

FARCO FOODS PRIVATE LIMITED

Regd. Off: 332, Shervani Nagar, Sulem Sarai, Harwara, Prayagraj- 211 015

CIN: U15111UP1995PTC019155

Email Id: shervaniind@rediffmail.com, Phone: +91 7311128115

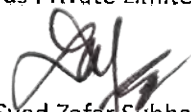
NOTICE

Notice is hereby given that the 28th Annual General Meeting of the Members of the Company will be held on Thursday, the 29th September, 2022 at 332, Shervani Nagar, Sulem Sarai, Harwara, Prayagraj-211015, at the Registered Office of the Company at 1.00 P.M. to transact the following business: -

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statement of the Company for the year ended 31st March, 2022 together with the Director's Report and Auditor's Report thereon.
2. To appoint M/s. P.L. Tandon & Co., Chartered Accountants (Firm Registration No. 000186C), as the Statutory Auditors of the Company and to fix their remuneration.
3. To appoint a Director in place of Mr. Saleem Iqbal Shervani (DIN: 00023909) who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Syed Zafar Subhan (DIN: 01104156) who retires by rotation and being eligible offers himself for re-appointment.

By the Order of the Board
For Farco Foods Private Limited


Syed Zafar Subhan
Director
DIN: 01104156

Place : Prayagraj

Date : 10/08/2022

Note: -

1. A MEMBER ENTITLED TO ATTEND & VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND PROXY NEED NOT TO BE A MEMBER. THE PROXY IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THEN 48 HOUR before the commencement of the Meeting.
2. Pursuant to section 105 of the Companies Act, 2013, A person can act as a proxy on behalf of not more then 50 members holding in aggregate, not more then 10 percent of the total share capital of Company may appoint a single person as Proxy, who shall not act as a proxy for any other member. A proxy form is annexed to this report. Proxies submitted on behalf of limited companies, societies etc, must be supported by an appropriate resolution/ authority, as applicable.

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DIRECTOR'S REPORT

The Directors submit the Annual Report together with the Audited Financial Statements for the year ended on 31st March, 2022.

FINANCIAL RESULT

	Rs. In Lakh
Revenue from Operation	456.36
Profit before depreciation	26.62
Depreciation	15.87
Profit after depreciation	10.75
Current year tax/Earlier year tax	(3.10)
Profit after tax.	7.65

DIVIDEND

The Board has not recommended any Dividend for the year ended on 31st March, 2022.

OPERATIONS REVIEW

During the year under review the company has continued with manufacturing of biscuits on job work basis for M/s Surya Foods and Agro Limited for their 'Priya Gold' Brand. During the year under review the Company produced 5492 MT of biscuits and earned profit of Rs. 7.65 Lacs. During the year, the profit declined due to increase in manufacturing cost and at the same time, capacity utilization could not be optimized because demand from the principal also declined due to Market Condition. In respect of Goat Project, the Company is facing problems in rearing of Goats because the climatic conditions at site are not conducive to growth of Animals. However, the problems has been identified and remedial measures have been adopted,

DISCLOSURES

a. Subsidiary Company

Your company has no subsidiary company.

b. Internal Financial Controls

The company has an adequate system of internal control to ensure compliance with policies and procedures.

c. Human Resource –Management and Industrial Relation

The company has created a very cordial relationship with the employees who give full support to the management in all kinds of endeavors.

d. Research and Development

The company is pursuing production on job work basis accordingly scope for research and development activities is very restricted.

e. Material changes

No material changes have taken place between the date of attached financial statements and this report which may affect the financial position of the Company.

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There was no transaction of material nature with the Directors or the management or their relatives during the year under review.

f. Significant and Material Orders passed by Regulators, Tribunals or Courts

No significant or material orders were passed by the Regulators or Courts or Tribunals during the year under review which may have a impact on the going concern status of the Company in future.

g. Corporate Social Responsibility

The provisions of section 135 of the Companies Act, 2013 are not applicable in our case hence information in respect of the same has not been compiled.

EXTRACT OF ANNUAL RETURN

The Company does not have the website so the Extract of Annual Return in Form No. MGT-9 as per Section 134 (3) (a) of the Companies Act, 2013 read with Rule 8A(I)(a) of Companies Act (Accounts) Rules 2014 is not applicable. However, The Annual Return is available for inspection in the Annual General Meeting.

