits with original maturity of 3 months or less	-	-
	Cash in hand	3.38	3.67
	Total	78.65	36.77

15	Financial assets - Other Bank Balances	As at 31 March 2025	As at 31 March 2024
	Other bank balances / Share Application money	110.63	-
	Deposits with original maturity for more than 3 months but not more than 12 months	114.00	21.32
	Total	224.63	21.32

16	Financial assets - Other Current Financial Assets	As at 31 March 2025	As at 31 March 2024
	Interest Accrued on FDR	4.86	0.30
	Total	4.86	0.30

17	Other current assets	As at 31 March 2025	As at 31 March 2024
	Balances with statutory / government authorities	36.25	80.21
	Advance to Supplier/Employee	89.70	15.29
	Prepaid Expenses	-	3.27
	Unbilled revenue	0.20	0.20
	Total	126.15	98.98

Rajesh Rai Gupta & Associates LLP
New Delhi
LLP No: AAT-7061

KATI PATANG LIFESTYLE LIMITED
(Formerly known as VIRTUALSOFT SYSTEMS LIMITED)
CIN: L72200DL1992PLC047931
Notes to the consolidated financial statements for the year ended 31st March 2025

(All amounts in Lacs unless otherwise stated)

18	Share capital	As at 31st March 2025	As at 31st March 2024
	Authorised share capital		
	50,000,000 (31 March 2024 : 15,000,000) Equity Shares of Rs. 10/- each	5,000.00	1,500.00
	Total	5,000.00	1,500.00
	Issued, Subscribed and fully paid up shares		
	3,58,98,280 (31 March 2024 : 1,02,97,600) Equity Shares of Rs. 10/- each, fully paid up	3,589.83	1,029.76
	Total	3,589.83	1,029.76

(a)	Reconciliation of shares outstanding at the beginning and at the end of reporting period				
	Particulars	As at 31st March 2025		As at 31st March 2024	
		No.	Rs.	No.	Rs.
	Equity Shares at the beginning of the year	1,02,97,600	1,029.76	1,02,97,600	1,029.76
	Add : Shares issued on exercise of preferential allotment during the year	2,56,00,680	2,560.07	-	-
	Equity Shares at the end of the year	3,58,98,280	3,589.83	1,02,97,600	1,029.76

Terms/ rights attached to equity shares

The company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends only in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(b)	Details of shareholders holding more than 5% shares in the company				
	Particulars	As at 31st March 2025		As at 31st March 2024	
		No.	% Holding	No.	% Holding
	Virtual Software & Training Pvt Ltd	37,50,000	10.45%	37,50,000	36.42%
	Gokul Naresh Tandan	84,48,045	23.53%	28,66,725	27.84%
	Samrath Bedi	45,26,450	12.61%		
	Shantanu Upadhyay	38,36,590	10.69%		
	Alt- Attitude Advisory LLP	18,35,000	5.11%		
	Total	2,23,96,085	62.39%	66,16,725	64.26%

(c)	Details of Promoters holding				
	Particulars	As at 31st March 2025		As at 31st March 2024	
	Virtual Software & Training Pvt Ltd	37,50,000	10.45%	37,50,000	36.42%
	Gokul Naresh Tandan	84,48,045	23.53%	28,66,725	27.84%
	Total	1,21,98,045	33.98%	66,16,725	64.26%

Consolidated Statement of changes in equity for the year ended 31st March 2025 (SOCIE)

19	Other Equity	As at 31st March 2025	As at 31st March 2024
	Capital Reserve	20.00	20.00
	Share Warrant	135.88	-
	Securities Premium Reserve	-	754.51
	Retained earnings(Net of Deficit in Statement of Profit and Loss)	(2,495.28)	(4,169.22)
	Total	(2,339.41)	(3,394.70)

Reconciliation statement of Consolidated Other Equity (Consolidated SOCIE)

Opening Reserves of Holding Co.	
General Reserves	(2,169.61)
Capital Reserves	20.00
Total Standalone Reserves of Holding Co. (A)	(2,149.61)
Loss of Subsi. Co. during the year	(89.59)
Loss of Holding. Co. during the year	(396.05)
Total Consolidated Loss during the year (2024-25)	(485.64)
Less: Non-Controlling Interest during the year	(7.91)
Less: Share of Holding Co. in Pre-acquisition lossess in losses incurred during the year by the subsidiary co.	(152.07)
Consolidated Loss to Balance Sheet (B)	(325.67)
Total Consolidated Reserves of Holding Co. (A+B)	(2,475.28)
Share Warrants money received during the year by Holding Co.	135.88
Total of Other Equity as at 31st March 2025	(2,339.41)

Rajesh Raj Gupta & Associates LLP
New Delhi
LLP No: AAT-7061

Continued..

