Note 1

1.1 COMPANY OVERVIEW

SVP Industries Ltd (the Company) is a domestic public limited company and incorporated in 1960. Sir Shadi Lal Distillery & Chemical Works (SSLD & CW) is the sole unit of SVP Industries Ltd. The distillery was set up by the Company in the year 1960 and is one of the leading distilleries of the region. The manufacturing facility is situated in Mansurpur within District Muzaffarnagar. The plant is currently engaged in the manufacturing of Rectified Spirit, Denatured Spirit, Extra Neutral Alcohol, Ethanol, Co2 and Country Liquor (CL) also having wholesale licenses CL-2 in the state of Uttar Pradesh .

1.2 SIGNIFICANT ACCOUNTING POLICIES

i) Accounting Convention

The Company follows the accrual system of accounting and Financial Statements have been prepared and presented under the historical cost convention, in accordance with the Indian Generally Accepted Accounting Practices ("GAAP") to comply in all material aspects with the applicable Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of the Companies Act, 2013. Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

ii) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

iii) Property, Plant & Equipment

Tangible Assets

Property, Plant & Equipment are assets held with the intention of being used for the purpose of producing or providing goods & services and are not held for sale in the ordinary course of business. Property, Plant & Equipment are stated at cost of acquisition & on the basis of revaluation, which was done by approved valuer. Cost of acquisition includes taxes duties, freight and other incidental expenses related to acquisition and installation of the concerned assets.

Capital Work In Progress includes cost of assets at sites, construction expenditure, freight and other relevant expenditure.

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Gain or losses arising from disposal of tangible assets are measured as the difference between the net disposal proceeds and the carrying amounts of the assets. Such gains or losses are recognized in the statements of profit and loss when the assets are disposed off.

iv) Impairment of Assets

The carrying amount of assets are reviewed at each Balance Sheet date, if there is any indication of impairment based on internal/external factors.

An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. An asset's recoverable amount is the higher of the asset's net selling price and value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from sale of the asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal.

A previously recognized impairment loss is further provided or reversed depending on changes in circumstances.

v) Depreciation

Tangible Assets-

Depreciation on Tangible Assets have been provided on Written Down Basis in accordance with the rates prescribed in Schedule II of the Companies Act, 2013.

Depreciation on increase in value of Fixed Assets due to revaluation is provided on Written Down Basis over the useful life of asset and adjusted out of revaluation reserve.

vi) Investments

Investments, that are intended to be held for not more than one year, from the date of acquisition, are classified as current investments. All other investments are classified as long term investments/non-current investments.

Current Investments are carried at lower of cost or fair market value. Long term investments are stated at cost. Provision for diminution in the value of long term investments is made only if such decline is other than temporary

vii) Inventories

Work in progress includes all the direct costs and applicable production overheads to bring the goods to the present location and condition.

Finished goods valued at lower of cost or market price including Excise Duty. Goods in transit valued at cost including excise duty, raw material valued at Average Cost basis and Stores & spares are valued at average cost.

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viii) Cash Flow Statement

Cash and cash Equivalents

Cash and cash equivalents include cash on hand and balances with banks other than earmarked balances.

Cash flow Statements

Cash flows are reported using the indirect method, whereby Net profit or (Loss) before extraordinary items and taxes adjusted for the effects of transaction of non cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from operating, investing and financing activities of the company are segregated.

ix) Revenue Recognition

Sales of goods is recognized on transfer of significant Risks and Rewards of Ownership which is generally on the basis of dispatch of goods to the customers. Sale is inclusive of State Excise. Net revenue is stated after deducting such excise duty.

Interest income is recognized using the time proportion method, based on rates implicit in the transaction.

Dividend income is recognized when company's right to receive dividend is established.

x) Government Grant

Grants related to specific fixed assets are government grants whose primary condition is that an enterprise qualifying for them should purchase, construct or otherwise acquire such assets. Other conditions may also be attached restricting the type or location of the assets or the periods during which they are to be acquired or held.

