

**June 22, 2022**

To,
Listing Compliance Department
National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1. G Block,
Bandra -Kurla Complex, Bandra (East),
Mumbai- 400051.
Scrip Symbol: PARTYCRUS

Subject: Clarification on quick result submitted by the company dated May 20, 2022.

Dear Sir/ Madam,

With reference to your email dated June 20, 2022, we would like to submit clarification as under:

In response to your query, please find attached herewith the Independent Auditor's Report along with the Statement on Impact of Audit Qualifications for the financial year ended March 31, 2022.

Request you to take the above clarification on record.

Thanking you,
Yours faithfully,

For Party Cruisers Limited



Mrs. Rachana Lucknowala
Managing Director
(DIN: 02466195)



RAMANAND & ASSOCIATES

— CHARTERED ACCOUNTANTS —

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C/06, 11&12, Ostwal Park Bldg. No.
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Independent Auditor's Report on Audit of half yearly and Year to date Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time

TO BOARD OF DIRECTORS

PARTY CRUISERS LIMITED

Report on audit of the Standalone Financial Statements

Disclaimer of Opinion

We have audited the accompanying Statements of Standalone Financial Results of **PARTY CRUISERS LIMITED** ("the Company") for the half year ended **31 March 2022** and for the period from **1st April 2021 to 31st March 2022** ("the statement") attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanation given to us these standalone financial statements:

- i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. Indicate that, Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Qualified Opinion:

1. Trade Receivables

The Company's Current Financial Assets as at 31st March 2022 includes Trade Receivables, aggregating to Rs.105.06 Lakhs (31st March 2021 Rs. 228.76 Lakhs) which were outstanding for substantial period of time. Management has assessed that; no adjustments are required for carrying value of aforesaid balances. Consequently, in the absence of sufficient appropriate audit evidence to support the Management's contention of recoverability of these balances, we are unable to comment upon the adjustments if any, that are required to the carrying value of aforesaid balances and consequential impact if any on the accompanying standalone financial results.

2. Trade Payables

The Company's Current Financial Liabilities as at 31st March 2022 includes Trade Payables, aggregating to Rs. 175.88 Lakhs (31st March 2021 Rs. 83.01 Lakhs) respectively in respect of which confirmations/statements from the respective parties have not been received and which were outstanding for substantial period of time. Further, whilst, we have been able to perform alternate procedures with respect to certain balances, in the absence of confirmations/ statements from the respective parties, we are unable to comment upon the adjustments if any, that are required to the carrying value of aforesaid balances and consequential impact if any on the accompanying standalone financial results

3. Inventory

The Company generally follow AS -2 and value the inventory at cost or realizable value whichever is lower. However, in the absence of sufficient appropriate audit evidence, we are unable to comment on impact of the same.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

These standalone financial results have been prepared on the basis of the condensed standalone interim financial statements. The Company's Management and Board of Directors are responsible for the preparation and presentation of these standalone financial results that give a true and fair view of the net profit/loss and other comprehensive income (loss) and other financial information in accordance with the recognition and measurement principles laid down in Accounting Standard 25, 'Interim Financial Reporting' prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing 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 Management and 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 is 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 the 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 Management and Board of Directors.

Conclude on the appropriateness of the Management and 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 standalone 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 standalone 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 **Ramanand & Associates**
Chartered Accountants
Firm Registration No: 117776W



Ramanand Gupta
Partner
Membership No. 103975
UDIN: 22103975AJHCWK1623
Place: Mumbai
Date: 20th May, 2022

ANNEXURE I

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Standalone and Consolidated separately)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31,2022 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	15,55,07,058	15,55,07,058
	2.	Total Expenditure	14,17,20,921	14,17,20,921
	3.	Net Profit/(Loss)	1,32,91,605	1,32,91,605
	4.	Earnings Per Share	2.37	2.37
	5.	Total Assets	22,18,10,714	22,18,10,714
	6.	Total Liabilities	3,31,95,521	3,31,95,521
	7.	Net Worth	18,86,15,193	18,86,15,193
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-
II.	<u>Audit Qualification (each audit qualification separately):</u> a. Details of Audit Qualification: I. <u>Trade receivables.</u> The Company's Current Financial Assets as at 31st March 2022 includes Trade Receivables, Aggregating to Rs.105.06 Lakhs (31st March 2021 Rs. 228.76 Lakhs) which were outstanding for substantial period of time. Management has assessed that; no adjustments are required for carrying value of aforesaid balances. Consequently, in the absence of sufficient appropriate audit evidence to support the Management's contention of recoverability of these balances, we are unable to comment upon the adjustments if any, that are required to the carrying value of aforesaid balances and consequential impact if any on the accompanying standalone financial results. II. <u>Trade payables.</u> The Company's Current Financial Liabilities as at 31st March 2022 includes Trade Payables, aggregating to Rs. 175.88 Lakhs (31st March 2021 Rs. 83.01 Lakhs) respectively in respect of which confirmations/statements from the respective parties have not been received and which were outstanding for substantial period of time. Further, whilst, we have been able to perform alternate procedures with respect to certain balances, in the absence of confirmations/ statements from the respective parties, we are unable to comment upon the adjustments if any, that are required to the carrying value of aforesaid balances and consequential impact if any on the accompanying standalone financial results III. <u>Inventory.</u> The Company generally follow AS -2 and value the inventory at cost or realizable value whichever is lower. However, in the absence of sufficient appropriate audit evidence, we are unable to comment on impact of the same. b. Type of Audit Qualification: Disclaimer of opinion. c. Frequency of qualification: Since FY 2020-21 d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: N.A			

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

(i) Management's estimation on the impact of audit qualification:

Auditor of the company has given a disclaimer of opinion on Trade Receivable, Trade Payable, Inventory due to non availability of confirmation from the respective parties, In this regard management is in the opinion that this balances not required any adjustment in the books of account and this will be settled in due course of business.

(ii) If management is unable to estimate the impact, reasons for the same: N.A

(iii) Auditor's comments on (i) or (ii) above:

We have not been provided with the balance confirmation from trade receivable & Payable & physical verification copy of inventory, hence we were unable to comment on the same. subsequently it is observed that contention of management can be relied upon from the evidence that company is regularly doing business with the some of the Parties whose balance are payable by the company. It is also observed that some of long outstanding trade receivables are Settled subsequently.

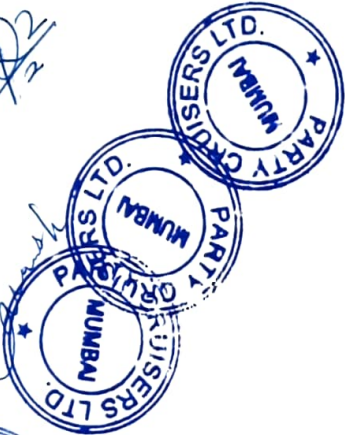
III. Signatories:

• CEO/Managing Director

• CFO

• Audit Committee Chairman

• Statutory Auditor



Place: Mumbai

Date: 20th May 2022