

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 29th Annual General Meeting of the Members of the Company will be held on Friday, the 29th September, 2023 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, 2023 together with the Director's Report and Auditor's Report thereon.
2. To ratify the appointment of M/s P. L. Tandon & Co. Chartered Accountants (Firm Registration No. 000186C) as the Statuary Auditors and to fix their remuneration.
3. To appoint a Director in place of Mr. Nadesan Thekkekara (DIN: 01069445) 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 : 30/05/2023

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, 2023.

<u>FINANCIAL RESULT</u>	<u>Rs. In Lakh</u>
Revenue from Operation	515.47
Profit before depreciation	48.09
Depreciation	18.97
Profit after depreciation	29.12
Current year tax/Earlier year tax	8.47
Profit after tax	20.65

DIVIDEND

The Board has not recommended any Dividend for the year ended on 31st March, 2023.

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 6016 MT of biscuits and earned profit of Rs. 20.65 Lacs. During the year under review, the profit has increased due to optimal use of the resources.

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.

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

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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(l)(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.

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 01st June 2022, 10th August 2022, 01st December 2022 and 10th March, 2023 in the manner prescribed in the Companies Act, 2013.

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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 2022-23. The Report of Secretarial Audit for the year 2022-23 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. 26 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.

STATUTORY AUDITORS

The Auditors' Report on the financial statements of the Company for the year ended March 31, 2023 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.

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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.

DIRECTORS

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company Mr. Nadesan Thekkekara (DIN: 01069445) 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: 30th May, 2023

INDEPENDENT AUDITOR'S REPORT

To the Members of FARCO FOODS PRIVATE LIMITED

Report on the Audit of the 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 2023, 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, 2023, and 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 there under, 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.

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.

Responsibility of Management for 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.

The 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 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.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2020 ("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:

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.

- a. 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.
- b. The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, statement of changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.



- c. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- d. On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- e. 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**.
- f. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:
Section 197(16) is not applicable to private companies and therefore the provision of section 197(16) is not applicable to the company.
- 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, 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.
 - iv. a) The Management has represented that, to the best of its knowledge and belief, 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, 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 it's knowledge and belief, 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, 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 such audit procedures we have 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)above contain any material mis-statement.

v. The company has not declared or paid any dividend during the year .

Date: 30.05.2023

Place: Prayagraj



**For P.L. Tandon & Co.
Chartered Accountants
Registration Number: 000186C**

P.P. Singh
**P.P.SINGH
(PARTNER)**

**Membership Number: 072754
UDIN 23072754BGWEDI6392**

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT
Re: FARCO FOODS PRIVATE LIMITED

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March, 2023, we report that:

- i. In respect of its Property, Plant and Equipment and Intangible Assets :
 - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
 - (B) The company does not have any intangible assets and therefore provision of para 3(i)(a)(B) of Companies (Auditor's Report) Order, 2020 are not applicable to company.
 - (b) All the property, plant and equipment 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 property, plant and equipment. 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.
 - (d) According to the information and explanations given to us, the company has not revalued its property, plant and equipments (including right of use assets) or intangible assets or both during the year.
 - (e) According to the information and explanations given to us, the company does not hold any benami property under the Benami Transactions (Prohibition) Act 1988 (45 of 1988) and rules made thereunder. Therefore provisions of paragraph 3(i) (e) of the Companies (Auditor's Report) Order, 2020 are not applicable to the company.
- ii. In respect of its Inventories:
 - (a) The company has no inventories. Therefore, the provisions of paragraph 3 (ii)(a) of the Companies (Auditor's Report) order, 2016, are not applicable to the company.
 - (b) During any point of time of the year, the company has not been sanctioned any working capital limits, from banks or financial institutions on the basis of security of



current assets; Therefore provisions of paragraph 3(ii)(b) of Companies (Auditor's Report) Order, 2020 are not applicable to company .

iii (a) In respect of loans secured or unsecured , investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability partnerships or any other parties , according to the information and explanations given to us :

The company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties and therefore provisions of paragraph 3(iii)(a) to 3 (iii)(e) of Companies (Auditor's Report) Order, 2020 are not applicable to company.

(f) The company has not granted loans or advances in the nature of loans to promoters , related parties as defined in clause(76) of section 2 of the companies act2013 which are repayable on demand or without specifying any terms or period of repayments . Therefore provisions of paragraph 3 (iii)(f) of Companies (Auditor's Report) Order, 2020 are not applicable to company.

iv In our opinion and according to the information and explanation given to us, the Company has not given any loan and has not made any investment . Therefore provisions of paragraph 3 (iv) of Companies (Auditor's Report) Order, 2020 are not applicable to company.

