



## INDEPENDENT AUDITOR'S REPORT

To

The Members of Kanchi Agro Product Private Limited

### Report on the audit of the Indian Accounting Standards (Ind AS) Financial Statement

#### Opinion

1. We have audited the accompanying Ind AS financial statements of Kanchi Agro Product Private Limited ("the Company"), which comprise the balance sheet as at March 31, 2023, and the statement of profit and loss (including other comprehensive income), 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 (hereinafter referred to as "the Financial Statements").
2. 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 Companies Act, 2013 ("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, the Profit (including Other Comprehensive Income), the cash flows and the changes in Equity for the year ended on that date.

#### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics, as amended, issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics, as amended. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Financial Statements.

#### Key audit matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.



## Other information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the Board's report including Annexures to the Board's report but does not include the Ind AS financial statements and our auditor's report thereon. Our opinion on the Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

## Responsibilities of management and those charged with governance for the Ind AS financial statements

6. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS 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 accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
7. In preparing the Ind AS 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 IndAS financial statements

8. Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS financial statements.



9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the Ind AS 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 Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements 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 Ind AS financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. 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.
11. 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**

12. 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 Act, we give in the Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
13. 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 (including other comprehensive income), the Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid Ind AS 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 and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2023 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 with reference to financials statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
- (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. There are no pending litigations involving the Company hence disclosure under Rule 11(a) is not applicable.
  - ii. The Company did not have any long-term contracts including derivative contracts on which there were material foreseeable losses.
  - iii. There has been no delay in transferring amounts, 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, no funds (which are material either individually or in the aggregate) 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 or entity, including foreign entity ("intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity



("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations as provided under (a) and (b) above, contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year ending 31st March 2023. Hence reporting under Rule 11(f) of Companies (Audit and Auditors) Rules, 2014 is not applicable.
- vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

14. As required by the section 197(16) of the Company's Act 2013;

The company being a private limited company, 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, in respect of whether the remuneration paid by the company to its directors during the year is in accordance with the provisions of section 197 of the Act is not applicable;

For P Chandrasekar LLP  
Chartered Accountants  
FRN: 000580S/S200066



S Raghavendhar  
Partner  
M. No. 244016  
UDIN:23244016BGQPZQ8621  
Chennai  
May 27, 2023



## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 13(f) of the Independent Auditor's Report of even date to the members of Kanchi Agro Product Private Limited on the Ind AS financial statements as of and for the year ended March 31, 2023.

### Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Kanchi Agro Product Private Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

2. 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 Act.

### Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements 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 deemed to be prescribed under section 143(10) of the Act 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 ICAI. 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 with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. 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 with reference to financial statements.



### Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements 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.

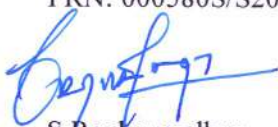
### Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 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.

For P Chandrasekar LLP  
Chartered Accountants  
FRN: 000580S/S200066



S Raghavendhar  
Partner

M. No. 244016

UDIN:23244016BGQPZQ8621

Chennai

May 27, 2023



## ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 13 of the Independent Auditor's Report of even date to the members of Kanchi Agro Product Private Limited on the Ind AS financial statements as of and for the year ended March 31, 2023

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i. The company does not have any Property, Plant and Equipment and Intangible Assets and hence reporting under clause (i) is not applicable.
- ii. a. The Management has conducted physical verification of inventory at reasonable intervals. In our opinion, the coverage and procedure of such verification is appropriate. No discrepancies of 10% or more in aggregate for each class of inventory were noticed on such physical verification.  
b. The Company did not have working capital limits in excess of Rupees five crores in aggregate from banks / or financial institutions during the year on the basis of security of the current assets of the Company. Hence reporting under clause ii(b) is not applicable.
- iii. a. During the year the Company has not made any investment in and provided unsecured loans to a Company. The Company has not provided any guarantee or security to any other company, firms, Limited Liability Partnerships or any other parties.  
b. The Company has not provided guarantees or security to Companies, Firms, Limited Liability Partnerships or any other parties, the investments made and the loans granted by the Companies are not prejudicial to the interests of the Company.  
c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loan or advance in the nature of loan to any party. Accordingly, reporting under clause 3(iii)(c), (d), (e) and (f) of the Order is not applicable.
- iv. The Company has not made any investments or issued any guarantee or security as covered under Section 185 or 186 of the Companies Act, 2013. Hence reporting under clause iv is not applicable.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the company. Hence, reporting under clause (vi) of the Order is not applicable.
- vii. According to the information and explanations given to us and based on our audit procedures, we report that:
  - a) the Company is regular in depositing with the appropriate authorities the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Customs Duty, Excise Duty, Cess, Goods and Service Tax to the appropriate authorities, as applicable. There were no undisputed amounts payable which were in arrears as at 31st March 2023 for a period of more than six months from the date they become payable.