Consolidated Statement of changes in equity for the year ended 31st March 2025 (SOCIE)-

(i)	Capital Reserve		
	Opening Balance	20.00	20.00
	Reserves created during the year	-	-
	Closing Balance	20.00	20.00
(ii)	Share Warrants		
	Opening Balance	-	-
	Add : 25% received against 54,35,000 (FV INR 10/-)	135.88	-
	Closing Balance	135.88	-
(iii)	Securities Premium Reserve		
	Opening Balance	754.51	754.51
	Adjustment on disposal of stake sale Roam1 Telecom Limited (a former subsidiary)	(754.51)	-
	Closing Balance	-	754.51
(iv)	Retained earnings(Net of Deficit in Statement of Profit and Loss)		
	Opening Balance	(4,169.22)	(3,988.64)
	Adjustment on disposal of stake sale of Roam1 Telecom Limited (a former subsidiary)	1,999.60	-
	Add : Profit for the year	(319.76)	(240.58)
	Adjustment for Non-controlling Interes and others through opening reserves	-	63.71
	Less: Remasurement of post employment benefit obligations	(5.91)	(3.70)
	Closing Balance	(2,495.28)	(4,169.22)

20	Financial liabilities - Non-Current Borrowings	As at 31st March 2025	As at 31st March 2024
	Secured Loans		
	Term Loans from Banks	-	6.44
	Term Loans from Others	-	-
	Total (A)	-	6.44
	Unsecured Loans		
	Loans from Directors and Shareholders	1,247.97	4,633.60
	Loan to Subsidiary Co.	528.00	-
	Less: Inter Company Transaction	(528.00)	-
	Other Inter Corporate Loans	65.59	-
	Total (B)	1,313.56	4,633.60
	Total Borrowings [C=A+B]	1,313.56	4,633.60
	Current Maturities	-	-
	Non-current	1,313.56	4,640.04

21	Other Non-Current Financial Liabilities	As at 31st March 2025	As at 31st March 2024
	Security Deposits	248.93	-
	Total	248.93	-

22	Provisions	As at 31st March 2025	As at 31st March 2024
	Provision for gratuity	25.57	47.66
	Provision for Leave Encashment	1.45	10.71
	Total	27.02	58.37
	Current	1.49	3.64
	Non-current	25.53	54.72

23	Current borrowings	As at 31st March 2025	As at 31st March 2024
	Secured Loans		
	Working capital facilities from Banks	24.03	111.25
	Working capital facilities from Others	-	-
	Unsecured Loans		
	Current Maturity of other loans	-	-
	Total	24.03	111.25

Note:

i) The Company has not defaulted in the repayment of borrowings and interest as at Balance Sheet date.

24	Financial liabilities - Trade Payables	As at 31st March 2025	As at 31st March 2024
	Current		
	Total outstanding dues of micro & small enterprises*	0.45	-
	Creditors for supplies/services	28.32	30.31
	Others	-	64.47
	Total	28.77	94.79

* In the absence of information about registration of such enterprises under the said Act, the details of dues to Micro & Small Enterprises have been furnished to the extent such parties have been identified by the Company based on information made available by them.

25	Other Current - financial liabilities	As at 31st March 2025	As at 31st March 2024
	Unclaimed Dividend	-	0.71
	Security Deposits	-	0.61
	Total	-	1.32

26	Other current liabilities	As at 31st March 2025	As at 31st March 2024
	Expenses Payable	13.34	140.37
	Audit Fee Payable	3.45	2.25
	Employees payables	24.89	35.07
	Statutory Dues Payable	54.59	5.96
	Advance from customers	28.09	4.42
	Total	124.36	188.06

Rajesh Raj Gupta & Associates LLP
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KATI PATANG LIFESTYLE LIMITED
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Notes to the consolidated financial statements for the year ended 31st March 2025

(All amounts in Lacs unless otherwise stated)

27	Revenue from operations	31st March 2025	31st March 2024
	Sales of Services	87.00	511.82
	Sale of Liquor	1,005.37	-
	Add: Excise	655.39	-
	Total	**1,747.76**	**511.82**