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 and the rules made thereunder . Therefore , the provisions of paragraph 3 (v) of the Companies (Auditor's Report) order, 2020, 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 goods and services tax, provident fund, employees' state insurance, income tax, sales tax, services 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 goods and services tax, Provident fund, Employees State Insurance, Income Tax, Sales Tax, Services Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and any other Statutory dues were in arrear as at 31st March, 2023 for a period more than six months from the date they became payable.

(b) According to the records of the company, there are no dues of goods and services tax, provident fund, Employees State Insurance, Income Tax, Sales Tax, Services Tax, Duty of Custom, Duty of Excise, Value Add Tax, Cess which have not been deposited on account of any dispute

viii According to the information and explanations given to us, there is no transactions which have not been recorded in the books of account but have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix(a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us, the company has not been declared as willful defaulter by any bank or financial institution or other lender.

(c) In our opinion and according to the information and explanations given to us, the company has not obtained any loan by way of term loans during the year. Therefore, the provisions of paragraph 3 (ix) (c) of the Companies (Auditor's Report) order, 2020, are not applicable to the company.



- (d) According to the information and explanations given to us , and the procedure performed by us , and on the overall examination of the financial statements of the company , we report that no funds raised on short term basis have been used for long term purposes by the company.
- (e) According to the information and explanations given to us and procedure performed by us , the company does not have any subsidiary, joint venture or associate companies and therefore the provisions of paragraph 3 (ix)(e) and 3(ix) (f) of the Companies (Auditor's Report) order, 2020, are not applicable to the company
- x(a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, provisions of paragraph 3(x)(a) of the Companies (Auditor's Report) order, 2020, are not applicable to the company.
- (b) 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 , partly or optionally convertible debentures during the year. Therefore provisions of paragraph 3(x)(b) of the Companies (Auditor's Report) order, 2020, are not applicable to the company.
- xi (a) According to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of our audit.
- (b) No report under sub- section (12) of section 143 of the Companies Act, has been filed by auditors in Form ADT- 4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government .
- (c) As represented to us by the management , there are no Whistle blower complaints received by the company during the year .
- xii In our opinion and according to the information and explanations given to us , the company is not a Nidhi Company. Accordingly , the provisions of paragraph 3 (xii) of the Companies (Auditors' Reeport) order , 2020 , 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 The company is not covered by section 138 of the Companies Act, 2013, related to appointment of internal auditor of the company. Therefore, the company is not required to appointed any internal auditor. Therefore, the provisions of Clause (xiv) of paragraph 3 of the order are not applicable to the Company.
- xv According to the information and explanations given to us , in our opinion during the year the company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the company.
- xvi(a) The Company is not required to be registered under section 45 –IA of the Reserve Bank of India Act 1934.
- (b) The company has not conducted any Non- Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from Reserve Bank of India.
- (c) The company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Therefore provisions of paragraph 3 (xvi)(c) of the Companies (Auditors' Report) order , 2020 , are not applicable to the company.
- (d) According to the information and explanations given to us , the company's group does not have more than one Core Investment Company (CIC) as part of the group
- xvii The company has not incurred cash losses during current financial year and in the immediately preceding financial year.
- xviii There has been no resignation of the statutory auditors during the year and therefor the provisions of paragraph 3(xviii) of the Companies (Auditors' Report) order , 2020 , are not applicable to the company.



- xix According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- xx(a) According to the information and explanations given to us and based on such audit procedures we have considered reasonable and appropriate in the circumstances, section 135 of companies act is not applicable to the company. Therefore provisions of paragraph 3 (xx)(a) of the Companies (Auditors' Report) order, 2020, are not applicable to the company.
- xx(b) In view of our comments in paragraph 3(xx)(a) above, the provisions of paragraph 3 (xx)(b) of the Companies (Auditors' Report) order, 2020, are not applicable to the company.
- xxi The provisions of paragraph 3 (xxi) of the Companies (Auditors' Report) order, 2020, are not applicable to the company as company does not have consolidated financial statements.

