

AKGSR & COMPANY

CHARTERED ACCOUNTANTS

Independent Auditor's Report on annual Audited Financial Results of Tasty Dairy Specialities Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To the Board of Directors of Tasty Dairy Specialities Limited

Report on the Audit of the Standalone Financial Results

Qualified Opinion

We have audited the accompanying standalone quarterly financial results of Tasty Dairy Specialities Limited ("the Company") for quarter ended 31st March 2024, and the year to date result for the period from 1st April, 2023 to 31st March, 2024 attached herewith, being submitted by the company pursuant to requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("LODR Regulations").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, these said financial results:

- i. are presented in accordance with the requirements of Regulation 33 of the LODR Regulations in this regard; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards (IndAS) and other accounting principles generally accepted in India of the net loss and other comprehensive income and other financial information for the quarter ended 31st March, 2024 as well as the year to date results for the period from 1st April, 2023 to 31st March, 2024.

Basis for Qualified Opinion

As discussed in Note 2, the Company's financing arrangements, including restructuring plans, have failed, and the outstanding amounts are overdue for payment. The lenders have initiated recovery proceedings against the company under the provisions of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act) by moving to the National Company Law Tribunal (NCLT) and the Debt Recovery Tribunal (DRT). The Company has been unable to finalize renegotiations or secure alternative funding. The management of the company is actively engaged with the lenders to develop a revival/ settlement plan.

As discussed in Note 3 all the company's bank accounts have been frozen by the banks. This action has severely restricted the company's ability to carry out normal banking transactions, impacting its liquidity position and day-to-day operations. The company is routing all its banking transactions through third parties (including Related parties).

As per Note 4, provisions for trade receivables of Rs. 3,839.83 lakhs have been made, considering various factors such as past operations, follow-up with customers, and confirmations obtained from customers. Further, as disclosed in Note 5, there have been significant reversals of inventory amounting to Rs. 2,781.05 lakhs based on a report from ASM auditors, which states that the inventory has become unfit for human consumption.

As stated in Note 5, the net worth of the Company has become negative due to these actions, and the management has prepared the financial statements on a going concern basis. The events or situations, along with other matters set forth in Notes 2 to 6, indicate the existence of a material uncertainty that cast significant doubt on the Company's ability to continue as a going concern.

We conducted our audit in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and we have fulfilled our other ethical responsibilities in accordance with these requirements

and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matter

We draw attention to Note No. 8 figures for the previous corresponding periods have been regrouped, wherever considered necessary except for bifurcation of bifurcation current maturities of long-term debt for previous year. Our opinion is not modified in respect of these matters.

Other Matter

The standalone annual financial results include the results for the quarter ended March 31st, 2024 being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were limited review by us.

Management's Responsibilities for the Standalone Financial Results

These quarterly financial results as well as the year to date standalone financial results have been prepared on the basis of the interim financial statements. The Company's Board of Directors are responsible for the preparation of these financial results that give a true and fair view of the net profit/loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the LODR Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the standalone financial results 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 results.

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 results, 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, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 results 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 results, including the disclosures, and whether the financial results 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.

For AKGSR & Co.
Chartered Accountants
FRN: 027579N

Akhil



Akhil Mittal
Partner
M. No. 518556

Date: 06-07-2024
Place: Delhi
UDIN: 24518556BKBTS6823

TASTY DAIRY SPECIALITIES LIMITED

Regd. Office: D-3, UPSIDC, Industrial Area, Jainpur, Kanpur Dehat, Uttar Pradesh, India Pincode-209311

CIN: L15202UP1992PLC014593, Phone No.: 0512-4003999, Fax No.: 0512-234244

Email: info@tastydairy.com, Website: www.tastydairy.com

Statement of Standalone Financial Results for the Quarter and Year ended March 31, 2024

(All amounts in Lakhs of ₹ unless otherwise stated)