- b) the Company has no disputed dues of Income Tax, Goods and Service Tax, Sales Tax, Excise Duty, Customs Duty and Value Added Tax which have not been deposited as on 31st March 2023.
- viii. The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3 (viii) of the Order is not applicable to the Company.
- ix. a. According to the records of the Company examined by us and the information and explanation given to us, the Company has not obtained any borrowing facility during the year. Hence reporting under clause (ix) is not applicable to the Company.
- b. The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- c. The Company had not obtained any term loans during the year, hence the reporting under clause ix (c) is not applicable to the Company.
- d. On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long term purposes by the Company.
- e. The Company did not have any associate or joint ventureduring the year ending 31<sup>st</sup> March 2023. The Company did not take any funds from any entity or person on account of or to meet the obligations of its Subsidiary.
- f. The Company did not have any associate or joint ventureduring the year ending 31<sup>st</sup> March 2023. The Company has not raised any moneys on pledge of securities held in its subsidiary.
- x. a. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) during the year. Accordingly, reporting under clause (x) (a) of the Order is not applicable.
- b. On an overall examination of the financial statements, we report that the Company has not made any preferential allotment or private placement of shares or convertible debentures during the year. Accordingly, reporting under clause (x) (b) of the Order is not applicable.
- xi. a. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- b. During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor / secretarial auditor or by us in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c. There were no whistle blower complaints received by the Company during the year.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.



- xiii. In our opinion, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Ind AS financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.
- xiv. The Company is not required to have an internal audit system as per the Companies Act, 2013. Hence reporting under clause 3(xiv) of the Order is not applicable.
- xv. According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with the director or persons connected with them as referred to in Section 192 of the Companies Act, 2013.
- xvi. a. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.
- b. The Company has not conducted any non-banking or housing finance activities.
- c. The Company is not a Core Investment Company as defined in the regulations made by the Reserve Bank of India. Accordingly, reporting under clause 3 (xvi) (c) of the Order is not applicable.
- d. There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3 (xvi) (d) of the Order is not applicable to the Company.
- xvii. The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- xviii. There has been no resignation of statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable.
- xix. On the basis of ratios disclosed in the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the meetings 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 the 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 upto the date of the audit report and we neither given any guarantee nor any assurance that all liabilities falling due withing one year from the balance sheet date, will get discharged by the Company as and when they fall due.



xx. The Company is not required to spend any amount towards Corporate Social Responsibility under section 135 of Companies Act, 2013. Hence reporting under the clause 3(xx) is not applicable.

For P Chandrasekar LLP  
Chartered Accountants  
FRN: 000580S/S200066



S Raghavendhar  
Partner

M. No. 244016

UDIN:23244016BGQPZQ8621

Chennai

May 27, 2023



**Kanchi Agro Product Private Limited**

Balance Sheet as at 31st March 2023

CIN No: U51909TN2022PTC151659

(All amounts are in lakhs of Indian rupees, unless otherwise stated)