Date: 30.05.2023

Place: Prayagraj



For P.L. Tandon & Co.
Chartered Accountants
Registration Number: 000186C


P.P.SINGH
(PARTNER)

Membership Number: 072754

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 2023 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 2023, 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: 30.05.2023

Place: Prayagraj



**For P.L. Tandon & Co.
Chartered Accountants
Registration Number: 000186C**

P.P. Singh

**P.P.SINGH
(PARTNER)**

Membership Number: 072754

FARCO FOODS PRIVATE LIMITED
Balance Sheet as at 31st March, 2023

		(Rs. In Lacs)	
ASSETS	Note	As At 31st March, 2023	As At 31st March, 2022
Non-Current Assets			
Property, Plant and Equipment	2	367.32	386.71
Total Non Current Assets		367.32	386.71
Current Assets			
Inventories	3	43.45	43.45
Financial Assets			
Trade Receivables	4	62.37	56.87
Cash and Cash Equivalents	5	50.18	36.68
Other Bank Balances	6	121.10	130.87
Other Financial Assets	7	10.23	11.44
Current Tax Assets (Net)		26.64	23.44
Other Current Assets	8	7.71	7.50
Total Current Assets		321.67	310.25
TOTAL ASSETS		688.99	696.96
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	9	90.00	90.00
Other Equity	10	(227.52)	(248.16)
Total Equity		(137.52)	(158.16)
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	11	97.15	138.78
Deferred Tax Liabilities (Net)	12	13.07	8.97
Total Non Current Liability		110.22	147.75
Current Liabilities			
Financial Liabilities			
Borrowings	13	649.73	639.73
Trade Payables	14	27.00	32.16
Other Current Liabilities	15	39.57	35.48
Total Current Liability		716.29	707.37
TOTAL EQUITY AND LIABILITY		688.99	696.96

Significant Accounting Policies & Notes to Financial Statements

1-50

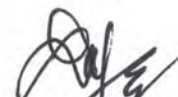
As per our report of even date attached


For P L Tandon & Co.

Chartered Accountants


P. P. Singh
Partner




Syed Zafar Subhan
DIN: 01104156


T. Nadesan
DIN: 01069445

Place: Prayagraj

Date: May 30, 2023

FARCO FOODS PRIVATE LIMITED

Statement of Profit and Loss for the Year ended 31st March, 2023

	Note	(Rs. In Lacs)	
		Year ended 31st March, 2023	Year ended 31st March, 2022
Revenue From Operations	16	515.47	456.36
Other Income	17	13.80	7.48
Total Income		529.27	463.84
EXPENSES			
Change in Inventories	18	-	-
Employees Benefit Expenses	19	247.07	184.43
Finance Cost	20	12.70	15.91
Depreciation and Amortization Expense	21	18.97	15.87
Other Expenses	22	221.42	236.88
Total Expenses		500.15	453.09
PROFIT BEFORE TAX		29.12	10.75
Tax Expense			
(1) Current Tax		4.54	1.68
MAT Credit Entitlement		(1.61)	(1.68)
(2) Deferred Tax		5.70	3.10
(3) Tax Adjustment of Earlier years		(0.16)	-
PROFIT FOR THE YEAR		20.65	7.65
OTHER COMPREHENSIVE INCOME		-	-
Total Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		20.65	7.65
Earnings per equity share (face value of Rs. 10/- each)			
Basic and Diluted in Rs. Per share	23	2.29	0.85

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Significant Accounting Policies & Notes to Financial Statements


As per our report of even date attached

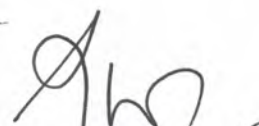
For P L Tandon & Co.