Particulars	Quarter ended			Year Ended	
	31-Mar-2024 (Refer Note 9)	31-Dec-2023 (Refer Note 9)	31-Mar-2023 (Refer Note 9)	31-Mar-2024 (Audited)	31-Mar-2023 (Audited)
Income					
I. Revenue from Operations	172.93	804.41	3,284.27	3,985.71	11,143.47
II. Other income	14.04	(2.38)	6.27	15.30	102.88
III. Total Income	186.97	802.04	3,290.54	4,001.01	11,246.35
IV. Expenses					
Cost of materials consumed	110.82	657.32	3,142.11	3,552.99	10,678.42
Changes in inventories of finished goods, work-in-progress and stock-in-trade	16.18	2,902.38	(70.54)	2,969.22	(186.42)
Employee Benefits Expenses	31.77	15.61	54.55	105.44	158.88
Finance costs	183.29	191.36	159.62	729.55	630.07
Depreciation and Amortization Expenses	54.42	53.16	56.14	215.98	133.68
Other Expenses	2,757.78	54.73	284.15	3,259.23	787.20
Total Expenses	3,154.27	3,874.56	3,606.03	10,832.42	12,201.83
V. Profit/(Loss) before Exceptional items and Tax	(2,967.29)	(3,072.52)	(315.49)	(6,831.40)	(955.48)
Exceptional Items	-	-	439.66	-	1,022.11
VI. Profit/(Loss) before Tax	(2,967.29)	(3,072.52)	124.17	(6,831.40)	66.63
VII. Tax expense:					
1. Current Tax	-	-	-	-	-
2. Deferred Tax	(830.06)	(768.29)	242.33	(1,756.79)	68.84
3. Tax adjustments relating to earlier years	-	6.32	5.79	6.32	6.94
VIII. Profit/(Loss) for the Year	(2,137.23)	(2,310.54)	(124.03)	(5,080.94)	(9.15)
IX. Other comprehensive income					
(I) (a) Items that will not be reclassified to profit or loss					
Remeasurements of the defined benefit plans	5.79	(4.32)	0.93	(21.56)	3.99
Equity Instruments through Other Comprehensive Income	-	-	-	-	-
(b) Income tax related to items that will not be reclassified to profit or loss	0.06	-	(1.11)	0.06	(1.11)
(II) (a) Items that will be reclassified to profit or loss	-	-	-	-	-
(b) Income tax related to items that will be reclassified to profit or loss	-	-	0.85	-	-
	5.85	(4.32)	0.67	(21.50)	2.88
X. Total comprehensive income for the period	(2,131.39)	(2,314.87)	(123.33)	(5,102.44)	(6.27)
XI. Earnings per equity share					
1. Basic (Rs. Per Share)	(10.46)	(11.31)	(0.61)	(24.87)	(0.04)
2. Diluted (Rs. Per Share)	(10.46)	(11.31)	(0.61)	(24.87)	(0.04)

1. These Financial Results have been prepared in accordance with the recognition and measurement principles of Indian Accounting Standard (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India.

2. The above results have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on July 6, 2024.

3. The Company is a Non Banking Financial Company. As such, there are no separate reportable segments as per the Ind AS 108.

4. This Statement is as per regulation 33 of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015.



For and on behalf of the Board of Directors of the Company
Tasty Dairy Specialities Limited



(ATUL MENHA)

Chairman & Whole Time Director
DIN: 00811607

Date : 06.07.2024
Place : Kanpur

TASTY DAIRY SPECIALITIES LIMITED

Regd. Office: D-3, UPSIDC, Industrial Area, Jainpur, Kanpur Dehat, Uttar Pradesh, India, Pincode-209311
 CIN: L15202UP1992PLC014593, Phone No.: 0512-4003999, Fax No.: 0512-2234244
 Email: info@tastydairy.com, Website: www.tastydairy.com