SHARE CAPITAL

A) Issue of equity shares with differential rights

The Company has not issued any Equity Shares with differential rights as the provisions under rule 4 (4) of Companies (Share Capital and Debentures) Rules, 2014.

B) Issue of Sweat Equity Shares

The Company has not issued any Sweat Equity Shares as per the provisions in rule 8 (13) of Companies (Share Capital and Debentures) Rules, 2014.

C) Issue of Employee Stock Options

The Company has not issued any employee stock options as the provisions provided in rule 12 (9) of Companies (Share Capital and Debentures) Rules, 2014.

D) Provision of money by company for purchase of its own shares by employees or by trustees for the benefit of employees

The Company has not made any provisions for money for purchase of its own shares by employees or by trustees for the benefit of employees as the provisions provided in rule 12 (9) of Companies (Share Capital and Debentures) Rules, 2014.

E) Issue of Debenture Bonds etc

The Company has not issued any Debentures or Bonds during the year under review.

GENERAL RESERVE

There is no transfer to general reserve during the year under review.

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BOARD MEETINGS

The calendar of Meetings is prepared and circulated in advance to the Directors. During the year, 4 nos. Board Meetings were convened respectively on 25th June, 2021, 14th August, 2021, 13th November, 2021 and 10th February, 2022 in the manner prescribed in the Companies Act, 2013.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134 (3) of the Companies Act, 2013, the Directors state that;

- (i) in the preparation of the Annual Accounts, the applicable accounting standards have been followed;
- (ii) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit and loss of the Company for that period;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors had prepared the Annual Accounts on a going concern basis;
- (v) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 & in pursuance of SEBI Circular issued on February 08, 2019 as CIR/CFD/CMD1/27/2019 in respect of Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Secretarial Audit is applicable on the Company. Consequently, The Company has appointed M/s Siddiqui & Associates, Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the Financial Year 2021-22. The Report of Secretarial Audit for the year 2021-22 is annexed herewith as Annexure- A in form MR-3 and is to be treated as integral part of this report.

RELATED PARTY TRANSACTIONS

There were no related party transactions between the Company and the Promoters, Key Managerial Personnel or other designated persons which may have a potential conflict with the Interest of the Company. All related party transactions which were entered into during the financial year were in the Ordinary Course of Business and are disclosed at No. 23 attached to the Balance Sheet.

PARTICULARS OF LOANS GUARANTEES OR INVESTMENTS

The Company has not given any loan, guarantee or made investment within the purview of section 186 of the Companies Act, 2013.

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STATUTORY AUDITORS

In accordance with the Provisions of Section 139 of the Companies Act, 2013, M/s Gupta Vaish & Co., Chartered Accountants (FRN No. 005087C) were re-appointed as statutory auditors of the Company to hold office for a period of Second term of 5 years i.e. from the conclusion of the Annual General Meeting (AGM) of the Company held for FY 2016-17 upto the conclusion of AGM held for FY 2021-22 of the Company. Accordingly, the term of existing statutory auditors is ending on the conclusion of ensuing AGM of the Company.

The Board recommended, the appointment of M/s P. L. Tandon & Co., Chartered Accountants (Firm Registration No. 000186C), as Statutory Auditors of the Company for a term of Five consecutive years from the conclusion of this Annual General Meeting until the conclusion of Annual General Meeting of the Company to be held in the FY 2026-27. The Company has also received written consent and eligibility certificate from M/s P. L. Tandon & Co., Chartered Accountants under Section 141 of the Act. M/s P. L. Tandon & Co., Chartered Accountants also holds peer review certificate issued by the Institute of Chartered Accountants of India. The resolution for the appointment of M/s P. L. Tandon & Co., Chartered Accountants, as statutory auditors of the Company has been placed at the ensuing AGM for approval of members of the Company.

The Auditors' Report on the financial statements of the Company for the year ended March 31, 2022 forms part of this Annual Report. The Auditors' Report does not contain any qualifications, reservations, adverse remarks or disclaimer. In terms of the provisions of Section 143(12) of the Act, no frauds have been reported by the Statutory Auditors in their report for the year under review. Notes to the Financial Statements are self-explanatory and do not call for any further comments.