Chartered Accountants


P. P. Singh
Partner




Syed Zafar Subhan
DIN: 01104156


T. Nadesan
DIN: 01069445

Place: Prayagraj

Date: May 30, 2023

FARCO FOOD PRIVATE LIMITED

**Cash Flow Statement
For the year ended 31.03.2023**

Rs in Lacs

Particulars	2022-23		2021-22	
A. Cash Flow from Operating Activities				
Net Profit/(Loss) before tax		29.12		10.75
Adjustments for:				
Depreciation & Amortization Exp.	18.97		15.87	
Finance Cost	12.70		15.91	
Interest Income	(6.71)	20.94	(7.44)	24.34
Operating profit before working capital changes		50.06		35.09
Adjustments for working capital changes:				
(Increase) / Decrease in Trade Receivables	(5.50)		(26.22)	
(Increase) / Decrease in Other Financial Assets	1.04			
(Increase) / Decrease in Other Current Assets	(0.21)		0.62	
Increase / (Decrease) in Trade and other Payables	(1.07)	(5.74)	32.15	6.55
Cash generated from Operation during the year		44.32		41.64
(Taxes Paid) /Refund Received(Net)		(7.58)		(10.62)
Net Cash from Operating Activities	(A)	36.74		31.02
B. Cash-Flow from Investing activities				
Movement in Fixed Deposits	9.77		14.75	
Interest received	6.88		8.03	
Fixed Assets Net(Sold/Purchase)	4.44		(15.72)	
Net Cash from Investing Activities	(B)	21.09		7.06
C. Cash-Flow from Financing activities				
Loans & Borrowings	(31.63)		(8.16)	
Interest Paid	(12.70)		(15.92)	
Net Cash from Financing Activities	(C)	(44.33)		(24.08)
Net Increase in Cash & cash Equivalents	(A+B+C)	13.50		14.00
Opening Balance of Cash & cash Equivalents		36.68		22.68
Closing Balance of Cash & Cash Equivalents		50.18		36.68

Notes:

- 1 Cash and Cash Equivalents consists of Cash in hand and balance in bank.
- 2 Reconciliation of cash and cash equivalent :
Cash and cash equivalent as per Note No.5
- 3 Refer Note No 13.1 with regard to change in Financing Activities.

Significant Accounting Policies & Notes to Financial Statements


1:50

As per our report of even date attached
For P L Tandon & Co.
Chartered Accountants

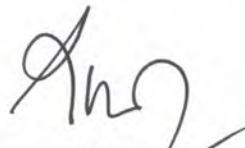


P. P. Singh
Partner





Syed Zafar Subhan
DIN: 01104156



T. Nadesan
DIN: 01069445

Place: Prayagraj
Date: May 30, 2023

FARCO FOODS PRIVATE LIMITED'

Notes on Financial Statements for the year ended 31st March, 2023

2 PROPERTY, PLANT AND EQUIPMENT:

PARTICULARS	GROSS BLOCK						
	As At 1st April, 2021	Additions	As At 31st March, 2022	As At 1st April, 2022	Additions	Deductions/ Adjustments	As At 31st March, 2023
Leasehold Land	82.56	-	82.56	82.56	-	-	82.56
Factory Building	294.29	-	294.29	294.29	-	-	294.29
Temporary Structure	-	15.28	15.28	15.28	-	-	15.28
Plant And Equipments	180.55	0.26	180.81	180.81	0.40	-	181.20
Furniture And Fixture	6.73	-	6.73	6.73	-	-	6.73
Vehicles	17.80	-	17.80	17.80	-	16.50	1.30
Office Equipments	0.74	-	0.74	0.74	-	-	0.74
Computers	4.12	0.19	4.31	4.31	-	-	4.31
Total	586.78	15.72	602.50	602.50	0.40	16.50	586.40

PARTICULARS	DEPRECIATION AND AMORTIZATION						
	Upto 1st April, 2021	For The Year	Upto 31st March, 2022	Upto 1st April, 2022	For The Year	Deductions	Upto 31st March, 2023
Factory Building	46.61	9.56	56.17	56.17	14.07	-	70.24
Temporary Structure	0.00	0.40	0.40	0.40	0.34	-	0.74
Plant And Equipments	129.54	4.02	133.57	133.57	4.05	-	137.61
Furniture And Fixture	4.10	0.26	4.36	4.36	0.26	-	4.62
Vehicles	15.43	1.42	16.85	16.85	0.06	15.68	1.23
Office Equipments	0.70	0.00	0.70	0.70	-	-	0.70
Computers	3.54	0.20	3.74	3.74	0.20	-	3.94
Total	199.92	15.87	215.79	215.79	18.97	15.68	219.08

PARTICULARS	NET BLOCK	
	As At 31st March, 2023	As At 31st March, 2022
Leasehold Land	82.56	82.56
Factory Building	224.05	238.12
Temporary Structure	14.54	14.88
Plant And Equipments	43.59	47.24
Furniture And Fixture	2.10	2.37
Vehicles	0.07	0.95
Office Equipments	0.04	0.04
Computers	0.37	0.57
Total	367.32	386.71