28	Other Income	31st March 2025	31st March 2024
	Interest Received	4.55	2.39
	Profit on Sale of investment	78.58	-
	Liability no longer required, written back	0.05	-
	Miscellaneous Income	6.41	-
	Total	**89.59**	**2.39**

29	Purchase of Stock in Trade / Services	31st March 2025	31st March 2024
	Purchases of services	78.90	227.91
	Purchases of goods	615.91	
	Direct Expenses		
	-Freight Inward	2.01	-
	-Job work expenses	62.22	-
	Total cost of puchase of stock in trade [A]	**759.05**	**227.91**

30	Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	31st March 2025	31st March 2024
	Opening Stock of Finished Goods	35.87	-
	Less: Closing Stock of Finished Goods	74.73	
	Note: Inventory is consolidated for Empyrean Spirits Pvt. Ltd.		
	Total (A)	(38.86)	-
	Opening Stock of Work-in-Progress	-	-
	Less: Closing Stock of Work-in-Progress	-	-
	Total (B)	-	-
	Total Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade [A+B]	**(38.86)**	**-**

31	Employee Benefit Expenses	31st March 2025	31st March 2024
	Salaries, Wages, Bonus and Other Benefits	235.84	259.51
	Gratuity	13.90	7.55
	Leave Compensation	-	2.25
	Contribution to Provident and Other Funds	3.48	2.36
	Workmen and Staff Welfare Expenses	10.32	3.41
	Total	**263.54**	**275.08**

32	Finance Costs	31st March 2025	31st March 2024
	Interest Expenses	0.13	9.22
	Other Financial Charges	-	-
	Total	**0.13**	**9.22**

33	Depreciation and amortization expenses	31st March 2025	31st March 2024
	Depreciation on Property Plant & Equipment	8.89	14.59
	Amortisation of Intangible assets	5.28	1.20
	Total	**14.18**	**15.79**

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34	Other Expenses	31st March 2025	31st March 2024
	Advertisement and Publicity	0.40	7.82
	Advance to supplier written off	1.00	0.40
	Assets written off	59.05	18.23
	Auditors' Remuneration	3.75	2.95
	Bad Debts	0.87	5.87
	Bank Charges	0.70	2.87
	Bottling Fee	3.25	-
	Brand Registration Expenses	7.69	-
	Business Promotion	79.19	0.93
	Commission	76.74	-
	Communication Expense	0.11	5.54
	Courier & Postage Expenses	0.43	3.98
	Custome Clearness Expense	-	0.30
	Directors Sitting Fees	1.05	2.18
	Festival Expenses	13.38	2.96
	Domain and other IT expenses	0.73	4.52
	Electricity & Water Expenses	1.63	3.38
	Fees and Subscription Expense	41.58	11.89
	Fine and Penalty	-	0.09
	Insurance Charges	1.21	2.74
	Interest on Security Deposits	47.62	-
	Legal & Professional Fees	142.54	67.39
	Logistics and transportation	68.36	2.63
	Loss on sale of assets	-	0.17
	Miscelleneous Expenses	17.44	0.07
	Printing & Stationery	1.07	3.98
	Provision for bad and doubtful debts	-	0.07
	Rates & Taxes	41.19	14.96
	Realised foreign exchange Gain & Loss	0.04	
	Rent	30.39	21.36
	Repair & Maintenance-Office	4.30	9.57
	Selling Expenses	-	4.40
	Staff Recruitment Expenses	-	2.85
	Transport Permit Charges	2.62	-
	Travelling & Conveynace	28.58	22.72
	Total	**676.88**	**226.79**

35	Exceptional Items	31st March 2025	31st March 2024
	-	-	-
	Total	-	-

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13(A) Financial - Trade Receivables **As at 31st March 2025**

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 Months	6 months - 1 year	1- 2 Years	2 - 3 Years	More than 3 Years	Total
(i) Undisputed Trade receivables (Considered Goods)	444.62	-	7.63	44.96	-	497.20
(ii) Undisputed Trade receivables (Considered doubtful)	-	-	-	-	-	-
(ii) Disputed Trade receivables (Considered Goods)	-	-	-	-	-	-
(ii) Disputed Trade receivables (Considered doubtful)	-	-	-	-	-	-
Total	**444.62**	-	**7.63**	**44.96**	-	**497.20**
Less: Provision for Bad debts	-	-	-	-	-	-
Total	**444.62**	-	**7.63**	**44.96**	-	**497.20**