Rs. In Lakh

Particulars	Notes	As at March 31, 2023
<b>Assets</b>		
<b>(i) Non-current assets</b>		
(a) Property, Plant and Equipment		-
		-
<b>(ii) Current assets</b>		
(a) Inventories	2	864.93
(b) Financial assets		
i. Trade Receivables	3	650.98
ii. Cash and Cash equivalents	4	156.89
(c) Loans and Advances	5	2.16
(d) Other assets	6	529.04
		<b>2,204.01</b>
<b>Total assets</b>		<b>2,204.01</b>
<b>Equity and liabilities</b>		
<b>(i) Equity</b>		
(a) Equity Share Capital	7	50.00
(b) Other Equity	8	(125.82)
<b>Total equity</b>		<b>(75.82)</b>
<b>(ii) Non-current liabilities</b>		
(a) Financial Liabilities		-
		-
<b>(iii) Current liabilities</b>		
(a) Financial Liabilities		
i. Borrowings	9	2,126.14
ii. Lease liabilities		-
iii. Trade Payables - total outstanding dues of:	10	
(A) Micro enterprises and small enterprises		-
(B) Creditors other than micro enterprises and small enterprises		18.27
iv. Other Financial Liabilities	11	50.65
(b) Other current liabilities	12	84.77
		<b>2,279.83</b>
<b>Total liabilities</b>		<b>2,279.83</b>
<b>Total equity and liabilities</b>		<b>2,204.01</b>

No comparative have been presented as the Company was incorporated in FY 2022-23.

The accompanying notes 1 to 25 are an integral part of the financial statements

As per our report of even date

For P. Chandrasekar LLP

Chartered Accountants

Firm Registration No.: 0005805/S200066


**S. RAGHAVENDHAR**

Partner

Membership No.: 244016

Place: Chennai

Date: May 27, 2023

For and on behalf of the Board of Directors of  
Kanchi Agro Product Private Limited**SURESH SHAH**

Director

DIN: 01659809


**DIPESH SURESH JAIN**

Director

DIN: 01659930



**Kanchi Agro Product Private Limited**

Statement of Profit and loss for the year ended 31st March, 2023

CIN No: U51909TN2022PTC151659

(All amounts are in lakhs of Indian rupees, unless otherwise stated)

Particulars	Notes	Rs. In Lakh
		Year Ended 31-03-2023
<b>I. Revenue from operations</b>	13	
II. Other income		1,450.72
<b>III. Total income (I+II)</b>		<b>1,450.72</b>
<b>IV. Expenses</b>		
Purchase of stock in trade	14	2,223.16
(Increase) / decrease in stock in trade	15	(864.93)
Employee benefits expense	16	3.15
Finance Cost	17	180.87
Other expenses	18	34.29
<b>Total expense-IV</b>		<b>1,576.54</b>
V. Profit before Exceptional items and taxes (III-IV)		(125.82)
VI. Exceptional Items		-
<b>VII. Profit before tax (V-VI)</b>		<b>(125.82)</b>
<b>VIII. Tax Expense</b>		
Current Tax		-
Deferred tax expense / (credit)		-
<b>Income tax expense-VIII</b>		<b>-</b>
<b>IX. Profit after tax (VII-VIII)</b>		<b>(125.82)</b>
<b>X. Other comprehensive income</b>		
A. (i) Items that will not be reclassified to profit or loss		-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-
B. (i) Items that will be reclassified to profit or loss		-
(ii) Income tax relating to items that will be reclassified to profit or loss		-
Other comprehensive income for the year, net of tax		-
<b>XI. Total comprehensive income for the year, net of tax (IX+X)</b>		<b>(125.82)</b>
<b>Earnings per share</b>		
Basic Earnings per share		(26.94)
Diluted earnings per share		(26.94)

No comparative have been presented as the Company was incorporated in FY 2022-23.

The accompanying notes 1 to 25 are an integral part of the financial statements

As per our report of even date

For P. Chandrasekar LLP

Chartered Accountants

Firm Registration No.: 000580S/S200066

**S. RAGHAVENDHAR**

Partner

Membership No.: 244016

Place: Chennai

Date: May 27, 2023

For and on behalf of the Board of Directors of  
Kanchi Agro Product Private Limited  
**SURESH SHAH**

Director

DIN: 01659809

  
**DIPESH SURESH JAIN**

Director

DIN: 01659930



**Kanchi Agro Product Private Limited**

Statement of Cash Flows for the year ended March 31, 2023

CIN No: U51909TN2022PTC151659

(All amounts are in lakhs of Indian rupees, unless otherwise stated)