Notes on Financial Statements for the year ended 31st March, 2023

	As At 31st March, 2023	As At 31st March, 2022
3 Inventories (At Lower of Cost or NRV)		
Live Stock at the end of the year	43.45	43.45
	43.45	43.45
4 Trade Receivables		
Trade Receivables Considered Good, Unsecured (Refer Note No. 47)	62.37	56.87
Total	62.37	56.87
5 Cash and Cash Equivalents		
Balance with Banks		
In Current Account	50.00	21.66
Cash in Hand	0.17	15.02
Total	50.18	36.68
6 Other Bank Balances		
Balance In Fixed Deposits with Bank (Pledged with Bank)	121.10	130.87
Total	121.10	130.87
7 Other Financial Assets		
Interest accrued on FDR with Bank	3.97	4.14
Security Deposits	6.26	7.30
Total	10.23	11.44
8 Other Current Assets		
Prepaid expenses	0.38	0.12
ITC Receivable	0.05	0.03
Advances Recoverable in cash or in Kind	7.28	7.35
Total	7.71	7.50
9 Share Capital		
Authorised Capital		
1000000 Equity Shares of Rs. 10/- each	100.00	100.00
Total	100.00	100.00
9.1 Issued, Subscribed & Fully Paid Up		
900000 (Previous Year: 900000) Equity Shares of Rs. 10/- each fully paid up	90.00	90.00
Total	90.00	90.00

9.2 Rights, Preferences and restrictions attached to equity shares:

The Company has Equity & Deferred Shares and all equity & Deferred Shares rank equally with regard to dividend and share in the Company's residual assets. The equity shareholders are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share in the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.



9.3 Reconciliation of Number of shares outstanding at the beginning and end of the year

	Number of shares*	Amount (in lacs)
Outstanding at the 1st April 2021	9,00,000	90.00
Equity shares issued during the year	-	-
Outstanding at the 31st March 2022	9,00,000	90.00
Equity shares issued during the year	-	-
Outstanding at the 31st March 2023	9,00,000	90.00

	As At 31st March 2023	As At 31st March 2022
9.4 The details of Shareholders holding more than 5% shares:	No Of Shares	No Of Shares
Shervani Industrial Syndicate Limited (Holding Company)	900000	900000

9.5 Shareholding Of Promoters:

Shares held by promoters at the end of the year			
Promoters Name	No. Of Shares	% Of Total Shares	% Change During The Year
Shervani Industrial Syndicate Limited (Holding Company)	900000	100%	Nil

	As At 31st March 2023	As At 31st March 2022
10 Other Equity		
Retained Earnings		
Balance at the beginning of the year	(248.16)	(255.81)
Add:- Net Profit for the year	20.65	7.65
Total	<u>(227.52)</u>	<u>(248.16)</u>

10(a) Retained Earnings

Retained earnings represent the cumulative Loss of the company.

Liabilities

Non Current Liability

Financial Liability

11 Borrowings

Secured Loan from Bank (Secured by hypothecation of Fixed Deposits & Land situated at Koraon)

	97.15	138.78
Total	<u>97.15</u>	<u>138.78</u>

12 Deferred Tax Liabilities (Net)

Deferred Tax Liabilities

Related to Property, Plant and Equipment

16.36 12.26

Deferred Tax Assets

Unabsorbed Depreciation

- (1.61)

Total

16.36 10.65

Less: MAT Credit Receivable

(3.29) (1.68)

13.07 8.97

Current Liability

Financial Liability

13 Borrowings

Unsecured Interest Free Loan from Holding Company

639.73 639.73

Unsecured Interest Free Loan from Director

10.00 -

Total

649.73 639.73



13.1 CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Particulars	Current Borrowings	Non Current Borrowings Including Current Maturity of long term Borrowings
Opening balance as at 1st April 2021	639.73	146.94
Addition/(Deletion) During the year	-	(8.16)
Interest Expenses	15.91	-
Balance as at March 2022	639.73	138.78
Addition/(Deletion) During the year	10.00	(41.63)
Interest Expenses	12.70	-
Cash Flow (Net)	22.70	(41.63)
Balance as at March 2023	649.73	97.15

14 Trade Payables
(Refer Note No. 48)

Dues towards others	27.00	32.16
Total	27.00	32.16

15 Other Current Liabilities

GST Payable	7.73	6.48
Security Deposits	5.00	5.00
Other Payables *	26.83	24.00
*(Includes Employee Liabilities & Statutory Dues etc)		
Total	39.57	35.48