The grant is shown as a deduction from the gross value of the asset concerned in arriving at its book value. The grant is thus recognised in the profit and loss statement over the useful life of a depreciable asset by way of a reduced depreciation charge.

Grants relating to expenses incurred are deducted from the relevant expense.

xi) Employee Benefits

Defined Contribution

Contribution towards provident fund and employee state insurance for employees is made to the regulatory authority, where the company has no further obligation. Such benefits are classified as defined contribution scheme as a company does not carry any further obligation, apart from the contribution made on a monthly basis. Such contributions are charged to the statement of profit & loss for the period of service rendered by the employees.

Defined Benefit Plan

Provision for Gratuity for the year is determined on the basis of actuarial valuation of the company's year-end obligation in this regard and the value of the year-end assets of the scheme.

Short-term benefits are recognized as an expense in the statement of Profit & Loss Account of the year in which related services are rendered.

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xii) Borrowing Costs

Borrowing costs directly attributable to the acquisition / construction of a qualifying asset are capitalized as part of the cost of such asset till such time the asset is ready for its intended use. Other borrowing costs are recognized as an expense in the period in which they are incurred.

xiii) Research and Development

Expenditure on research phase is recognized as an expense when it is incurred. Expenditure on development phase which results in creation of assets is included in related Fixed Assets.

xiv) Segment Reporting

The company is mainly engaged in the business of manufacturing of Alcohol and Organic manure and has a single composite manufacturing/trading unit, therefore, business of the company is considered to constitute single primary reportable segment in the context of Accounting Standard 17 on Segment Reporting issued by the Institute of Chartered Accountants of India.

xv) Taxation

Tax expenses comprises of Current and Deferred Tax.

Current Tax is measured on the basis of estimated taxable income computed in accordance with the provisions of the Income Tax Act, 1961.
Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax is recognized for all the timing differences. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Tax credit has been recognized in respect of Minimum Alternate Tax (MAT) paid in terms of Section 115JB of the Income Tax Act, 1961 based on convincing evidence that the Company will be able to set-off the same within the statutory time frame and the same is reviewed at each Balance sheet date.

xvi) Provisions, Contingent Liabilities and Contingent Assets

Provisions in respect of present obligation arising out of past events are made in the accounts if it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

The contingent liabilities are disclosed, unless the possibility of outflow of resources is remote. Contingent Assets are neither recognized nor disclosed in the financial statements.

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xvii) Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

xviii) Corporate social Responsibility

Pursuant to the requirement of sec 135 of the Companies Act 2013 and rules thereon and guidance notes on " Accounting for expenditure of corporate social responsibility activities" issued by ICAI, Company has formed a CSR committee under section 135 of the Companies Act 2013 for implementation of CSR policy.

xix) Balance confirmation and performing reconciliation of balances in respect of trade receivables, claims recoverable from/payable, trade payable, Other Non-Current Liabilities, Other Current Liabilities, Security Deposits (Receivable and Payable) are subject to reconciliation, confirmations and consequential adjustment thereof

Note 2

NOTES TO ACCOUNTS

i) Fixed Assets include **Rs. 13,131.71 Lakh** on account of Revaluation reserve on Land and Rs. **288.45 Lakh** on account of Revaluation reserve on Building. The valuation was made by valuer in the financial year 1994-95 and 2023-24.

ii) **Employee Benefits:**

Contribution to defined contribution plans recognized as expenses are as under (Refer Note 26)

(Value in Lakh)

Particulars	2024-25	2023-24
Employer's Contribution to Provident Fund	34.92	52.32
Employer's Contribution to ESIC Scheme	1.06	1.50

Contribution to defined benefits plans recognized as expenses are as under (Refer Note 26)

Under the gratuity plan, every employee who has completed at least five years of service, gets gratuity at the time of separation or retirement, whichever is earlier @ 15 days of last drawn salary for each completed year of service. The present value of obligation is determined based on actuarial valuation using the projected unit credit method.

