

V-Guard Consumer Products Ltd
Balance Sheet as at March 31, 2022

		(Rs. in lakhs)
Particulars	Notes	As at March 31, 2022
A. ASSETS		
1. Non-current assets		
Property, plant & equipment	1	3,033.00
Right of use asset	1	1,726.32
Capital work-in-progress	1	50.72
Financial assets		
(a) Other financial assets	2	20.74
Deferred tax assets	3	21.82
Other non-current assets	4	251.83
		5,104.43
2. Current assets		
Inventories	5	201.20
Financial assets		
(a) Trade receivables	6	23.66
(b) Cash and cash equivalents	7.1	732.60
(c) Bank balances other than (b) above	7.2	4.00
(d) Other financial assets	8	0.13
Current tax assets (net)	9	0.06
Other current assets	10	378.35
		1,340.00
TOTAL ASSETS		6,444.44
B. EQUITY AND LIABILITIES		
1. Equity		
Equity Share capital	11	5,979.75
Other Equity*		(200.14)
TOTAL EQUITY		5,779.61
2. Non-current liabilities		
Financial liabilities		
(a) Lease liability	12	30.41
Provisions	13	10.32
		40.73
3. Current liabilities		
Financial liabilities		
(a) Lease liability	14	2.38
(b) Trade payables		
(i) Total outstanding dues of micro enterprises and small enterprises	15	68.63
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	15	128.96
(c) Other financial liabilities	16	417.83
Other current liabilities	17	5.44
Provisions	18	0.86
		624.10
TOTAL EQUITY AND LIABILITIES		6,444.44


* Refer Statement of changes in equity

The accompanying notes are an integral part of the financial statements.


As per our report of even date

For **Krishnamoorthy & Krishnamoorthy**
Chartered Accountants
Firm Registration No.001488S

For and on behalf of the Board of Directors of
V-Guard Consumer Products Ltd
CIN: U31904KL2021PLC069893


R. Venugopal
Partner
Membership No. : 202632


Mithun K. Chittilappilly
Managing Director
DIN: 00027610


Venkataraman Ramachandran
Director
DIN: 06576300




Saleesh Sekhar
Chief Financial Officer


Harsha M. V.
Company Secretary

Place: Kochi
Date: 03 May 2022

Place: Kochi
Date: 03 May 2022

V-Guard Consumer Products Ltd
Statement of profit and loss for the year ended March 31, 2022

(Rs. in lakhs)

Particulars	Notes	For the year ended March 31, 2022
1 Income		
(a) Revenue from operations	19	40.48
(b) Finance income	20	0.68
Total Income		41.16
2 Expenses		
(a) Cost of raw materials consumed	21	58.65
(b) (Increase)/ decrease in inventories of finished goods and work-in-progress	22	(22.36)
(c) Employee benefits expenses	23	61.31
(d) Depreciation and amortisation expenses	1	33.13
(e) Finance costs	24	1.65
(f) Other expenses	25	130.74
Total expenses		263.12
3 Profit before tax (1 - 2)		(221.96)
4 Tax expenses		
(a) Current tax expenses	27	-
(b) Deferred tax expense/ (credit)	27	(21.82)
Total Income Tax		(21.82)
5 Profit for the year (3 - 4)		(200.14)
6 Other Comprehensive income/ (loss)		
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods		-
Other comprehensive income/(loss) for the year, net of tax		-
Total comprehensive income for the year, net of tax		(200.14)
7 Earnings per equity share (basic and diluted) (Rs.) :	28	
(Nominal value of equity share - Rs. 10 each)		
Basic earnings per share		(0.60)
Diluted earnings per share		(0.60)

The accompanying notes are an integral part of the financial statements.