Particulars	Rs. In Lakh
	31st March 2023
<b>A. Cash flow from Operating activities</b>	
Profit before tax	(125.82)
<b>Operating Cash flow before working capital changes</b>	(125.82)
<b>Working capital adjustments:</b>	
(Increase)/ decrease in trade receivables	(650.98)
(Increase)/ decrease in inventories	(864.93)
(Increase)/ decrease in other Current assets	(529.04)
(Increase)/ decrease in loans and advances/ Other non-current assets	(2.16)
Increase/ (decrease) in trade payables	18.27
Increase/ (decrease) in other Financial liabilities	50.65
Increase/ (decrease) in other current liabilities and provisions	84.77
<b>Operating cash flow after working capital changes</b>	(2,019.25)
Taxes paid, net of refund	-
<b>Net cash flows from operating activities (A)</b>	(2,019.25)
<b>B. Cash flows from Investing activities</b>	
Purchase of Property, plant and equipment, intangible assets, including capital work-in-progress and capital advances	-
<b>Net cash flows from/(used in) investing acti (B)</b>	-
<b>C. Cash flows from Financing activities</b>	
Increase/(decrease) in Borrowings	2,126.14
Proceeds from issue of shares	50.00
<b>Net cash flows used in financing activities (C)</b>	2,176.14
Net increase/(decrease) in cash and cash equivalents	156.89
Cash and cash equivalents at the beginning of the year	-
<b>Cash and cash equivalents at year end (D) = (A)+ (B)+ (C)</b>	156.89

No comparative have been presented as the Company was incorporated in FY 2022-23.

The accompanying notes 1 to 25 are an integral part of the financial statements

As per our report of even date

For P. Chandrasekar LLP

Chartered Accountants

Firm Registration No.: 000580S/S200066

**S. RAGHAVENDHAR**

Partner

Membership No.: 244016

Place: Chennai

Date: May 27, 2023

For and on behalf of the Board of Directors of  
Kanchi Agro Product Private Limited**SURESH SHAH**

Director

DIN: 01659809

**DIPESH SURESH JAIN**

Director

DIN: 01659930



**Kanchi Agro Product Private Limited**

Statement of Changes in Equity for the year ended March 31, 2023

CIN No: U51909TN2022PTC151659

(All amounts are in lakhs of Indian rupees unless otherwise stated)

**A. Equity Share Capital****1. Equity share capital as on March 31, 2023**

Rs. In Lakh

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during 2022-23	Balance as at 31.03.2023
-	-	-	50.00	50.00

**B. Other Equity****1. For the year ended March 31, 2023**

Rs. In Lakh

Particulars	Reserves and Surplus - retained earnings	Total
Balance as at 1st April 2022	-	-
Changes in accounting policy or prior period errors	-	-
Restated balance as at 1st April 2022	-	-
Profit for the year	(125.82)	(125.82)
Other Comprehensive Income	-	-
<b>Total Comprehensive Income for the current year</b>	<b>(125.82)</b>	<b>(125.82)</b>
Dividends paid during FY 2022-23	-	-
<b>Balance as at 31st March 2023</b>	<b>(125.82)</b>	<b>(125.82)</b>

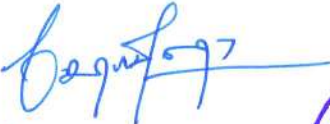
No comparative have been presented as the Company was incorporated in FY 2022-23.

As per our report of even date

For P. Chandrasekar LLP

Chartered Accountants

Firm Registration No.: 000580S/S200066

**S. RAGHAVENDHAR**

Partner

Membership No.: 244016

Place: Chennai

Date: May 27, 2023

For and on behalf of the Board of Directors of  
Kanchi Agro Product Private Limited**SURESH SHAH**

Director

DIN: 01659809

**DIPESH SURESH JAIN**

Director

DIN: 01659930



**Kanchi Agro Product Private Limited**

CIN No: U51909TN2022PTC151659

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

(All amounts are in lakhs of Indian rupees unless otherwise stated)

**2 Inventories (lower of cost and net realisable value)**

Particulars	Rs. In lakh	
	As at March 31, 2023	
Stock in trade		864.93
<b>Total inventories</b>		<b>864.93</b>

**3 Trade receivables**

Particulars	Rs. In lakh	
	As at March 31, 2023	
a. Secured, Considered Good		-
b. Unsecured, Considered Good		-
Receivables from related parties		-
Receivable from Others		650.98
c. Trade receivables with significant increase in credit risk		-
d. Trade receivables- Credit Impaired		-
		<b>650.98</b>