Notes on Financial Statements for the year ended 31st March, 2023

	Year ended 31st March, 2023	Year ended 31st March, 2022
16 Revenue from Operations		
Sale of product(Job Charges)	493.92	445.52
Sale of Live stock	21.55	10.84
Total	515.47	456.36
17 Other Income		
Interest Received	6.71	7.44
Profit/Loss on sale of Assets	4.02	-
Sundry balances Written back	3.07	-
Misc. Receipts	-	0.04
Total	13.80	7.48
18 Change in Inventories		
Live stock (at the end of the year)	43.45	43.45
Inventories (at commencement)	43.45	43.45
Live stock	(43.45)	(43.45)
Change in inventories	(43.45)	(43.45)
19 Employee Benefits Expense		
Salaries and Wages	240.63	178.06
Contribution to Provident & Other Funds	3.89	4.30
Workmen & Staff Welfare Expenses	2.55	2.07
Total	247.07	184.43
20 Finance Cost		
Interest Paid for Bank Borrowings	12.70	15.91
	12.70	15.91
21 Depreciation and Amortisation Expenses		
Depreciation	18.97	15.87
Total	18.97	15.87
22 Other Expenses		
Manufacturing Expenses		
Power & Fuel	169.22	162.84
Repair to Building	0.66	1.30
Repair to Plant & Machinery	8.51	9.15
Other Manufacturing Expenses	1.16	4.96
Total (A)	179.54	178.25
Establishment Expenses		
Audit Fee	0.30	0.30
Rent	9.13	9.99
Freight & Handling charges	1.37	1.32
Directors' Sitting Fee	1.50	1.40
Rates and Taxes	1.03	0.25
Rearing Expenses	15.06	25.92
Maintenance Charges (UPSIDA)	2.40	12.48
Misc. Expenses	11.10	6.97
Total (B)	41.88	58.63
Total (A+B)	221.42	236.88
23 Earning Per Share (EPS):	Year ended 31st March, 2023	Year ended 31st March, 2022
Net profit available for equity shareholders (Used as Numerator for calculating EPS)	20.65	7.65
Weighted Average No. of equity shares (Used as Denominator for calculating EPS)	900000	900000
Basic and Diluted Earning per share of Rs. 10/-	2.29	0.85
Face Value Per Equity Share (In Rupees)	10	10



24 Reconciliation of Effective Tax Rate

The income tax expense for the year can be reconciled to the accounting profit as follows

Profit Before Tax	29.12	10.75
Applicable Tax Rate	0.27	0.27
Computed Tax Expense	7.79	2.88
Tax effect of Deduction (Depreciation)	11.67	16.92
	17.45	(6.18)
Current Tax Provisions (A)	2.77	-
Incremental Deferred Tax Liability on account of Tangible and Intangible Assets	4.10	(4.71)
Incremental Deferred Tax Asset on account of Financial Assets and Other Items	1.61	1.61
Deferred Tax Provisions (B)	5.70	(3.10)
	8.47	(3.10)
Tax Expenses recognised in Statement of Profit and Loss (A+B)	8.47	(3.10)
Effective Tax Rate	29.09%	28.84%

25 Contingent Liability

There is no contingent liability as at 31st March, 2023

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

Related Party disclosures as required under section 188 of Companies Act, 2013 has been made with whom transactions has been made during the year.

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)

The Following Transactions were carried with above Related Parties in the ordinary course of Business and on terms equivalent to those that prevail in arm's length transaction:-

	Directors	Relatives
Short Term Benefits Remuneration		
Current Year	-	15.01
(Previous Year)	-	(14.40)
Sitting Fee		
Current Year	1.50	-
(Previous Year)	(1.40)	-
Unsecured Loan		
Balance at the beginning and at the end of the year:		
Current Year	649.73	-
(Previous Year)	(639.73)	-

27 Balance of personal account of Trade Receivable, Trade Payable, Unsecured Loans, Loans and advances, Security Deposits and other had not been confirmed and are subject to confirmation by the parties.

28 Financial Instruments and Related Disclosures

Capital Management:

The Company's financial strategy aims to support its strategic priorities and provide adequate capital to its businesses for growth and creation of sustainable stakeholder value. The Company funds its operations majorly through internal accruals. The Company aims at maintaining a strong capital base largely towards supporting the future growth of its businesses as a going concern.