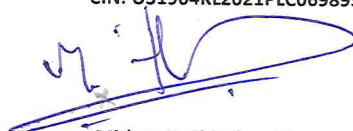
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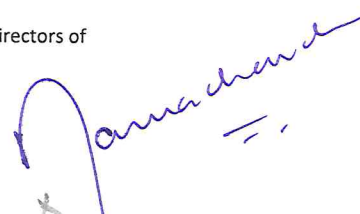


R. Venugopal
Partner
Membership No. : 202632

For and on behalf of the Board of Directors of
V-Guard Consumer Products Ltd
CIN: U31904KL2021PLC069893



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V-Guard Consumer Products Ltd
Cash flow statement for the year ended March 31, 2022

(Rs. in lakhs)

Particulars	For the year ended March 31, 2022
A. Cash flow from operating activities	
Loss before tax expenses	(221.96)
Adjustments to reconcile profit before tax to net cash flows	
Depreciation and amortization expenses	33.13
Loss on property, plant and equipment written off	4.66
Loss on Foreign currency translation for capital creditors	4.28
Finance costs	-
	42.07
Operating loss before working capital changes	(179.89)
Movement in working capital	
Increase in inventories	(201.20)
Increase in trade receivables	(23.66)
Increase in other non financial assets	(378.35)
Increase in other financial assets	(24.87)
Increase in trade payables	197.60
Increase in other financial and non financial liabilities	55.23
	(375.25)
Cash used in operations	(555.14)
Income tax paid (net of refunds)	(0.06)
Net cash used in operating activities (A)	(555.20)
B. Cash flow from investing activities	
Purchase of property, plant and equipment including capital work in progress and capital advances	(4,688.81)
Net cash flow used in investing activities (B)	(4,688.81)
C. Cash flow from financing activities	
Proceeds from issue of shares	5,979.75
Payment of principal portion of lease liabilities	(3.14)
Finance costs paid	-
Net cash flow from financing activities (C)	5,976.61
Net increase in cash and cash equivalents (A+B+C)	732.60
Cash and cash equivalents at the beginning of the year	-
Cash and cash equivalents at the end of the year	732.60
Components of cash and cash equivalents:	
(a) Cash on hand	0.16
(b) Balances with bank:	
In current accounts	732.44
In fixed deposits	-
	732.60

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Krishnamoorthy & Krishnamoorthy
Chartered Accountants
Firm Registration No.001488S

R. Venugopal
Partner
Membership No. : 202632



Place: Kochi
Date: 03 May 2022

For and on behalf of the Board of Directors of
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Mithun K. Chittilappilly
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Chief Financial Officer

Place: Kochi
Date: 03 May 2022

Venkataraman Ramachandran
Director
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Harsha M. V.
Company Secretary

V-Guard Consumer Products Ltd

Statement of changes in equity for the year ended March 31, 2022

A) Equity Share Capital

Particulars	Changes in the Equity Share Capital during the year	Balance at the end of the reporting period
Equity Share Capital	5,979.75	5,979.75

B) Other Equity

Particulars	(Rs. in lakhs)	
	Attributable to the equity holders	
	Retained Earnings	Total
As at April 01, 2021	-	-
Net profit for the year	(200.14)	(200.14)
Other comprehensive income for the year:		
Remeasurement gain/(loss) on defined benefit plans (net of	-	-
Total Comprehensive Income	(200.14)	(200.14)
Final dividend	-	-
As at March 31, 2022	(200.14)	(200.14)

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For Krishnamoorthy & Krishnamoorthy
Chartered Accountants
Firm Registration No.001488S

R. Venugopal
Partner
Membership No. : 202632



For and on behalf of the Board of Directors of
V-Guard Consumer Products Ltd
CIN: U31904KL2021PLC069893

Mithun K. Chittilappilly
Managing Director
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Harsha M. V.
Company Secretary

Place: Kochi
Date: 03 May 2022

Place: Kochi
Date: 03 May 2022

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF V-GUARD CONSUMER PRODUCTS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of V-Guard Consumer Products Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2022, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flow and the Statement of changes in equity for the period then ended, and notes to the financial statements, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31st March 2022, its loss including other comprehensive income, changes in equity and its cash flows for the period ended on that date.

Basis for Opinion

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

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

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



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

Responsibility of Management for Financial Statements

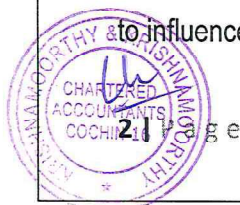
The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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



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

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

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



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

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 the "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 Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.



- g) The provisions of Section 197 read with Schedule V of the Act are not applicable to the Company for the period ended March 31 2022 and
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 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. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- IV. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

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

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the



representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- V. The company has not declared or paid any dividend during the period and hence the compliance of Section 123 of the Act is not applicable.

For Krishnamoorthy & Krishnamoorthy

Chartered Accountants

(FRN:001488S.)