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(a) Change in present value of obligation

(Value in Lakh)

Particulars	**2024-2025**	**2023-24**
Present value of obligation at beginning	259.36	279.96
Interest cost	18.80	20.97
Current Service Cost	20.32	18.96
Past Service Cost	-	-
Benefits paid	(4.88)	(45.45)
Actuarial (gain)/Loss	(0.97)	(14.77)
Present Value of Obligation at end of year	292.63	259.36

(b) Expense recognized in Statement of Profit & Loss (Refer Note 26)

(Value in Lakh)

Particulars	**2024-25**	**2023-24**
Interest cost	18.80	20.97
Current service cost	20.32	18.95
Past Service Cost	-	-
Expected return on plan asset	-	-
Net actuarial (gain)/loss recognized in the period	(0.98)	(14.77)
Expenses to be recognized in P&L	38.15	25.15

(a)The assumptions employed for the calculations are tabulated

(Value in Lakh)

Particulars	**2024-25**	**2023-24**
Discount rate	6.75 % per annum	7.50 % per annum
Salary Growth Rate*	5.00 % per annum	5.00 % per annum
Mortality	IALM 2012-14	IALM 2012-14
Expected rate of return	-	-
Withdrawal rate (Per Annum)	5.00% p.a.	5.00% p.a.

* The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(b) Amount recognized in Balance Sheet

(Value in Lakh)

Particulars	**2024-25**	**2023-24**
Present Value of obligation at end of year	292.63	259.36
Fair value of plan assets at end of year	-	-
Plan Liability/(Asset)	292.63	259.36

iii) **Auditor's Remuneration**
(Refer Note 28)

(Value in Lakh)

Particulars	**2024-25**	**2023-24**
Statutory Audit Fees	2.50	2.50

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iv) **Managerial Remuneration**
(Refer Note 26)

(Value in Lakh)

Particulars	2024-25	2023-24
Salary	4.49	12.50
Sitting Fees	0	2.95

v) **Related Party Transactions:**

Related parties and transactions with them as specified in The Accounting Standard 18 on "Related Parties Disclosures" issued by ICAI has been identified and given below on the basis of information available with the Company and the same has been relied upon by the auditors.

a) Relationship

i) Key Management Personnel

Shri Prabhat Kumar Swarup (Managing Director)
Shri Govind Swarup (Managing Director)
Shri Har Saran Gupta (Whole Time Director)
Shri Adarsh Swarup (Director)
Shri Rahul Swarup (Director)

ii) Associate Company
Mansurpur Sales and Services Pvt. Ltd
Deepti Consultants Private Limited
Affection Tradelink Private Limited
Everzone Constructions Pvt Ltd
Learners Habitat Experts Pvt Ltd

b) Details of transaction with above parties in the ordinary course of business:

Key Management Personnel & Relatives of Key Management Personnel

(Value in Lakh)

Particulars	Nature of transaction	2024-25	2023-24
Shri Govind Swarup (Managing Director)	Loan Outstanding	1730.89	1481.64
Smt. Vasavi Swarup	Loan Outstanding	- 20.77	- 20.77
Shri Har Sharan Gupta (Whole Time Director)	Payments for Salary	2.54	13.16
Ms. Gurbani Kaur	Payments for Salary	1.95	4.85

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Associate Company

Mansurpur Sales and Services Pvt. Ltd

(Value in Lakh)

Particulars	**2024-25**	**2023-24**
Payment for Services	0.48	13.46
Amount payable outstanding at the period ending	29.63	26.64

Affection Tradelink Pvt. Ltd

(Value in Lakh)

Particulars	**2024-25**	**2023-24**
Payment for Services	13.65	13.19
Amount payable outstanding at the period ending	119.34	105.69

Everzone Constructions Pvt. Ltd

(Value in Lakh)