Categories of Financial Instruments

Particulars	Note	As at 31st March, 2023		As at 31st
		Carrying Value	Fair Value	Carrying Value
A. FINANCIAL ASSETS				
Measured at amortized cost				
Trade Receivables	4	62.37	62.37	56.87
Cash and Cash Equivalents	5	50.18	50.18	36.68
Other Bank Balances	6	121.10	121.10	130.87
Other Financial Assets	7	10.23	10.23	11.44
Total Financial Assets		243.88	243.88	235.86



B. FINANCIAL LIABILITIES**Measured at amortized cost**

Borrowings	11 & 13	746.88	746.88	778.51	778.51
Trade Payables	14	27.00	27.00	32.16	32.16
Other Financial Liabilities		100.04	100.04	98.41	98.41
Total Financial Liabilities		873.92	873.92	909.08	909.08

29 FINANCIAL RISK MANAGEMENT OBJECTIVES:

The company's has proper system of risk management policies and procedure and internal financial control aimed at ensuring early identification Evaluation and management of key financial risks (Such as credit risk, liquidity risk and market risk)that may cause as a consequence of business of operation as well as its investing and financial activities. Risk management policies and systems are reviewed regularly to reflect changes in market condition and the company's activities.

The company has exposure to the following risks arising from financial instruments:

- Credit Risk
- Liquidity Risk
- Market Risk

Credit Risk :**Liquidity Risk :**

The risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Prudent The company's approach to managing liquidity is to ensure , as far as possible , that the company will have sufficient liquidity to meets its liabilities when they are due under both normal and stressed conditions without incurring unacceptable loss or damage to the company's goodwill/reputation . The company is able to settle or meet obligations as they become due.

Market Risk :

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

The company is not an active investor in equity markets and therefore There is no Market Risk.

FAIR VALUE MEASUREMENT:**Fair value hierarchy:**

Fair value of the financial instruments is classified in various fair value hierarchies based on the following three levels:

Level 1:

Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A quoted price in an active market provides

Level 2:

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3:

Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs shall be used to measure fair value to the extent that relevant observable inputs are not The fair value of trade receivable, trade payable and current financial assets and liabilities is considered to be equal to the carrying amounts of these items due their short term nature.

- 30 The Government of India on September 20, 2019, vide the Taxation Law (Amendment) Ordinance 2019, inserted a new section 115BAA in the Income Tax Act, 1961 which provides domestic companies a non-reversible option to pay Corporate Tax at reduced rate effective, April 01, 2019, subject to certain conditions. The Company is continuing to provide for income tax at old rates based on the available unutilised minimum alternative tax credit.
- 31 The company did not enter any transaction with companies struck off under section 24B of the Companies Act, 2013 or section 560 of Companies Act, 1956. There are no outstanding balances (payable to / receivable from) with struck off companies.
- 32 There are no charges or satisfaction yet to be registered with ROC beyond the statutory period as no loan/guarantee have been taken by the company.
- 33 The company has complied with number of layers of companies.
- 34 The company has not entered in any Scheme of Arrangements and no Scheme of Arrangements has been approved by the Competent Authority in terms of section 230 to 237 of the Companies Act 2013.
- 35 The company did not held any Benami Properties and no proceedings has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibiton) Act, 1988 (45 of 1988) and rules made thereunder.
- 36 The company is not declared willful defaulter by any bank or financial institution or any other lender.
- 37 The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.
- 38 All transactions have been recorded in the books of account and there are no unrecorded income have been disclosed during the year in the tax assessments under the Income-Tax Act, 1961. Moreover there are no unrecorded income and related assets pertaining to previous years.
- 39 The Company has complied with the number of layers prescribed under (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.
- 40 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.



- 41 The Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 42 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, 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.
- 43 Gratuity and leave encashment payable to employees are accounted for on payment basis.
- 44 Provision for interest on unsecured loans has not been provided in the books.
- 45 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.
- 46 Previous year's figures have been regrouped/reclassified and restated wherever necessary to correspond with the current year's classification/disclosure.



47 Trade Receivables Ageing As on 31.03.2023

Particulars	Outstanding for Following Periods from due date of payment as at 31st March,2023					(Rs.In Lacs)
	Less than 6 Months	6 Months- 1 Year	1-2 Years	2-3 Years	More Than 3 Years	Total
Undisputed Trade Receivables – Considered Good	62.32	-	-	-	-	62.32
Considered Doubtful – Credit Impaired	0.05	-	-	-	-	0.05
Disputed Trade Receivables – Considered Good	-	-	-	-	-	-
Disputed Trade Receivables – Credit Impaired	-	-	-	-	-	-
Total	62.37	-	-	-	-	-
Less: Disputed Trade Receivable-Provision For Impairment	-	-	-	-	-	62.37
Total	62.37	-	-	-	-	62.37