13(A) Financial - Trade Receivables **As at 31st March 2024**

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 Months	6 months - 1 year	1- 2 Years	2 - 3 Years	More than 3 Years	Total
(i) Undisputed Trade receivables (Considered Goods)	121.77	2.04	0.81		2.75	127.36
(ii) Undisputed Trade receivables (Considered doubtful)					3.59	3.59
(ii) Disputed Trade receivables (Considered Goods)						-
(ii) Disputed Trade receivables (Considered doubtful)						-
Total	**121.77**	**2.04**	**0.81**	-	**6.34**	**131.04**
Less: Provision for Bad debts	-	-	-	-	3.59	**3.59**
Total	**121.77**	**2.04**	**0.81**	-	**2.75**	**127.44**

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23(A) Financial - Trade Payables — **As at 31st March 2025**

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 Year	1- 2 Years	2 - 3 Years	More than 3 Years	Total
(i) MSME	0.45	-	-	-	0.45
(ii) Others	22.43	1.49	4.40	-	28.32
(iii) Disputed- dues MSME	-	-	-	-	-
(iv) Disputed- Dues others	-	-	-	-	-
Total	**22.88**	**1.49**	**4.40**	**-**	**28.77**

23(A) Financial - Trade Payables — **As at 31st March 2024**

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 Year	1- 2 Years	2 - 3 Years	More than 3 Years	Total
(i) MSME	-	-	-	-	-
(ii) Others	80.87	7.78	0.20	5.93	94.79
(iii) Disputed- dues MSME	-	-	-	-	-
(iv) Disputed- Dues others	-	-	-	-	-
Total	**80.87**	**7.78**	**0.20**	**5.93**	**94.79**

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36 RATIO ANALYSIS AND ITS ELEMENTS

S.No.	Ratio	31-Mar-25	31-Mar-24	% change	Reason for variance
1	Current ratio	5.72	0.76	472%	The improvement is primarily driven by a significant increase in cash and cash equivalents, stemming from the receipt of application money on warrants and the balance proceeds from their conversion into equity during the current year. Additionally, higher sales volume has contributed to an increase in current assets, particularly trade receivables.
2	Return on Equity ratio	-	-	-	No meaningful insight can be derived in the absence of profit.
3	Return on Capital Employed	-	-	-	No meaningful insight can be derived in the absence of profit.
4	Debt- Equity Ratio	1.07	(2.01)	7%	-
5	Debt Service Coverage ratio	-	-	-	No meaningful insight can be derived in the absence of profit.
6	Net Profit ratio	-0.17	-0.38	-117%	The improvement in the net profit ratio is driven by a higher proportionate increase in revenue relative to the increase in costs.
7	Inventory Turnover ratio	-0.70	-	100%	In the comparative financial year, there was no inventory. However, inventory has appeared in the current year due to the acquisition of a new subsidiary company during the period.
8	Trade Receivable Turnover Ratio	5.60	4.44	460%	Due to early collections during the year.
9	Trade Payable Turnover Ratio	12.29	1.98	1129%	Due to early payables during the year.
10	Net Capital Turnover Ratio	2.07	-5.42	107%	The company is using its net working capital nore efficiently to generate sales.
11	Return on Investment	-	-	0%	There is no return on investment.

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37 Segment information

Holding Co.

The Company's operations predominately relate to empower business and learning communities with rich "knowledge-on demand". The Company was engaged in pioneering Broadband, Virtual event & proving mobile roaming services & solutions during the current and previous financial year.

Subsidiary Co.

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief Operating Officer, in deciding how to allocate resources and assessing performance. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The company is engaged in the business of purchase and sale of beverage alcohol through tie-up manufacturing units. Based on the management approach as defined in Ind AS 108, the Chief Operating Officer evaluates the company's performance based on only one segment i.e. manufacturing and trading in Liquor & Alcohol.

ii) Geographical information

Particulars	31st March 2025	31st March 2024
Revenue from Services Operation		
- Within India	87.00	454.83
- Outside India	-	56.99
	87.00	511.82
Revenue from Liquor Operation (excluding excise duty)		
1. Revenue from external customers		
- Within India	980.57	-
- Outside India	24.80	-
	1,005.37	-
The revenue information above is based on the locations of the customers		
2. Non-current operating assets		
- Within India	1,919.12	1,980.46
- Outside India	-	-
Total	1,919.12	1,980.46

Non-current operating assets for this purpose consist of property, plant and equipment,CWIP, investment properties and intangible assets.