Particulars	**2024-25**	**2023-24**
Payment for Services	11.70	26.80
Amount payable outstanding at the period ending	164.19	157.01

Deepti Consultants Pvt. Ltd

(Value in Lakh)

Particulars	**2024-25**	**2023-24**
Payment for Services	2.80	15.62
Amount payable outstanding at the period ending	312.50	309.71

Learners Habitat Experts Pvt. Ltd

(Value in Lakh)

Particulars	**2024-25**	**2023-24**
Payment for Services	17.23	6.41
Amount payable outstanding at the period ending	11.79	0.34

vi) Investment made in National Savings Certificates & Fixed deposit are pledged as security with the Excise and other Departments.

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vii) Contingent liabilities and Commitments

(Value in Lakh)

Particulars	As at 31.03.2025	As at 31.03.2024
Contingent Liabilities		
Claim against the company not acknowledged as debt		
*VAT & Sales Tax Matters	178.99	178.99
Central Excise & Service Tax Matters	5.38	5.38
Provident Fund	0.39	0.39
Sugar Mill	94.05	94.05
Others	1.03	1.03
Interest on Income Tax	5.98	5.98
Income Tax	8946.66	2308.13
Total	**9232.48**	**2605.70**

* Above mentioned sales tax Liability representing after sales tax deposited of Rs. 17,61,200 for the A.Y-2001-2002 & Rs.4,57,500 for the A.Y 2017-18.

viii) Earning Per Share

Earnings per Share (EPS) has been computed in accordance with AS-20 issued by the ICAI

(Value in Lakh)

Particulars	2024-25	2023-24
Earnings per share has been computed as under:		
(a) Profit / Loss for the year	(11939.04)	(823.69)
(b) No. of Shares	86.21	86.21
Basic EPS [(a)/(b)]	(138.49)	(9.55)
*Diluted EPS [(a)/(b)]	(138.49)	(9.55)
Face Value of the Share .	10	10

ix) Operating Lease

In accordance with the Accounting Standard on 'Leases (AS 19), notified by the Companies (Accounting Standards) Rules, 2006, the following disclosures in respect of Operating Leases are made. The company has acquired properties under cancellable operating leases for period of 12 months which are renewable with mutual consent of the parties. The total minimum lease payments amounting to Rs.37,18,400.00 is included under Rent, Rates & Taxes. (Refer Note-28)

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x) Minimum Alternate Tax (MAT)

Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The Company recognises MAT credit available as an asset only to the extent that it is reasonably certain that the Company will pay normal income tax during the specified period, i.e the period for which MAT credit is allowed to be carried forward.

In the year in which the Company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income Tax Act, 1961, issued by the Institute of Chartered Accountants of India, the said asset is created by way of credit to the Statement of Profit and Loss and shown as "MAT Credit Entitlement".

The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have reasonable certainty that it will pay normal tax during the specified period.

xi) Disclosure of Depreciation

(Value in Lakh)

Particulars	**2024-25**	**2023-24**
Depreciation Charged during the year	1419.56	14.47.73
Less : Amount Transferred from Revaluation Reserve	(18.56)	(12.10)
Add: Adjustment in Depriciation block	23.85	60.51
Net Depreciation charged in Statement of Profit and Loss	**1424.85**	**1496.14**

xii) Disclosure of CSR expenditure

(Value in Lakh)

Particulars	**2024-25**	**2023-24**
(a). Opening unspent CSR	0.01	-
(b).Amount required to be spent by the Company in accordance with Section 135 of Companies Act, 2013	-	15.91
(c)Total amount required to be spend during the year**(a+b)**	-	**15.91**
(d) Amount spent during the year	-	15.92
(e) Amount unspent and to be carried forward**(c-d)**	-	0.01
(f) Amount to be allocated for CSR as per Company's CSR policy approved by the Board in accordance with Section 135 of the Companies Act ,2013	-	-
(g)Excess Amount of CSR expenses to be carried forward for immediate succeeding three Financial Year i.e up to F.Y 2024-25.**(d-c)**	-	-