Trade Receivables Ageing As on 31.03.2022

Particulars	Outstanding for Following Periods from due date of payment as at 31st March,2022					(Rs.In Lacs)
	Less than 6 Months	6 Months- 1 Year	1-2 Years	2-3 Years	More Than 3 Years	Total
Undisputed Trade Receivables – Considered Good	56.87	-	-	-	-	56.87
Considered Doubtful – Credit Impaired	-	-	-	-	-	-
Disputed Trade Receivables – Considered Good	-	-	-	-	-	-
Disputed Trade Receivables – Credit Impaired	-	-	-	-	-	-
Total	56.87	-	-	-	-	-
Less: Disputed Trade Receivable-Provision For Impairment	-	-	-	-	-	56.87
Total	56.87	-	-	-	-	56.87

48 Trade Payable Ageing As on 31.03.2023

Particulars	Outstanding for Following Periods from due date of payment as at 31st March,2023				(Rs.In Lacs)
	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	Total
Micro Enterprises and Small Enterprises	-	-	-	-	-
Creditors Other than Micro Enterprises and Small Enterprises	21.46	4.29	0.10	1.15	27.00
Total	21.46	4.29	0.10	1.15	27.00

Trade Payable Ageing As on 31.03.2022

Particulars	Outstanding for Following Periods from due date of payment as at 31st March,2022				(Rs.In Lacs)
	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	Total
Micro Enterprises and Small Enterprises	-	-	-	-	-
Creditors Other than Micro Enterprises and Small Enterprises	27.35	3.01	0.13	1.67	32.16
Total	27.35	3.01	0.13	1.67	32.16



49 Accounting Ratios					
Sl. No.	Ratios	Current Reporting Period	Previous Reporting Period	% Variance*	Reason for Variance above 25%
1	Current Ratio	0.45	0.38	18.18%	-
2	Debt Equity Ratio	(5.43)	(4.92)	10.39%	-
3	Debt Service Coverage Ratio	4.79	2.67	79.28%	THERE IS INCREASE IN PROFIT AS WELL AS DECREASE IN INTEREST EXPENSE WHICH HAS IMPACTED THE RATIO.
4	Return on Equity (%)	NA	NA	-	-
5	Inventory Turnover Ratio	NA	NA	-	-
6	Trade Receivable Turnover Ratio	8.65	15.38	-43.79%	THERE IS INCREASE IN TRADE RECEIVABLE AND CREDIT TURNOVER WHICH IMPACTED THE RATIO
7	Trade Payable Turnover Ratio	NA	NA	No trade payables are being there	-
8	Net Capital Turnover Ratio	(1.30)	(1.03)	26.42%	THE INCREASE IN NET SALES IMPACTED THE RATIO.
9	Net Profit Ratio (%)	4.01%	1.68%	138.45%	THE INCREASE IN PROFIT AND TURNOVER AFTER TAX AND INTEREST HAS IMPACTED THE RATIO
10	Return on Capital Employed (%)	6.72%	4.24%	58.46%	THE INCREASE IN PROFIT AND TURNOVER BEFORE TAX AND INTEREST HAS IMPACTED THE RATIO
11	Return on Investment (%)	NA	NA	No investments are being held	-

FORMULAE FOR COMPUTATION OF RATIOS:

S. No.	Ratios	Numerator	Denominator
1	Current Ratio	Current Assets	Current Liabilities
2	Debt Equity Ratio	Total Debt	Shareholder's Equity
3	Debt Service Coverage Ratio	Earnings Available for Debt Service (EBITDA)	Debt Service (Intt+Principal)
4	Return on Equity	Net Profits after taxes – Preference Dividend (if any)	Average Shareholder's Equity
5	Inventory Turnover Ratio	COGS OR SALES	Average Inventory
6	Trade Receivables Turnover Ratio	Net Credit Sales	Average trade receivables
7	Trade Payables Turnover Ratio	Net Credit Purchases	Average Trade Payables
8	Net Capital Turnover Ratio	Net Sales	Average Working Capital (CA-CL)
9	Net Profit Ratio	Net Profit	Net Sales
10	Return on Capital Employed	Earnings before Interest and Tax	Capital Employed (where CE= Tangible Net Worth + Total Debt + Deferred Tax Liability)
11	Return on Investment	{MV(T1) – MV(T0) – Sum [C(t)]}	{MV(T0) + Sum [W(t) * C(t)]}

50 APPROVAL OF FINANCIAL STATEMENTS:

The financial statements were approved for issue by the board of directors on 30th May 2023.