Standalone Statement of Assets and Liabilities
 (All amounts in Lakhs of ₹ unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
I. ASSETS		
Non-current assets		
(a) Property, Plant and Equipment	1,292.69	1,507.90
(b) Right-of-use assets	59.58	60.35
(c) Financial Assets		
(i) Investments	0.51	0.51
(ii) Other Financial Assets	14.83	30.51
(d) Deferred Tax Assets (Net)	3,372.80	1,615.95
(e) Other non-current assets	260.55	263.56
	5,000.95	3,478.77
Current Assets		
(a) Inventories		
(b) Financial Assets	87.45	3,056.68
(i) Trade receivables		
(ii) Cash and cash equivalents	88.08	2,992.62
(iii) Bank Balances other than (ii) above	13.12	25.45
(iv) Other Financial Assets	14.70	13.83
(c) Current Tax Assets	358.86	358.87
(d) Other current assets	2.85	10.16
	179.76	316.75
	744.84	6,774.35
TOTAL ASSETS	5,745.78	10,253.14
II. EQUITY AND LIABILITIES		
Equity		
(a) Equity Share Capital	2,043.00	2,043.00
(b) Other Equity	(4,028.05)	1,069.50
	(1,985.05)	3,112.50
Liabilities		
Non current liabilities		
(a) Financial liabilities		
(i) Borrowings	3,456.32	3,610.04
(ii) Lease liabilities	0.60	0.58
(b) Provisions	19.43	10.26
	3,476.35	3,620.88
Current liabilities		
(a) Financial liabilities		
(i) Borrowings		
(ii) Trade payables	2,087.50	2,779.89
(A) total outstanding due of micro enterprises and small enterprises; and	16.37	0.47
(B) total outstanding due of creditors other than micro enterprises and small enterprises	545.17	600.55
(iii) Other financial liabilities	38.11	33.38
(b) Other current liabilities	1,541.80	95.21
(c) Provisions	25.53	10.26
Sub Total (Current Liabilities)	4,254.49	3,519.76
Total Equity & Liabilities	5,745.78	10,253.14



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Standalone Statement of Cash Flows for the Year ended March 31, 2024
 (All amounts in Lakhs of ₹ unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	(6,831.40)	86.83
<i>Adjustments for:</i>		
Depreciation/ Amortization	215.98	133.68
Interest income	(14.59)	(22.54)
Retained Earnings/ Reserves/ OCI	(16.81)	-
Finance Cost	729.55	630.07
Provisions	24.44	0.26
Provision for expected credit impairment	3,024.45	169.33
Loss/ Profit on sale of PPE	-	(0.66)
Operating profit before working capital changes	(2,868.19)	976.77
<i>Changes in working capital:</i>		
<i>Adjustment for (increase) decrease in operating assets</i>		
(Increase)/ Decrease in trade receivables	(119.92)	66.48
(Increase)/ Decrease in inventories	2,969.22	(151.11)
(Increase)/ Decrease in other current assets	137.00	15.84
<i>Adjustment for increase/(decrease) in operating liabilities</i>		
Increase/ (Decrease) in trade payables	(39.47)	55.29
Increase/ (Decrease) in other financial liabilities	4.73	(36.88)
Increase/ (Decrease) in other current liabilities	1,446.61	23.56
Cash generated from operations	1,529.98	949.95
Income taxes refunded / (paid), net	0.93	85.58
Net cash generated from operating activities	1,530.91	1,035.53
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, intangible assets (including CWIP)	-	(41.60)
Proceeds from sale of property, plant and equipment	-	0.75
Purchase/ maturity of FDRs	(0.87)	85.76
Interest received	14.59	22.54
Other non-current assets	3.01	-
Net cash (used in) / generated from investing activities	16.73	67.45
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings (Net of Prepayments)	(153.73)	2,863.13
Increase/ (Decrease) in short-term borrowings (Net of Prepayments)	(692.38)	(3,327.57)
Other Financial Assets	15.68	-
Finance costs paid	(729.55)	(630.07)
Net cash used in financing activities	(1,559.97)	(1,094.51)
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(12.33)	8.47
Cash and cash equivalents at the beginning of the year	25.45	16.98
Cash and cash equivalents at the end of the year	13.12	25.45