**Trade Receivables ageing as on March 31, 2023**

Particulars	Outstanding for following periods from due date of payment				
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	Total
(i) Undisputed Trade Receivables – considered good	650.98	-	-	-	650.98
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-

**4 Cash and cash equivalents**

Particulars	Rs. In lakh	
	As at March 31, 2023	
Cash on hand		0.24
Balances with banks		
(i) In current accounts		156.65
		<b>156.89</b>

**5 Loans and Advances**

Particulars	Rs. In lakh	
	As at March 31, 2023	
(Unsecured, considered good)		
Security Deposits		2.16
		<b>2.16</b>

**6 Other assets (current)**

Particulars	Rs. In lakh	
	As at March 31, 2023	
Balance with Government authorities		52.62
Advances to suppliers		476.42
		<b>529.04</b>



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**Kanchi Agro Product Private Limited**

CIN No: U51909TN2022PTC151659

Notes to the Financial Statements for the year ended March 31, 2023

(All amounts are in lakhs of Indian rupees unless otherwise stated)

**7 Share Capital**

Particulars	Rs. In lakh
	As at March 31, 2023
<b>Authorised:</b> 5,00,000 (Previous years: Not applicable) equity shares of Rs.10/- each	50.00
	<b>50.00</b>
<b>Issued, subscribed and paid-up:</b> 5,00,000 equity shares of Rs.10 each fully paid-up.	50.00
The Company has issued only one class of Equity shares having par value of Rs.10/- per equity share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation Equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts in proportion to their shareholdings	
<b>Total</b>	<b>50.00</b>

**a) Reconciliation of shares outstanding at the beginning and at the end of the reporting year**

Particulars	No: of Shares
<b>As at April 01, 2022</b>	-
No. of Shares issued	5,00,000
No. of Shares bought back	-
<b>As at March 31, 2023</b>	<b>5,00,000</b>

**b) Details of shareholders holding more than 5% shares in the Company are as under:-**

	Name of equity share holders	As at March 31, 2023	
		No. of shares	% of holding
(a)	Kanchi Karpooram Limited (Holding Company)	2,55,000	51.00%
(b)	Lata A Shah	50,000	10.00%
(c)	Madhubala Jain	65,000	13.00%
(d)	Saroj Devi	65,000	13.00%
(e)	Vinay Jain	65,000	13.00%
	<b>Total</b>	<b>5,00,000</b>	

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

**c) Details of shareholders holding of Promoters as under:-**

Shares held by promoters at the end of the year		As at March 31, 2023		
S No.	Promoter Name	No. of shares	% of Total shares	% Change during the year
1	Kanchi Karpooram Limited (Holding Company)	2,55,000	51.00%	-
2	Lata A Shah	50,000	10.00%	-
3	Madhubala Jain	65,000	13.00%	-
4	Saroj Devi	65,000	13.00%	-
5	Vinay Jain	65,000	13.00%	-

**8 Other equity**

Particulars	Rs. In lakh
	As at March 31, 2023
<b>Retained Earnings</b>	
Balance as at the beginning of the year	-
Add: Increase/ (Decrease)	(125.82)
Balance as at the end of the year	<b>(125.82)</b>
<b>Total Other equity</b>	<b>(125.82)</b>



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**Kanchi Agro Product Private Limited**

CIN No: U51909TN2022PTC151659

Notes to the Financial Statements for the year ended March 31, 2023

(All amounts are in lakhs of Indian rupees unless otherwise stated)

**9 Short Term Borrowings** Rs. In lakh

Particulars	As at March 31, 2023
<b>Unsecured loan from Holding Company</b>	
Loans repayable on demand	2,126.14
	<b>2,126.14</b>

Loan from Kanchi Karpooram Limited (holding company) is repayable on demand at is chargeable to interest at 12% per annum

**10 Trade Payables**

Rs. In lakh

Particulars	As at March 31, 2023
Dues to Micro Enterprises and Small Enterprises*	-
Dues to other than Micro, Small & Medium Enterprises	18.27
	<b>18.27</b>

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	Total
MSME	-	-	-	-	-
Others	18.27	-	-	-	18.27
Disputed Dues - MSME	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-

\*The Company has not received information from vendors regarding their status under Micro, Small and medium Enterprise Act, 2006. Hence, the disclosures relating to amounts unpaid as at the year-end together with interest payable/Paid under this act has not been given.