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38 A. Related Party Disclosures:

In accordance with the requirements of Ind AS - 24 'Related Party Disclosures' the names of the related parties where control exists/ able to exercise significant influence along with the aggregate transactions and year end balances with them as identified by the management in the ordinary course of business and on arms' length basis are given below:

(a) Subsidiary Company :

1 EMPYREAN SPIRITS PVT. LTD.
2 Katipatang Limited (UK) subsidiary of EMPYREAN SPIRITS PVT. LTD.

(b) Key Management Personnel (KMP):

1	Mr. Gokul Tandan	Common	Director
2	Mr. Rajendra V. Kulkarni		Director
3	Ms. Geeta Singh	Common	Director
4	Mr. Vikram Grover		Director
5	Mr. Sanjay Jain		Director (Appointed on 14/11/2024)
6	Mr. Samrath Bedi	Subsidiary Co.	Director
7	Mr. Shantanu Upadhyay	Common	Director
8	Ms. Mukta Ahuja		Company Secretary
9	Mr. Athar Ahmad		CFO

(c) Additional related parties as per the Companies Act, 2013 with whom transactions have taken place:

1	Lata Upadhyay	Subsidiary Co.	Director's Relative

(d) Enterprises over which KMP/ relatives of KMP exercise significant influence :-

1	M/s Cloudconnect Communications Pvt. Ltd.	Common Director
2	M/s Empyrean Beverages Pvt. Ltd.	Common Director
3	M/S Empyrean Spirits Pvt. Ltd.	Common Director
4	M/S Enhanced Communications & Technologies Pvt Ltd.	Common Director
5	M/S Goto Customer Services Pvt. Ltd.	Common Director
6	M/s Heal Your Paws Pet Services LLP	Common Director
7	M/s M R Capital Pvt. Ltd.	Common Director
8	M/s Marble Arch Estate Pvt. Ltd.	Common Director
9	M/s Prime Valve India LLP.	Common Director
10	M/s Roam 1 Telecom Limited	Common Director
11	M/s Vijay Stampings Pvt. Ltd.	Common Director
12	M/s Virtual Software & Training Pvt Ltd.	Common Director

B. Related Party Transactions:

Particulars	Subsidiary		KMP		Other Related		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
Receipts/ Payments Transaction during the year								
Unsecured Loans Received	2.00	24.40	304.85	118.60	25.00		331.85	143.00
Unsecured Loans Given					1.58		1.58	-
Repayment of Unsecured Loans	2.00	24.40	323.18	42.50	10.00		335.18	66.90
Repayment of Unsecured Loans received					2.00		2.00	-
Conversion of loan into Equity Shares			268.00				268.00	-
Payment against Reimbursement of expenses	3.75		0.54	1.58			4.29	1.58
Advance against expenses			2.00			2.00	2.00	2.00
Payment for Professional Services			22.82		0.44		23.27	-
Payment for Project expenses					-	2.04	-	2.04
Payment for Director Sitting Fees			1.20	0.93			1.20	0.93
Payment of Salary			63.63	19.95	32.41		96.03	19.95
Receipt against sale of services		10.50					-	10.50
Accural of Income during the year								
Sales of Services		10.50					-	10.50
Investment sold (Roam1 Telecom Limited)			1,004.88				1,004.88	-
Accural of expenses during the year								
Full and Final Settlement			2.18	-			2.18	-
Director Sitting Fees			1.05	1.15			1.05	1.15
Other Office expenses			4.63	0.90			4.63	0.90
Professional Expenses					0.44	-	0.44	-
Project related expenses					-	2.04	-	2.04
Staff recruitment expenses					2.00		2.00	-
Year End Balances : Receivables/(-) Payables								
Salary Payable			(1.42)		2.35		0.93	-
Outstanding Loan (Payable)	-		(1,247.97)	(2,175.33)			(1,247.97)	(2,175.33)
Outstanding Loan (receivable)			15.65				15.65	-
Sitting Fee Payable			(0.32)	(0.47)			(0.32)	(0.47)
Full and Final Settlement Payable			(2.18)	-			(2.18)	-
Advance against expenses			1.68	0.33	-	2.00	1.68	2.33

All transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured, for the year ended 31 March 2025 and 31 March 2024.