DEPOSITS

The Company has not accepted or renewed any deposit during the year falling within the purview of Section 73 of the Companies Act 2013 and the Companies (Acceptance of Deposits) Rules 2014 accordingly no amount was outstanding as on date of the Balance Sheet.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING & OUTGO

Due to the nature of business / operations there is nothing to report about the conservation of energy and technology absorption during the year. There is no foreign exchange earnings and outgo.

RISK MANAGEMENT

The policy is not applicable to the Company.

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DIRECTORS

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company Mr. Saleem Iqbal Shervani (DIN: 00023909) and Mr Syed Zafar Subhan (DIN: 01104156) are the Directors retiring by rotation and being eligible offer themselves for re-appointment.

None of the Director's has any pecuniary relationship or material transactions with the Company. The Directors recommend all the resolutions placed before the Members relating to Directors for their approval.

DISCLOSURE UNDER RULE 5 OF THE COMPANIES (APPOINTMENT & REMUNERATION) RULES 2014.

The Rule is not applicable to the Company.

INDUSTRIAL RELATION

Industrial relations remained satisfactory during the period under review.

ACKNOWLEDGEMENTS

Your directors wish to convey their deep sense of appreciation for the continued support, and co-operation extended by bankers, Central and State Government and all other stakeholders. The Directors also wish to place on record their sincere appreciation for the commitment and enthusiasm of the employees for the Company.

For and on behalf of the Board;



S. Z. Subhan
Director
DIN: 01104156



Nadesan T.
Director
DIN: 0106944

Place: Prayagraj

Date: 10th August, 2022

INDEPENDENT AUDITOR'S REPORT**To The Members of FARCO FOODS PRIVATE LIMITED****Report on the Audit of Financial Statements****Opinion**

We have audited the financial statements of FARCO FOODS PRIVATE LIMITED ("the Company"), which comprise the balance sheet as at 31st March 2021, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including 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 Act in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and the Profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the 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 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 opinion.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, 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.



H.O. : 27/42-A, Canal Road, Near Gujrati School, Kanpur-208001

B.O. : 37/17, 1st Floor, Wescott Building, The Mall, Kanpur-208001

Ph.: 0512-2355048 • (M) 9336108328 • E-mail : guptavaish@rediffmail.com

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 facts, we have nothing to report in this regard.

Management's Responsibility 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, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 statement 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 skepticism 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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 Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.



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 and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) 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 as amended, 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.

Date: Prayagraj

Place: 25.06.2021



For Gupta Vaish & Co.
Chartered Accountants

Registration Number: 005087C

Rajendra Gupta
Rajendra Gupta
(PARTNER)

Membership Number: 073250

UDIN 21073250AAAACE8526

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

Re: FARCO FOODS PRIVATE LIMITED

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March, 2021, we report that:

i. In respect of its Fixed Assets:

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanation given to us and on the basis of our examination of the records of the company, the title deeds of the immovable properties are held in the name of the Company.

ii. In respect of its Inventories:

The company has no inventories. Therefore, the provisions of paragraph 3 (ii) of the Companies (Auditor's Report) order, 2016, are not applicable to the company.

iii. In respect of loans, secured or unsecured, granted by the Company to Companies, firms or other parties covered in the register maintained under section 189 of the Companies Act 2013, according to the information and explanations given to us :

- (a) The Company has not granted any loan to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

iv. In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

v. In our opinion and according to information and explanations given to us, the company has not accepted any deposits within the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013. Therefore, the provisions of paragraph 3 (v) of the Companies (Auditor's Report) order, 2016, are not applicable to the company.

vi. The Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 the Companies Act, 2013 for the products of the company.



vii. According to the information and explanations given to us, in respect of statutory and other dues:

(a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess and any other statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues were in arrear as at 31st March, 2021 for a period more than six months from the date they became payable.

(b) According to the records of the company, there were no dues of income tax, sales tax, service tax, duty of custom, duty of excise, value added tax and cess which have not been deposited on account of any dispute.

viii. In our opinion and according to the information and explanations given to us, the Company has not taken any loan from bank and financial institution and therefore provisions of paragraph 3 (viii) of the Companies (Auditor's Report) order, 2016, are not applicable to the company.

ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loan during the year. Accordingly, provisions of paragraph 3(ix) of the Companies (Auditor's Report) order, 2016, are not applicable to the company.

x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

xi. Section 197 of the Act is not applicable to a private company, and, accordingly, provisions of paragraph 3(xi) of the Companies (Auditor's Report) order, 2016, are not applicable to the company.

xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, provisions of paragraph 3(xii) of the Companies (Auditor's Report) order, 2016, are not applicable to the company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transaction with the related parties are in compliance with section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.



- XV. According to the information and explanations given to us and on our examination of the records of the Company, the Company has not entered into non cash transactions with directors or person connected with them. Accordingly provisions of paragraph 3(xv) of the Companies (Auditor's Report) order, 2016,are not applicable to the company.
- XVI. The Company is not required to be registered under 45 -IA of the Reserve Bank of India Act 1934.

Date: KANPUR

Place: 25.06.2021



**For Gupta Vaish & Co.
Chartered Accountants**

Registration Number: 005087C

Rajendra Gupta

**Rajendra Gupta
(PARTNER)**

Membership Number: 073250

Annexure - B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of FARCO FOODS PRIVATE LIMITED ("the Company") as of 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year 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 control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('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 over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 system over financial reporting.



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting 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 control over financial reporting 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 authorisations 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Date: KANPUR

Place: 25.06.2021



For Gupta Vaish & Co.
Chartered Accountants
Registration Number: 005087C

Rajendra Gupta
Rajendra Gupta
(PARTNER)

Membership Number: 073250

FARCO FOODS PRIVATE LIMITED
Balance Sheet as at 31st March, 2021

ASSETS	Note	As At 31st March, 2021	As At 31st March, 2020
Non-Current Assets:			
Property, Plant and Equipment	2	3,86,85,978	3,09,12,525
Biological Asset		43,45,358	23,09,206
Total Non Current Assets		4,30,31,337	3,32,21,731
Current Assets:			
Financial Assets:			
Trade Receivables	3	30,64,598	28,25,461
Cash and cash equivalents	4	22,67,666	1,10,57,384
Other Bank Balances	5	1,45,62,080	67,58,124
Other Financial Assets	6	4,72,435	5,44,655
Current Tax Assets (Net)		14,49,991	8,79,022
Other current assets	7	15,41,734	17,73,174
Total Current Assets		2,33,58,504	2,38,37,820
TOTAL ASSETS		6,63,89,842	5,70,59,551
EQUITY AND LIABILITIES			
Equity:			
Equity Share Capital	8	90,00,000	90,00,000
Other Equity	9	(2,55,81,179)	(2,77,39,892)
Total Equity		(1,65,81,179)	(1,87,39,892)
Liabilities:			
Non-Current Liabilities:			
Financial Liabilities			
Borrowings	10	1,46,94,070	36,18,627
Deferred Tax Liabilities (Net)	11	7,55,237	5,32,332
Total Non Current Liability		1,54,49,307	41,50,959
Current Liabilities:			
Financial Liabilities			
Borrowings	12	6,39,72,861	6,39,72,861
Trade payables	13	8,58,203	28,46,872
Other Financial Liabilities	14	-	14,58,333
Other current liabilities	15	26,90,650	33,70,418
Total Current Liability		6,75,21,714	7,16,48,484
TOTAL EQUITY AND LIABILITY		6,63,89,842	5,70,59,551

Significant Accounting Policies & Notes to Financial Statement 1-29


As per our report of even date attached


For Gupta Vaish & Co.

Chartered Accountants

Rajendra Gupta
Partner




Syed Zafar Subhan
DIN: 01104156


T. Nadesan
DIN: 01069445

Place: Prayagraj

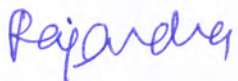
Date: June 25, 2021

FARCO FOODS PRIVATE LIMITED**Statement of Profit and Loss for the Year ended 31st March, 2021**