Venugopal R.

R. Venugopal

Partner

Membership No. 202632

UDIN: 22202632AJDZXV2896



Kochi

Date: May 3rd, 2022

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in Paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date)

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

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

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

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

(b) Property, Plant and Equipment and right-of-use assets of the Company have been physically verified by the management during the period, which, in our opinion is reasonable having regard to the size of the Company and nature of its assets and that no material discrepancies were noticed on such verification.

(c) Based on our examination of the property tax receipts and lease agreement for land on which building is constructed, registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company.

(d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the period.

(e) No proceedings have been initiated during the period or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii. a. Physical verification of inventory has been conducted at reasonable intervals by management. In our opinion, the coverage and procedure of such verification by the management is appropriate. No



discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such verification.

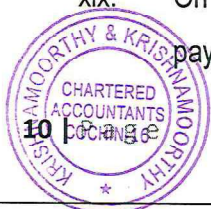
- b. The Company has been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, during the year, from banks or financial institutions on the basis of security of current assets. Quarterly returns/statements filed by the company with such banks/financial institutions are in agreement with the books of the company.
- iii. The company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties and hence reporting under clause 3(iii) of the Order is not applicable.
- iv. The company has not granted any loans, made any investments, or given any guarantees or security for which the provisions of section 185 and 186 of the companies Act 2013 are applicable. Accordingly, reporting under clause 3(iv) of the Order is not applicable.
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi. Provisions with respect to maintenance of cost records specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 is not presently applicable to the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.
- vii. In respect of statutory dues:
- (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
- There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.
- (b) There are no dues outstanding in respect of statutory dues referred to in sub-clause (a), which have not been deposited on account of any dispute.



- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the period in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. a. The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.
- b. The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- c. The Company has not taken any term loan during the period and there are no outstanding term loans at the beginning of the period and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- d. On an overall examination of the financial statements of the Company, company has not raised funds on short-term basis and hence reporting on clause 3(ix)(d) of the Order is not applicable.
- e. On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- f. The Company has not raised any loans during the period and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- x. a. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the period and hence reporting under clause 3(x)(a) of the Order is not applicable.
- b. During the period, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. a. No fraud by the Company and no material fraud on the Company has been noticed or reported during the period.



- b. No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the period and upto the date of this report.
- c. The company has not received any whistle blower complaints during the period and hence reporting under clause 3(xi)(c) of the Order is not applicable.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) (a), (b) and (c) 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 financial statements as required by the applicable accounting standards.
- xiv. Provisions of section 138 of the Companies Act, 2013 regarding internal audit are not applicable to the Company and accordingly reporting under clause 3 (xiv) (a) and (b) of the Order is not applicable.
- xv. In our opinion during the period the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. a. In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi) (a), (b) and (c) of the Order is not applicable.
b. In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The company has incurred cash losses of Rs. 165.36 Lakhs during the period. This being the first year of operation of the company, figures of the immediately preceding financial year is not available.
- xviii. There has been no resignation of the statutory auditors of the company during the period.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our



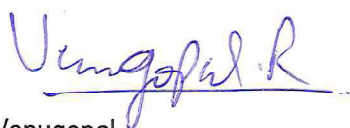
knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable 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 an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- xx. Provisions of section 135 of the Companies Act, 2013 are not applicable to the Company during the period and accordingly reporting under clause 3(xx)(a) and (b) of the Order is not applicable.

For Krishnamoorthy & Krishnamoorthy

Chartered Accountants

(FRN:001488S.)



R. Venugopal

Partner

Membership No. 202632

UDIN: 22202632AJDZXV2896



Kochi

Date: May 3rd, 2022

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in Paragraph 2(f) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date)

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

We have audited the internal financial controls with reference to financial statements of V-Guard Consumer Products Limited ("the Company") as of 31 March, 2022 in conjunction with our audit of the financial statements of the Company for the period ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.



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

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

Meaning of Internal financial controls with reference to financial statements

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

Inherent Limitations of Internal financial controls with reference to financial statements

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



Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Krishnamoorthy & Krishnamoorthy

Chartered Accountants

(FRN:001488S.)



R. Venugopal

Partner

Membership No. 202632

UDIN: 22202632AJDZXV2896



Kochi

Date: May 3rd, 2022