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39 Detail of loans given, Investment made and guarantee given covered U/s 186(4) of the Companies Act, 2013

Particulars	31st March, 2025	31st March, 2024
Loan given by the Company for general business purposes as at balance sheet date (net of Inter Company Transactions):		
- to EMPYREAN SPIRITS PRIVATE LIMITED (Subsidiary Co.)	-	-
- to KatiPatang Limited, UK (Subsidiary Co. of EMPYREAN SPIRITS PRIVATE LIMITED)	-	-
Corporate guarantee given by the Company as at balance sheet date :		
For securing the credit facilities sanctioned to subsidiary company	-	-

40 Earnings per share (EPS)

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

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

The following reflects the profit and share data used in the basic and diluted EPS computation:

Particulars	31 March 2025	31 March 2024
Profit for the year	**(3,25,66,912)**	**(1,96,15,545)**
Weighted average number of equity shares in calculating basic EPS (absolute value in number)	2,49,17,327	1,02,97,600
Effect of dilution		
Weighted average number of equity shares in calculating diluted EPS (absolute value in number)	2,62,76,077	1,02,97,600
Earnings per share		
- Basic (on nominal value of Rs. 10 per share) Rs./ share	(1.31)	(1.90)
- Diluted (on nominal value of Rs. 10 per share) Rs./ share	(1.24)	(1.90)

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41	**Leases**		
	Finance Lease The company does not have any finance lease as at March 31, 2025.		
42	**Capital commitments**		
	Particulars	**31st March, 2025**	**31st March, 2024**
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	-
43	**Contingent liabilities** There is contingent liabilities of INR 5.08 lakh as on date of Balance sheet.		
44	**Reconciliation and confirmations**		
	Balances of creditors and loans and advances to/from parties, security deposits are subject to reconciliations and confirmations.		
45	**Provision for tax**		
	In view of the carried forward losses, no provision for current tax have been made during the year.		
46	**Intangible assets under development**		
	The (Holding) company had been developing CRM software called Live Webcast Suite to support its telecom services and website operations. As the development process remained ongoing, no costs were capitalized during the previous financial years. Consequently, management concluded that amortization was not applicable for those periods. However, due to a strategic shift in the business model following the acquisition of a liquor company, management is now evaluating the potential disposal of these assets in the coming years. Nevertheless, we maintain that the value reported under Capital Work in Progress (CWIP) is both recoverable and represents a fair estimate of market value.		
48	**Corporate Social Responsibilty**		
	As per section 135 of the Companies Act, 2013, NIL amount is payable towards CSR expenses based on the loss for the period. Therefore, no Corporate Social Responsibility (CSR) committee has been constituted by the Company.		
49	**Other Disclosures**		
	The MCA vide notification dated 24th March 2021 has amended Schedule III to the Companies Act. 2013 in respect of certain disclosures which are applicable from 1st April 2021. The Company has incorporated the changes as per the said amendment in the financial statements and below disclosures are made in compliance of the said amendment :		
i)	The Group Company has not received any Government Grants during the year		
ii)	As at year end, there was amount of Rs. 44,965 due to small scale industrial undertaking		
iii)	The Group Company has not traded or invested in Crypto Currency or Virtual Currency during the period.		
iv)	The Group Company do not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.		
v)	The Group Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.		
vi)	The Group 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		
vii)	The Group 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.		
viii)	The Group Company does not have any loans and advances in the nature of loans to promoters, directors, KMP and other related parties.		
ix)	The Group Company does not have any transaction which is not recorded in the books of accounts that has been subsequently surrendered or disclosed as income during the year as part of the on going tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).		
x)	The Group Company has not been declared as willful defaulter by any bank or financial institution or government or any government authority.		
xi)	The Group Company has complied with the number of layers prescribed under the Companies Act, 2013.		
xii)	The Group Company do not have any title deeds of immovable properties not held in name of the company.		
xiii	The Group Company does not have any investment property.		
xiv)	The Group Company is not required to submit statement of current assets with the bank and therefore reconciliation of the statement filed by the company with bank and the books of accounts is not applicable. Since, the overdraft limit is taken by the Group Company againts collateral with Fixed Deposit.		
xv)	The Group Company has not revalued any item of property, plant and equipment.		
xvi)	The Group Company does have overdraft credit facility from bank.		
xvii)	The Group Company have not entered into any scheme(s) of arrangements in terms of sections 230 to 237 of the Companies Act, 2013 during the financial year.		
xviii)	The Group Company has no borrowings from banks and financial institutions on the basis of security of current assets.		
xix)	The Group Company does not have any transactions with companies struck off.		
xx)	**Figures are rounded off to nearest Lakh rupee.**		
xxi)	**Previous year's figures have been regrouped and reclassified wherever necessary.**		
xxii)	The Company has made the disclosures at appropiates place regardig the relevant items or transactions of balance sheet and statement of profit and loss. Any non-disclosure is due to non occurrence of related transaction.		