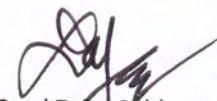
	Note	Year ended 31st March, 2021	Year ended 31st March, 2020
Revenue From Operations	16	4,37,23,589	4,96,24,821
Other Income	17	23,36,418	10,41,499
Total Income		4,60,60,007	5,06,66,320
EXPENSES:			
Employees Benefit Expenses	18	1,87,54,394	1,98,20,784
Finance Cost		11,24,674	2,37,929
Depreciation and amortization expense	19	10,64,546	9,81,354
Other expenses	20	2,22,52,574	2,53,67,434
Total Expenses		4,31,96,189	4,64,07,501
PROFIT BEFORE EXCEPTIONAL ITEMS:		28,63,819	42,58,819
PROFIT BEFORE TAX:		28,63,819	42,58,819
Tax Expense:			
(1) Current tax		4,82,200	10,70,000
(2) Deferred Tax		2,22,905	36,949
PROFIT FOR THE YEAR		21,58,714	31,51,870
OTHER COMPREHENSIVE INCOME:			
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		21,58,714	31,51,870
Earnings per equity share (face value of Rs. 100/- each) Basic and Diluted	21	2.40	3.50

1-29


Significant Accounting Policies & Notes to Financial Statements
As per our report of even date attached
For Gupta Vaish & Co.
Chartered Accountants



Rajendra Gupta
Partner



Syed Zafar Subhan
DIN: 01104156



T. Nadesan
DIN: 01069445

Place: Prayagraj
Date: June 25, 2021

FARCO FOODS PRIVATE LIMITED'

Notes on Financial Statements for the year ended 31st March, 2021

2 PROPERTY, PLANT AND EQUIPMENT:

PARTICULARS	GROSS BLOCK							
	As At 1st April, 2019	Additions	Deductions/ Adjustments	As At 31st March, 2020	As At 1st April, 2020	Additions	Deductions/ Adjustments	As At 31st March, 2021
Freehold Land	82,55,510	-	-	82,55,510	82,55,510	-	-	82,55,510
Factory Building	64,04,189	4,99,222	-	69,03,411	69,03,411	2,25,25,647	-	2,94,29,059
Plant And Equipments	1,56,81,023	18,13,477	-	1,74,94,499	1,74,94,499	5,60,449	-	1,80,54,948
Furniture And Fixture	3,97,209	2,75,776	-	6,72,985	6,72,985	-	-	6,72,985
Vehicles	17,79,834	-	-	17,79,834	17,79,834	-	-	17,79,834
Office Equipments	73,780	-	-	73,780	73,780	-	-	73,780
Computers	3,57,668	25,900	-	3,83,568	3,83,568	28,500	-	4,12,068
Capital Work in Progress	3,29,49,212	26,14,375	-	3,55,63,587	3,55,63,587	2,31,14,596	-	5,86,78,183
Total	3,29,49,212	26,14,375	-	3,55,63,587	3,55,63,587	2,31,14,596	-	5,86,78,183

DEPRECIATION AND AMORTIZATION

PARTICULARS	NET BLOCK							
	Upto 1st April, 2019	For The Year	Deductions	Upto 31st March, 2020	Upto 1st April, 2020	For The Year	Deductions	Upto 31st March, 2021
Factory Building	39,94,662	2,28,981	-	42,23,643	42,23,643	4,37,007	-	46,60,649
Plant And Equipments	1,20,98,370	4,92,575	-	1,25,90,945	1,25,90,945	3,63,092	-	1,29,54,037
Furniture And Fixture	3,77,348	6,550	-	3,83,898	3,83,898	26,199	-	4,10,097
Vehicles	11,25,582	2,08,791	-	13,34,373	13,34,373	2,08,791	-	15,43,164
Office Equipments	70,091	-	-	70,091	70,091	-	-	70,091
Computers	2,80,251	44,457	-	3,24,709	3,24,709	29,458	-	3,54,167
Capital work in progress	1,79,46,305	9,81,354	-	1,89,27,658	1,89,27,658	10,64,546	-	1,99,92,205
Total	1,79,46,305	9,81,354	-	1,89,27,658	1,89,27,658	10,64,546	-	1,99,92,205

PARTICULARS	NET BLOCK	
	As At 31st March, 2021	As At 31st March, 2020
Freehold Land	82,55,510	82,55,510
Factory Building	2,47,68,409	26,79,769
Plant And Equipments	51,00,911	49,03,554
Furniture And Fixture	2,62,888	2,89,087
Vehicles	2,36,670	4,45,462
Office Equipments	3,689	3,689
Computers	57,901	58,859
Capital Work in Progress	3,86,85,978	1,66,35,930
Total	3,86,85,978	1,42,76,595
Total	3,86,85,978	3,09,12,525