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xiii) Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

xiv) Relationship with Struck off Companies

The company has not carried out any transaction(s), either during current period or during past period, with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.

xv) Registration of Charges or Satisfaction with Registrar of companies

There are no any charges or satisfaction that yet to be registered with the registrar of Companies beyond the statutory period.

xvi) Compliance with number of layers of Companies

The number of layers prescribed under clause (87) section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable to the Company.

xvii) Scheme of Compromise & Arrangement

No Scheme of Arrangements was approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

xviii) Undisclosed income

There are no reportable transaction which are not recorded in the books of accounts that has been surrendered or not disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

xix) Utilization of Borrowed funds and share premium

A) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall (i) 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 (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;

B) The Company has 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 (i) 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 (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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xx) Analytical Ratios

Name of Ratio	As at 31/03/2025	As at 31/03/2024	% Variance	Reason for variance
i) Current Ratio= Current Assets / Current Liabilities	**0.36**	**1.19**	(0.83)	The current Assets have decreased, and the current Liabilities have increased in the current year resulting in an decrease in current ratio.
ii) Debt Equity Ratio = Total Debt / Shareholder's Equity	**(5.90)=**	**2.21=**	8.11	Due to repayment of Total Debt.
iii) Debt Service Coverage Ratio= Earnings available for debt service / Debt Service	**(1.47)=**	**0.19=**	(1.66)	Due to the increase in earnings, the ratio has increased.
iv) Return on Equity Ratio= Net Profits after taxes – Preference Dividend / Average Shareholder's Equity	**(0.74) =**	**(0.05) =**	(0.69)	Due to a decrease in Earnings After tax and increase in shareholder's equity, the ROE has decreased.
v) Inventory Turnover Ratio= Cost of Goods Sold / Average stock	**3.99=**	**3.30=**	(0.69)	Average stock has changed significantly more than the change in cost of goods sold resulting in decrease in the ratio.
vi) Net Capital Turnover Ratio= Net Sales / Average Working Capital	**(2.13)=**	**13.54=**	(15.67)	The decrease in Sales and the decrease in average working capital, resulting in a decreased Net Capital Turnover Ratio.
vii) Net Profit Ratio= Net Profit / Net Sales	**(0.86) =**	**(0.03) =**	(0.83)	Due to loss in the current year, Net profit ratio has decreased.

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viii) Return On Capital Employed= $\frac{\text{Earning before interest and taxes}}{\text{Capital Employed}}$	(0.48)=	0.05=	(0.53)	Due significant decrease in earnings and also the capital employed.

xxi) The borrowings by the company from the bank as well as the equipment financer were declared NPA on 26/02/2025 due to unpaid interest and repayments. The details are as follows:

Nature of Borrowings	**Name of Lender**	**Interest amounts unpaid**	**Principal amount unpaid**	**No. of days unpaid (upto 31st March 2025)**
Cash Credit	State Bank Of India	2,21,19,563.00	55,83,68,788.94	121
Term Loans	State Bank Of India	3,32,25,630.00	99,12,34,777.00	121
Equipment Finance Credit	Siemens Financial Services Pvt Ltd.	16,11,365.00	3,03,19,036.00	243

xxii) Figures for previous year have been regrouped/rearranged, wherever considered necessary.

As per our report of even date attached

For B R Maheshwari & Co.
Chartered Accountants
(Firm's Registration Number:001035N/500050)

Sanjay Nath
Partner
Membership No. 082700

B R MAHESWARI & CO. LLP
M-118
Conn. Circus
New Delhi
Chartered Accountants

For and on behalf of the Board

Adarsh Swarup
(Director)
DIN: 01891491

Rahul Swarup
(Director)
DIN: 00286810

Place :- New Delhi
Date:- 11/10/2025