For AKGSR & Co.
 Chartered Accountants
 FRN: 027579N


 (Akhil Mittal)
 Partner
 M. no. 518556
 Place: Delhi
 Dated: 06.07.2024



For Tasty Dairy Specialities Limited


 (ATUL MENKA)
 Chairman & Whole Time Director
 DIN: 00811607



Notes

1. The above standalone financial results were reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on 06th July, 2024 and statutory auditors have carried out an audit of these financial results.
2. The company is engaged in the business of procurement and processing of milk and manufacturing and sale of Ghee, Butter, Milk Powder, packaged milk and other milk products. These are edible items for human consumption and have limited shelf life and are perishable in nature. In earlier years due to Covid-19 and other factors beyond the control of the management there was material adverse impact on the operations & financials of the Company. The Lender had restructured their dues and effect thereof was incorporated in the accounts. Due to Continuous losses in the previous year, previous quarter and this quarter, the amounts payable to the lenders as per restructuring plan have also become overdue for payment. The lenders have initiated recovery proceedings against the company under the provisions of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act) by moving to the National Company Law Tribunal (NCLT) and the Debt Recovery Tribunal (DRT). The Company has been unable to finalize renegotiations or secure alternative funding. The management of the company is actively engaged with the lenders to develop a revival/ settlement plan.
3. All the company's bank accounts have been frozen by the banks since November 2023. This action has severely restricted the company's ability to carry out normal banking transactions, impacting its liquidity position and day-to-day operations. The company is routing all its banking transactions through third parties (including Related parties).
4. Due to accumulation of stocks with dealers and distributors and other economic condition the recovery in trade receivables against outstanding trade receivable is slow. Debtors more than 1 year are of Rs. 3767.79 Lakhs. Based on various factors such as past operations follow up with customers and confirmations obtained from customers a provision of Rs. 2582.26 Lacs (compared to Rs 3.25 Lacs in previous quarter and the cumulative provision of 3839.83 Lacs as of quarter-end) has been recognized for expected credit loss and doubtful receivables from customer.
5. During the third quarter, the bank appointed ASM Auditor, whose report dated October 26, 2023, concluded that the old stock in inventory is deemed unfit for human consumption and should be disposed of. Following submission of samples for quality retesting to a third-party laboratory and based on their findings, management has decided to write off inventory amounting to Rs. 2781.05 Lakhs in the books of accounts. Additionally, a deferred tax asset of Rs. 773.69 Lakhs has been recognized in accordance with Ind AS 12 - Income Taxes, reflecting the loss incurred from the inventory write-off.
6. The net-worth of the company has become negative (due to significant write off inventory & provisioning ECL), however, the management has planned to implement various cost



saving measures to improve the operational efficiency of the plant and is in the process of mobilizing resources to continue the efficient manufacturing operations of the company. Furthermore, there has been a significant decline in the spread of pandemic. Considering the improved situation, the steps initiated by the management, the support provided by the lender, expected conclusion of ongoing negotiations with the lenders for revival/settlement plan, and the infusion of funds by the promoters, the management is of the view that the operations of the company shall continue in near foreseeable future with improved operational efficiency. Therefore, these financial statements are continued to be presented on going concern basis.

7. The Company has only one business segment i.e. Dairy products, hence segment reporting as per Ind AS 108 is not applicable.
8. The figures for the quarters ended March 31, 2023 are the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures upto the third quarter of the respective financial year, which were only reviewed and not subject to audit.
9. Figures for the previous corresponding periods have been regrouped, wherever considered necessary except for bifurcation of bifurcation current maturities of long term debt for previous year.

Place: Kanpur
Dated: 06.07.2024

For Tasty Dairy Specialities Limited



(Atul Mehra)

Chairman and Whole Time Director
Din: 00811607

This is the statement referred to in our review report of even date

Place: Delhi
Dated: 06.07.2024

For AKGSR & Co.
Chartered Accountants
FBN 027579N



(Ajay Mittal)
Partner

M. No. 518556

Additional disclosure of related party transactions - applicable only in case the related party transaction is for the purpose of corporate deposits, advances or investments made or given by the listed entity. The disclosures need to be disclosed only once, during the reporting period over such transactions as applicable.