Capital Work in Progress



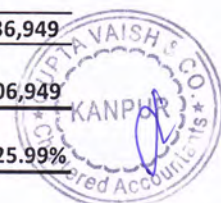
Notes on Financial Statements for the year ended 31st March, 2021

	As At 31st March, 2021	As At 31st March, 2020
3 Trade Receivables		
Trade Receivables Considered good, Secured	30,64,598	28,25,461
Total	30,64,598	28,25,461
4 Cash and Cash Equivalents		
Balance with Banks		
In current account	21,13,142	34,89,360
In Fixed Deposit (Pledged with Bank)	-	74,87,570
Cash on Hand	1,54,524	80,454
Total	22,67,666	1,10,57,384
5 Other Bank Balances		
Balance In Fixed Deposits with bank	1,45,62,080	67,58,124
Total	1,45,62,080	67,58,124
6 Other Financial Assets		
Interest accrued on FDR with Bank	4,72,435	5,44,655
Total	4,72,435	5,44,655
7 Other Current Assets		
(Unsecured and Considered Good)		
Security Deposits	7,30,115	6,26,115
Prepaid expenses	15,825	28,573
ITC Receivable	14,181	-
Advances Recoverable in cash or in Kind	7,81,613	1,18,486
Total	15,41,734	7,73,174
9 Retained Earnings	As At 31st March, 2021	As At 31st March, 2020
Opening Balance	(2,77,39,893)	(3,08,91,763)
Add:- Net Profit for the year	21,58,714	31,51,870
Total	(2,55,81,179)	(2,77,39,893)
Non Current liability:		
Financial Liability :		
10 Borrowings		
Secured Loan from Bank (Secured by hypothecation of Fixed Deposits & Land situated at Koraon)	1,46,94,070	36,18,627
Total	1,46,94,070	36,18,627
11 Deferred Tax Liabilities (Net)		
<u>Deferred Tax Liabilities</u>		
Related to Property, Plant and Equipment	7,55,237	5,32,332
<u>Deferred Tax Assets</u>		
Related to Property, Plant and Equipment	-	-
Total	7,55,237	5,32,332
Current liability:		
Financial Liability :		
12 Borrowings		
Unsecured Loan from Related Party	6,39,72,861	6,39,72,861
Total	6,39,72,861	6,39,72,861
13 Trade Payables		
Dues towards Medium Enterprises and small enterprises	-	-
Dues towards others	8,58,203	28,46,872
Total	8,58,203	28,46,872
14 Other Financial Liabilities		
Current Maturity of long term Debt	-	14,58,333.00
	-	14,58,333
15 Other Current Liabilities		
GST Payable (Net of ITC)	4,44,441	4,00,325
Security Deposits	5,00,000	5,00,000
Other Payables *	17,46,209	24,70,093
*(Includes Employee Liabilities & Statutory Dues etc)		
Total	26,90,650	33,70,418