Disclosure requirement as required under Micro, Small and Medium Enterprises Development Act, 2006 is as follows

PARTICULARS	As at March 31, 2023
(i) Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year.	Nil
(ii) Interest paid by the Company in terms of section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	Nil
(iii) Interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	Nil
(iv) Interest accrued and remaining unpaid at the end of each accounting year:	Nil
(v) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	Nil

**11 Other Current Financial Liabilities**

Rs. In lakh

Particulars	As at March 31, 2023
Interest accrued on borrowings	50.65
	<b>50.65</b>

**12 Other Current liabilities**

Rs. In lakh

Particulars	As at March 31, 2023
Advance from customers	76.78
Statutory dues payable	5.74
Outstanding Expenses	2.25
	<b>84.77</b>



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**Kanchi Agro Product Private Limited**

CIN No: U51909TN2022PTC151659

Notes to the Financial Statements for the Year ended March 31, 2023

(All amounts are in lakhs of Indian rupees unless otherwise stated)

**13 Revenue from operations**

Particulars	Rs. In lakh
	Year ending March 31, 2023
Sale of Raw Cashew Nuts	1,450.72
	<b>1,450.72</b>

The entire revenue accrues from sale of products to 2 parties

**14 Purchase of stock in trade:**

Particulars	Rs. In lakh
	Year ending March 31, 2023
Stock in trade	
Purchases Made:	
-Raw Cashew Nut in Shell	2,223.16
	<b>2,223.16</b>

**15 Cost of increase / decrease in stock in trade:**

Particulars	Rs. In lakh
	Year ending March 31, 2023
Opening stock	-
Closing stock	864.93
	<b>(864.93)</b>

**16 Employee benefits expense**

Particulars	Rs. In lakh
	Year ending March 31, 2023
Salaries, wages and bonus	2.98
Staff welfare expenses	0.17
	<b>3.15</b>

**17 Finance Costs**

Particulars	Rs. In lakh
	Year ending March 31, 2023
Interest expense	180.87
	<b>180.87</b>

**18 Other expense**

Particulars	Rs. In lakh
	Year ending March 31, 2023
Preliminary Expenses	0.93
License Fees	0.38
Interest	-
Bank Charges	0.48
Printing and stationery	0.09
Courier	0.01
Travelling Expenses	9.88
Rent	9.72
Net loss on foreign currency fluctuations	1.46
Commission	1.50
Insurance	2.75
Packing Charges	6.51
Legal and professional charges	0.04
Audit Fees	0.50
Miscellaneous Expenses	0.06
	<b>34.29</b>



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**Additional Information**

**19 Earnings per share (EPS)**

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

**Basic Earnings per Share**

Particulars	March 31, 2023
Profit for the year (Rs. In lakhs)	(125.82)
Weighted average number of Equity shares for EPS	4,67,123
Basic Earnings per Share Rs.	(26.94)

**Diluted Earnings per Share**

Particulars	March 31, 2023
Profit for the year (Rs. In lakhs)	(125.82)
Weighted average number of Equity shares for EPS	4,67,123
Diluted earnings per share Rs.	(26.94)

**20 Capital management**

The Company's objective of capital management is to maximise the return to its shareholders through optimal mix of debt and equity.

The Company determines the amount of capital required on the basis of annual and long-term operating plans. The funding requirements are currently met through equity. The Company monitors the capital structure on an ongoing basis.

The following table summarises the capital of the Company:

S.No.	Particulars	Rs. In lakh
		As at 31 Mar 2023
1	Equity	(75.82)
2	Debt	2,126.14
3	Cash and cash equivalents	156.89
4	<b>Net debt (2-3)</b>	1,969.25
5	<b>Total capital (Equity + Net debt)</b>	1,893.43
	Net debt to Capital ratio	1.04

**21 Financial risk management**

The company is exposed to risks in the form of Market Risk, Liquidity Risk and Credit Risk. The risk management activities of the company are monitored by the board of directors. The nature and extent of risks have been disclosed in this note.