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50 Financial Instruments measurements and disclosures

(a) Financial instruments by category :

Particulars	31st March, 2025			31st March, 2024		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial Assets						
Non-current						
Investment	-	-	215.94	-	-	-
Loans	-	-	51.92	-	-	8.17
Current						
Trade receivables	-	-	497.20	-	-	127.44
Cash and cash equivalents	-	-	78.65	-	-	36.77
Other bank balances	-	-	224.63	-	-	21.32
Loans	-	-	15.65	-	-	19.87
Other financial assets			4.86			0.30
Total	-	-	1,088.85	-	-	213.87
Financial liabilities						
Non-current						
Borrowings	-	-	1,313.56	-	-	4,640.04
Other Financial Liabilities	-	-	248.93	-	-	-
Current						
Borrowings	-	-	24.03	-	-	111.25
Trade payables	-	-	28.77	-	-	94.79
Other financial liabilities	-	-	-	-	-	1.32
Total	-	-	1,615.29	-	-	4,847.40

(b) Fair value of financial assets and liabilities measured at amortised cost :

The carrying amounts of financial assts and liabilities carried at amortised cost are reasonable approximation of their fare value.

(c) Fair value hierarchy :

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows based on the lowest level input that is significant to the fair value measurement as whole.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices, for example listed equity instruments, traded bonds and mutual funds that have quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques that maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The following table presents assets and liabilities measured at fair value at 31 March 2025 and 31 March 2024:

Particulars	31st March, 2025			31st March, 2024		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets for which fair values are disclosed						
Investment Property	-	-	-	-	-	-
Financial assets:						
Measured at fair value						
Financial investments at FVTOCI						
Listed Equity investments	-	-	-	-	-	-
Financial assets at amortised cost						
Non-current						
Investment	-	-	215.94	-	-	-
Loans	-	-	51.92	-	-	8.17
Current						
Trade receivables	-	-	497.20	-	-	127.44
Cash and cash equivalents	-	-	78.65	-	-	36.77
Other bank balances	-	-	224.63	-	-	21.32
Loans	-	-	15.65	-	-	19.87
Other financial assets	-	-	4.86			0.30
	-	-	1,088.85	-	-	213.87
Financial liabilities:						
Measured at fair value						
Financial liabilities at amortised cost						
Financial liabilities						
Non-current						
Borrowings	-	-	1,313.56	-	-	4,640.04
Other Financial Liabilities	-	-	248.93	-	-	-
Current						
Borrowings	-	-	24.03	-	-	111.25
Trade payables	-	-	28.77	-	-	94.79
Other financial liabilities	-	-	-	-	-	1.32
	-	-	1,615.29	-	-	4,847.40

There are no transfers among levels 1, 2 and 3 during the year.

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51	**Analysis of consolidated R&S**	
	Empyrean Spirits Pvt. Ltd.	INR in Lakhs
1	Opening Reserves and Surplus	90.92
2	Loss during the Year	-396.05
3	**Closing Reserves and Surplus**	**-305.13**
	Date of acquisition (DOA)	21-08-2024
	PreProfits	
1	Opening Reserves and Surplus	90.92
2	Proportionate Loss during the Year	-155.17
	PreProfits	**-64.24**
	Holding Co.'s share	**-62.96**
	Subsidiary Co.'s share	**-1.28**
	PostProfits	
1	Proportionate Loss during the Year	-240.89
	PostProfits	**-240.89**
	Holding Co.'s share	**-236.08**
	Subsidiary Co.'s share	**-4.81**
	Controlling Interest	
	Investment made	1,901.57
(-)	Equity Share Capital of Empyrean	190.16
(-)	Share in PreProfits	-62.96
	Goodwill on acquisiton	**1,774.37**
	Non-Controlling Interest	
	Equity Share Capital of Empyrean	3.87
	Share in PreProfits	-1.28
	Share in PostProfits	-4.81
	Minority Interest as at 31st March 2025	**-2.22**

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