Notes on Financial Statements for the year ended 31st March, 2021

	Year ended 31st March, 2021	Year ended 31st March, 2020
16 Revenue from Operations		
Sale of product(Job Charges)	4,37,23,589	4,96,24,821
Total	4,37,23,589	4,96,24,821
17 Other Income		
Interest Received	8,52,765	10,41,499
Liability Written Off	14,83,653.25	-
Total	23,36,418	10,41,499
18 Employee Benefits Expense		
Salaries and Wages	1,80,39,710	1,91,83,784
Contribution to Provident & Other Funds	4,36,709	4,46,321
Workmen & Staff Welfare Expenses	2,77,975	1,90,589
Total	1,87,54,394	1,98,20,694
19 Depreciation and Amortisation Expenses :		
Depreciation	10,64,546	9,81,354
Total	10,64,546	9,81,354
20 Other Expenses		
Manufacturing Expenses:		
Power & Fuel	1,67,60,834	1,84,39,997
Repair to Building	1,23,221	1,63,696
Repair to Plant & Machinery	10,85,727	12,08,370
Other Manufacturing Expenses	4,20,907	4,17,079
Total (A)	1,83,90,689	2,02,29,142
Establishment Expenses:		
Audit Fee	29,500	29,500
Rent	8,42,000	3,90,450
Sundry Balances Written off	-	540
Freight & Handling charges	1,48,731	1,49,953
Directors' Sitting Fee	1,40,000	1,60,000
Professional Charges	20,14,500	29,93,250
Rates and Taxes	29,609	26,843
Misc. Expenses	6,57,546	13,87,756
Total (B)	38,61,885	51,38,292
Total (A+B)	2,22,52,574	2,53,67,434
	Year ended	Year ended
	31st March, 2021	31st March, 2020
21 Reconciliation of Effective Tax Rate:		
The income tax expense for the year can be reconciled to the		
Profit Before Tax	28,63,819	42,58,819
Applicable Tax Rate	26.00%	26.00%
Computed Tax Expense	7,44,593	11,07,293
Tax effect of:		
Deduction (Depreciation)	1,42,110	1,42,110
Other Deduction (Unabsorbed Depreciation)	-	-
	27,21,709	41,16,709
Current Tax Provisions (A)	4,82,200	10,70,000
Incremental Deferred Tax Liability on account of Tangible and	2,22,905	36,949
Incremental Deferred Tax Asset on account of Financial Assets	-	-
Deferred Tax Provisions (B)	2,22,905	36,949
Tax Expenses recognised in Statement of Profit and Loss (A+B)	7,05,105	11,06,949
Effective Tax Rate	24.62%	25.99%



	Year ended 31st March, 2021	Year ended 31st March, 2020
21 Reconciliation of Effective Tax Rate:		
The income tax expense for the year can be reconciled to the accounting profit as		
Profit Before Tax	28,63,819	42,58,819
Applicable Tax Rate	26.00%	26.00%
Computed Tax Expense	7,44,593	11,07,293
Tax effect of:		
Deduction (Depreciation)	1,42,110	1,42,110
Other Deduction (Unabsorbed Depreciation)	-	-
	<u>27,21,709</u>	<u>41,16,709</u>
Current Tax Provisions (A)	4,82,200	10,70,000
Incremental Deferred Tax Liability on account of Tangible and Incremental Deferred Tax Asset on account of Financial Assets	2,22,905	36,949
Deferred Tax Provisions (B)	2,22,905	36,949
Tax Expenses recognised in Statement of Profit and Loss (A+B)	7,05,105	11,06,949
Effective Tax Rate	24.62%	25.99%

22 Earning Per Share (EPS):

Net Profit After Tax As Per Statement Of Profit And Loss Attributable To Equity Shareholder As Numerator For Calculating Basic & Diluted EPS:	21,58,714	31,51,870
Number Of Equity Share Used As Denominator For Calculating Basic & Diluted EPS	9,00,000	9,00,000
Basic & Diluted Earning Per Share In Rupees	2.40	3.50
Face Value Per Equity Share In Rupees	10	10

23 Contingent Liability

There is no contingent liability as at 31st March, 2021

24 Related party disclosures as required under IND-AS-24 are given below:

Holding Company:

Shervani Industrial Syndicate Ltd.

Directors

Mr. Saleem Iqbal Shervani (Non Executive Director)
Mr. Syed Zafar Subhan (Non Executive Director)
Mr. T. Nadesan, Director (Non Executive Director)
Ms. Aradhika Chopra (Nominee Director)
Mr. Sajid Husain Siddiqui (Non Executive Director)
and their relatives

Related parties with whom transactions have taken place:

Short Term Benefits Remuneration

	Directors	Relatives
Current Year	-	11,50,000
(Previous Year)	-	-

Sitting Fee

	Directors	Relatives
Current Year	1,40,000	-
(Previous Year)	1,60,000	-

Unsecured Loan

	Directors	Relatives
Balance at the beginning and at the end of the year:		
Current Year	6,39,72,861	-
(Previous Year)	(6,39,72,861)	-

25 Balance of personal account of Debtors, Creditors, Unsecured Loans, Loans and advances, Security Deposits and other had not been confirmed and are subject to confirmation by the parties.

26 Gratuity and leave encashment payable to employees are accounted for on payment basis.

27 Provision for interest on unsecured loans has not been provided in the books.

28 The Company has not received the required information from Suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. Hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been made.

29 Previous year's figures have been regrouped/reclassified and restated wherever necessary to correspond with the current year's classification/disclosure.

