

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
DEHRADUN CLUB LIMITED
(A Company Limited by Guarantee)**

Report on the Audit of the Financial Statements

We have audited the accompanying financial statements of DEHRADUN CLUB LIMITED ("the Company"), which comprise the Balance sheet as at March 31, 2023 the Statement of Income and Expenditure for the year ended, including the notes forming part of the financial statements and a summary of significant accounting policies and other explanatory information.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and on reliance on Internal Audit Report, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its Statement of Income and Expenditure for the year ended on that date with the foregoing explanations as under :-

1. The inventory records for Liquor maintained in a software depict negative quantities of inventory thus questioning the reliability on these records to ensure existence of adequate control over inventory management. Though the records of inventory maintained on the Software for Liquor are not in accordance with the account books and manual register, the physical stock taken by the management has been relied upon for inventory valuation.
2. The Company has initiated the process of maintaining a Fixed Assets register during the year, however, the same was incomplete till the completion of the audit. Fixed Assets have been valued at their cost of acquisition and include all direct expenses attributable to its acquisition till the asset is put to use, less depreciation accumulated thereon. Depreciation has been provided for on the written down value of the fixed assets as per Schedule II of the Companies Act, 2013.

Records for the ownership and determination of historical cost of Land are under assimilation in order to segregate the value of Land from the total value of immovable property appearing in the financial statements.

3. The provisions of Article 90 of the Articles of Association of the Company (as amended up to March 30, 2013) requires an approval to be sought for the Capital Expenditure incurred.

Basis for Opinion

We conducted our audit of the 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 Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements



and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Emphasis of Matter

Emphasis of matter paragraph is added to indicate a matter which is disclosed appropriately in the notes forming part of the financial statements that the auditor considers is fundamental to the users understanding of the financial statements.

An emphasis of matter paragraph indicates that the auditor's opinion is not modified with respect to the matter emphasized.

We draw attention to the users of the accompanying financial statements, as regards the management's evaluation of uncertainties related to COVID-19 and its consequential effects on operations of the Company. Our opinion is not modified in respect of this matter.

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

The Company's Management is responsible for the preparation of the other information. The other information comprises the information obtained at the date of this auditor's 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 during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibilities for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors 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 the Board of Directors 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 skepticism throughout the audit.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section 11 of section 143 of the Act is not applicable as the Company is a Section 8 Company.

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

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The reports on the accounts of the branch offices of the Company audited under Section 143(8) of the Act by branch auditors are not applicable.
- d) The Balance Sheet and the Statement of Income and Expenditure dealt with by this Report are in agreement with the books of account.
- e) In our opinion, the Balance Sheet and the Statement of Income and Expenditure comply with the Accounting Standards notified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rule 2014.
- f) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164 (2) of the Act,
- g) In accordance with MCA notification dated 13 June, 2017, (GSR583 (E), separate reporting on internal financial controls over financial reporting of the Company and the operating effectiveness of such controls is exempt.
- h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
 - (i) The company has disclosed the impact, if any, of pending litigations on its financial positions in its financial statement.
 - (ii) The company has made provision, as required under any law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts;
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - (iv) As proviso to Rule 3(1) of The Companies (Accounts) Rules, 2014 is applicable for the Company w.e.f. April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.
 - (v) (a). The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, 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.

(b). The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, 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.

(c). Based on audit procedures which we 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 (a) and (b) contain any material mis-statement.

(vi) Company is limited by guarantee; hence payment of dividend is not applicable.



Place : Dehra Dun
Date : 26.05.23

KHATTAK KOCHHAR & CO.
Chartered Accountants

Per AJAY KHATTAK
Partner

MRN : 076274

FRN : 017124C

UDIN : 2307627486VYG13010