**a. 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.

i) Currency Risk:

If a Company has receivable and payables denominated in currency other than INR it exposes the company to currency risk. As on 31st March 2023, the Company is not exposure to any material currency risks

ii) Interest Rate Risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no significant exposure to interest rate risk as it had repaid all its borrowings during the year.

iii) Equity Price Risk:

The Company does not have any exposure to equity price risk as it is not holding any investment in securities in the nature of equity instruments.

**b. Liquidity Risk:**

Liquidity risk is 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. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The company has obtained fund and non-fund based working capital limits from various bankers which is used to manage the liquidity position and meet obligations on time.



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**Kanchi Agro Product Private Limited**

CIN No: U51909TN2022PTC151659

**Maturity Analysis of Non-Derivative Financial Liabilities:**

Particulars	Upto 1 Year	1 to 5 years	More than 5 Years
<b>31-Mar-23</b>			
<b>Financial Assets</b>			
Trade Receivables	650.98	-	-
Cash and Cash equivalents	156.89	-	-
<b>Financial Liabilities</b>			
Borrowings	2,126.14	-	-
Trade Payables	18.27	-	-
Other financial liabilities	50.65	-	-

**Credit Risk:**

**Credit categorization and Exposure:**

Grade	Description	Extent of loss recognized
A	High Quality Asset, the risk of default is negligible or nil	12 month expected Credit Loss
B	Standard Asset, the risk of default is low and the counterparty has sufficient financial strength to meet the obligations	12 month expected Credit Loss
C	Low Quality Asset, the risk of default is considerable and there has been a significant increase in the credit risk since initial recognition	Life Time Expected Credit Losses
D	Possibility of recovery is negligible and the asset is written off	Asset is written off

Grade	As at 31 <sup>st</sup> March 2023			
	Loans and Advances	Trade Receivables	Cash and Cash Equivalents	Other Assets
A	2.16	650.98	156.89	529.04

**22 Fair values**

The fair value of the financial assets and financial liabilities is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. During the year 2021-22, the company did not have any financial instrument that was measured at fair value on recurring basis.

i) Fair value measurement hierarchy is as follows:

- Level 1 item of fair valuation is based on market price quotation at each reporting date
- Level 2 item of fair valuation is based on significant observable input like PV of future cash flows, MTM valuation, etc.
- Level 3 item of fair valuation is based upon significant unobservable inputs where valuation is done by independent value

ii) The carrying amounts of trade receivables, trade payables, cash and cash equivalents and other current financial assets and are considered to be the same as their fair values, due to their short-term nature.

(iii) The fair values of financial assets and liabilities measured at amortized cost are approximate their carrying amount.

(iv) For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.



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**Kanchi Agro Product Private Limited**

CIN No: U51909TN2022PTC151659

**23 RATIOS**

Ratio	Numerator	Denominator	Numerator	Denominator
Current Ratio (Times)	Current assets	Current liabilities	2,204.01	2,279.83
Debt-Equity Ratio (Times)	Gross total borrowings	Equity share capital + Other equity	2,126.14	(75.82)
Debt Service Coverage Ratio (Times)	Net operating Income	Interest paid + Principal repayments for borrowings	55.05	2,847.12
Return on Equity Ratio (%)	Profit / (loss) after tax	Average Total Equity	(125.82)	(37.91)
Inventory turnover ratio (Times)	Cost of goods sold	Average Inventory	1,358.23	432.47
Trade Receivables turnover ratio (Times)	Revenue from Operations	Average Trade Receivable	1,450.72	325.49
Trade payables turnover ratio (Times)	Net credit Purchases	Average Trade Payable	2,223.16	9.14
Net capital turnover ratio (times)	Revenue from Operations	Working Capital	1,450.72	(75.82)
Net profit ratio( %)	Profit / (loss) after tax	Revenue from operations	(125.82)	1,450.72
Return on Capital employed (%)	Profit before tax, Finance Costs and Other Income	Total Assets- Current Liabilities	55.05	(75.82)

**24 Contingent Liabilities and Commitments**

The Company has no contingent liabilities and commitments as on the reporting date or at any point of time during the period subject to audit