S. No	Details of the party (listed entity / subsidiary) entering into the transaction		Details of the counterparty		Relationship of the counterparty with the listed entity or its subsidiary	Type of related party transaction	Value of the transaction as approved by the audit committee (see Note 6)	Value of transaction during the reporting period (see Note 6)	In case monies are due to either party as a result of the transaction (see Note 7)		Nature of Cost Indebtedness (see Note 7)	Details of the loans, inter-corporate deposits, advances or investments	Purpose for which the funds will be utilized by the ultimate recipient of funds (if applicable)
	Name	PAN	Name	PAN					Opening balance as on 01.04.2023	Closing balance as on 31.03.2024			
1	Tasty Dairy Specialties Ltd	AAACT833B4	Agri-Foods LLP	ABCXAT18E	Significant influence of KMP	Sale of Goods and Services Rent Received Purchases of Material Trade Receivable	117.52 5.15 16.7 0	117.52 5.15 16.7 0	0	0	0	0	
2	Tasty Dairy Specialties Ltd	AAACT833B4	Verifast Distrib Pvt. Ltd	AAAGV4ZHE	Significant influence of KMP	Any Other Transaction (Paid on the behalf of Company) Any Other Transaction (Repayment) Advance from customer Interest Income	98.04 0.50 12.75 0	98.04 0.50 12.75 0	0	0	0	0	
3	Tasty Dairy Specialties Ltd	AAACT833B4	Srini Menz	AJCFAR7FE	Significant influence of KMP	Any Other Transaction (TDS deductable on interest income) Other Current Liability Short Paid	1.27 197.49 1.13 0	197.49 138.96 0.54 0	138.96	0.54	0	0	
4	Tasty Dairy Specialties Ltd	AAACT833B4	Agri Menz	AJCFM777F	Relative of staff	Salary Other Employment benefits (Bonarary)	5.92 0	5.92 0	0	0	0	0	
5	Tasty Dairy Specialties Ltd	AAACT833B4	Agri Menz	AJCFM777F	Key Managerial Personnel	Other Employment benefits (Health Insurance) Other Employment benefits (Security Deposit) Other Financial facilities (Bonarary)	0.27 0.14 0	0.27 0.14 0	0	0	0	0	
6	Tasty Dairy Specialties Ltd	AAACT833B4	Agri Menz	AGYH470ED	Relative of KMP	Salary Other Current Liability (Health Insurance)	0	0	0	0	0	0	
7	Tasty Dairy Specialties Ltd	AAACT833B4	Shreevast Dairy	BBPZ3034F	Company Secretary	Other Financial facilities Honorarium	1.1 0	1.1 0	0	0	0	0	
8	Tasty Dairy Specialties Ltd	AAACT833B4	Agri Menz	BTTF056NG AVTRK533G	Key Managerial Personnel	Other Employment benefits (Health Insurance) Other Employment benefits (Security Deposit) Other Financial facilities (Bonarary)	1.8 0 0	1.8 0 0	0	0	0	0	
9	Tasty Dairy Specialties Ltd	AAACT833B4	Reliance Kurve Vendor	AGDPY4777A	Key Managerial Personnel	Reimbursement Paid Employment benefits	2.7 0	2.7 0	0	0	0	0	
10	Tasty Dairy Specialties Ltd	AAACT833B4	Green Home Developers Pvt. Ltd	AAEE035657H	Significant influence of KMP	Other Current Liability SFDG fees Other Current Liability	0	0	0.6	0.6	0	0	
11	Tasty Dairy Specialties Ltd	AAACT833B4	Nevada Shonkar Saha	AJUP34842J	Key Managerial Personnel	Other Current Liability	0	0	0.18	0.18	0	0	
12	Tasty Dairy Specialties Ltd	AAACT833B4	Yash Saha	AKGP598330K	Key Managerial Personnel	Salary fees Other Current Liability	0	0	6.17	6.17	0	0	
13	Tasty Dairy Specialties Ltd	AAACT833B4	Omni Dairy and Foods Pvt. Ltd	AAOC074560P	Significant influence of KMP	Finance Cost Bonarary	0	0	27.88	27.88	0	0	
14	Tasty Dairy Specialties Ltd	AAACT833B4	Omni Foods Pvt Ltd	AAAC03621G	Significant influence of KMP	Bonarary	1	0	0	0	0	0	



Statement on impact of Audit Qualifications on Standalone Audited Financial Results for the Financial Year ended March 31st, 2024
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

(Rs. in Lacs)			
I. Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Audited Figures (audited figures after adjusting for qualifications)
1	Turnover/ Total Income	4,001.01	4,001.01
2	Total Expenditure	10,832.42	10,832.42
3	Net Profit/(Loss) before Exceptional Item	(6,831.40)	(6,831.40)
4	Exceptional Item	-	-
5	Net Profit/(Loss) after Exceptional Item	(6,831.40)	(6,831.40)
6	Earning per Share	(24.87)	(24.87)
7	Total Assets	5,745.78	5,745.78
8	Total Liabilities	7,730.84	7,730.84
9	Net Worth	(1,985.05)	(1,985.05)
10	Any Other Financial Item(s) (as felt appropriate by)	-	-

II. Audit Qualification (each audit qualification separately):

a. Details of Audit Qualification:	<p>(i) As discussed in Note 2, the Company's financing arrangements, including restructuring plans, have failed, and the outstanding amounts are overdue for payment. The lenders have initiated recovery proceedings against the company under the provisions of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act) by moving to the National Company Law Tribunal (NCLT) and the Debt Recovery Tribunal (DRT). The Company has been unable to finalize renegotiations or secure alternative funding. The management of the company is actively engaged with the lenders to develop a revival/ settlement plan.</p> <p>(ii) As discussed in Note 3 all the company's bank accounts have been frozen by the banks. This action has severely restricted the company's ability to carry out normal banking transactions, impacting its liquidity position and day-to-day operations. The company is routing all its banking transactions through third parties (including Related parties).</p> <p>(iii) As per Note 4, provisions for trade receivables of Rs. 3,839.83 lakhs have been made, considering various factors such as past operations, follow-up with customers, and confirmations obtained from customers. Further, as disclosed in Note 5, there have been significant reversals of inventory amounting to Rs. 2,781.05 lakhs based on a report from ASM auditors, which states that the inventory has become unfit for human consumption.</p> <p>(iv) As stated in Note 5, the net worth of the Company has become negative due to these actions, and the management has prepared the financial statements on a going concern basis. The events or situations, along with other matters set forth in Notes 2 to 6, indicate the existence of a material uncertainty that cast significant doubt on the Company's ability to continue as a going concern.</p>
b. Type of Audit Qualification:	1. Qualified Opinion
c. Frequency of Qualification:	<p>1. First Time: Qualification (ii) & (iv) is incorporated with financials of 4th quarter</p> <p>2. Second Time: Qualification (iii) is being incorporated with the financials since 3rd quarter of FY 2023-24. Qualification (i) is being incorporated since previous years.</p>
d. For Audit Qualification(s) where the impact is quantified by the Auditors, Management's Views:	===== N.A. =====
e. For Audit Qualification(s) where the impact is not quantified by the Auditors:	<p>(i) Management's estimation on their impact of audit qualification:</p> <p>1. Considering various factors such as past operations follow up with customers and confirmations obtained from customers a provision of Rs. 3,839.83 lakhs is made for expected credit loss and doubtful receivables from</p> <p>2. The management has planned to implement various cost saving measures with improved operational efficiency of the plant and is in process of mobilizing resources to continue the manufacturing operations of the company. Further, there has been significant decline in the spread of pandemic. Considering the improved situation, the steps initiated by the management, the support provided by the lender, expected conclusion of ongoing negotiations with the lenders for revival/ settlement plan, and the infusion of funds by the promoters, the management is of the view that the operations of the company shall continue in near foreseeable future with improved operational efficiency.</p> <p>(ii) If Management is unable to estimate the impact, reasons for the same:</p> <p>===== N.A. =====</p> <p>(iii) Auditor's Comments on (i) or (ii) above:</p> <p>1. Determining Expected Credit Loss includes management judgement and is subject to high degree of estimation and assumptions. Considering the various factors such as past operation and conduct of the account of customers, we are unable to comment whether the provision made by the management is adequate.</p> <p>2. Considering significant provisioning of ECL and write off of inventory alongwith the proceedings by the lenders against company under the provisions of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act) by moving to the National Company Law Tribunal (NCLT) and the Debt Recovery Tribunal (DRT) we are unable to comment on the appropriateness of going concern.</p>

Signatories:	
Director	<i>[Signature]</i>
CFO	<i>[Signature]</i>
Audit Committee Chairman	<i>Vinay Sinha</i>
Statutory Auditor	<i>Akhil</i>

Place: Kanpur
Date: 06-07-2024