**25 Related Party Disclosure****a) List of Related Parties & Relationships**

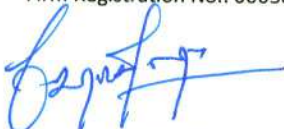
Party	Relationship
Kanchi Karpooram Limited	Holding Company
Suresh veerchanji shah	Key Managerial Person, Director
Dipesh Suresh Jain	Key Managerial Person, Director
Ravindra	Key Managerial Person, Director

**b) Details of outstandings as on the reporting date**

Particulars	March 31, 2023
<b>Balance Receivable / (Payable)</b>	
Kanchi Karpooram Limited	(2,126.14)
Interest paid during the year	176.60

As per our report of even date

For P. Chandrasekar LLP  
Chartered Accountants  
Firm Registration No.: 000580S/S200066



**S. RAGHAVENDHAR**  
Partner  
Membership No.: 244016  
Place: Chennai  
Date: May 27, 2023



For and on behalf of the Board of Directors of  
Kanchi Agro Product Private Limited



**SURESH SHAH**  
Director  
DIN: 01659809



**DIPESH SURESH JAIN**  
Director  
DIN: 01659930



**Notes to the Financial Statements for the Year ended March 31, 2023**

**Note 1: Summary of Significant Accounting Policies**

**1.1 Basis of Preparation**

The financial statements comply in all material aspects with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 ("the Act") [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. The financial statements have been prepared on the historical cost convention under accrual basis of accounting except for certain financial assets and liabilities (as per the accounting policy below), which can measure at fair value.

**1.2 Use of Estimates**

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. The management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future period.

**1.3 Significant Estimates and Judgments**

There are no critical estimates in the financial statements due to the first year of operation.

**1.4 Revenue Recognition**

**Sale of products:**

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services. The Company considers indicators for assessing the transfer of control, including:

- The entity has a present right to payment for the assets
- The customer has legal title to the asset
- The entity has transferred physical possession of the asset
- The customer has the significant risks and rewards of ownership of the asset
- The customer has accepted the asset

The Company earns revenue primarily from sale of Raw Cashew. Payment for the sale is made as per the credit terms in the agreements with the customers. The credit period is generally short term, thus there is no significant financing component. The Company's contracts with customers do not provide for any right to returns, refunds or similar obligations.

**1.5 Inventories**

- Stock in trade is valued at lower of cost and net-realizable value. Cost is calculated as material cost and inventory is valued using specific identification method.

**1.6 Impairment**

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows and are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).



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## 1.7 Employee Benefits

### (i) Short term obligations:

Liabilities for wages, salaries and bonuses, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services upto the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current liabilities in the balance sheet.

## 1.8 Taxes on Income

Income tax expense represents the sum of the current tax and deferred tax.

### a) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that are enacted and applicable for the reporting period. The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the assets and settle the liability simultaneously.

### b) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Accordingly, the deferred tax assets and liabilities that were recognized during the previous reporting periods are remeasured using the tax rates enacted or substantively enacted as at the reporting date.

### c) Current and deferred tax for the year

Current and deferred tax are recognized in the Statement of Profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.



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### 1.9 Functional and presentation currency and Foreign Currency Transactions

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which these entities operate (i.e., the "functional currency"). The financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company.

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated

Exchange differences on monetary items are recognized in profit or loss in the period in which they arise.

### 1.10 Earnings per Share

The Company presents basic and diluted earnings per share (EPS) data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

### 1.11 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The Company is principally engaged in a single business segment, viz., trading in Agro products.

### 1.12 Provisions, Contingent Liabilities and Contingent Assets

#### a) Provision

A provision is recorded when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expenses.

#### b) Contingent Liabilities

Wherever there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because

- It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- The amount of the obligation cannot be measured with sufficient reliability.



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**c) Contingent Asset**

Contingent assets are not recognized but are disclosed only where an inflow of economic benefits is probable.

**1.13 Current and Non-Current Classification**

The Company presents assets and liabilities in the balance sheet based on current / non-current classification. Cash or cash equivalent is treated as current, unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. In respect of other assets, it is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities. The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

**1.14 Cash flow statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts/cash credits. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.



S  
D

Two handwritten signatures in blue ink. The top one is a cursive signature, and the bottom one is a more stylized signature. To the left of the top signature is the letter "S" and to the left of the bottom signature is the letter "D".