

**MUKESH CHECHANI & CO.
CHARTERED ACCOUNTANTS**

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Independent Auditors' Report

**To
The Members of Proventus AgroCom Private Limited**

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of **Proventus AgroCom Private Limited ("the Company")**, which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss and the 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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its loss and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with 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 issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and 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.

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

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 financial statements that give a true and fair view of the financial position, financial performance 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, read with relevant rules issued thereunder. 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 statements 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 this 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 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.



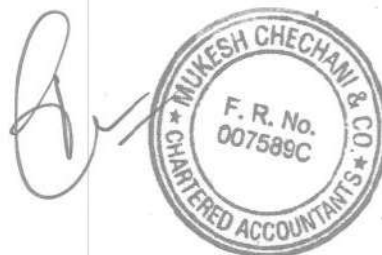
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we 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 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

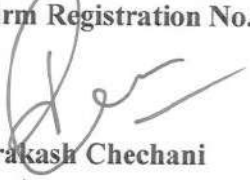
1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the aforesaid financial statement comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.;
 - e. 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:
The company is a private limited company and hence provision of section 197 read with schedule V of the companies Act are not applicable.
 - f. on the basis of written representations received from the Directors as on 31 March 2020, taken on record by the Board of Directors, none of the directors is



disqualified as on 31 March 2020, from being appointed as a director in terms of section 164(2) of the Act;

- g. 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"; and
- h. 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. Hence, the question of any material foreseeable losses does not arise; and
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Mukesh Chechani & Co.
Chartered Accountants
Firm Registration No.: 007589C


Prakash Chechani
Partner
Membership No.: 104203



Place: Mumbai
Date: 03 Dec 2020
UDIN: **20104203AAAABN7720**

Annexure A to the Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of Proventus AgroCom Private Limited ('the Company') on the financial statements for the year ended 31 March 2020, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, the Company has a regular programme of physical verification of its fixed assets by which all the fixed assets are verified in a phased manner over a period of three years. In our opinion this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the Company does not own immovable properties, accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (ii) The Company has conducted physical verification of inventory on the basis of statement received from depository participants in respect of securities and warehouse receipts in respect of commodities held as inventory, at reasonable intervals during the year. No material discrepancies have been noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans to directors including entities in which they are interested in respect of which the provisions of section 185 of the Companies Act 2013 are applicable and hence not commented upon. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Companies Act, 2013 in respect of investments made.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148 (1) of the Companies Act, 2013 for any of the services rendered by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including income-tax, sales tax, service tax, goods and service tax, value added tax, cess, duty of custom and other material statutory dues, applicable to it, have been regularly deposited



during the year by the Company with the appropriate authorities. As explained to us, Company did not have any dues on account of services tax, goods and service tax and duty of custom & others statutory dues applicable to it.


According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, sales tax, service tax, goods and service tax, value added tax, cess, duty of custom and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, goods and service tax, value added tax, duty of custom and cess which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institution.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) The company is a private limited company and hence provision of section 197 read with schedule V of the companies Act are not applicable. Accordingly, paragraph 3 (xi) of the Order is not applicable.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us, transactions with the related parties are in compliance with section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the order is not applicable.



- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) 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.

For Mukesh Chechani & Co.
Chartered Accountants
Firm Registration No.: 007589C


Prakash Chechani
Partner
Membership No.: 104203



Place: Mumbai
Date: 03 Dec 2020

UDIN: 20104203AAAABN7720

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 **Proventus AgroCom Private Limited ("the Company")** as of 31 March 2020 in conjunction with our audit of financial statements of the Company for the period 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, to the best of our information and according to the explanations given to us, 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 2020, 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 Mukesh Chechani & Co.
Chartered Accountants

Firm Registration No.: 007589C


Prakash Chechani
Partner

Membership No.: 104203

Place: Mumbai

Date: 03 Dec 2020

UDIN: 20104203AAAABN7720



Proventus AgroCom Private Limited

(Formerly Known as Manthan AgroCom Private Limited)

Balance sheet

(Currency: Indian Rupees)

	Note	As at 31 March 2020	As at 31 March 2019
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.1	24,857,680	24,857,680
Reserves and surplus	2.2	489,189,645	708,240,591
		<u>514,047,325</u>	<u>733,098,271</u>
Non-current liabilities			
Long-term borrowings	2.3	674,021	912,928
Current liabilities			
Short-term borrowings	2.4	171,941,394	1,250,518,801
Trade payables			
Total outstanding dues of creditors other than micro enterprises and small enterprises		59,809,303	47,805,701
Other current liabilities	2.5	137,362,678	272,579,214
Short-term provisions	2.6	-	17,678,029
		<u>369,113,374</u>	<u>1,588,581,744</u>
TOTAL		<u>883,834,721</u>	<u>2,322,592,944</u>
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	2.7	7,945,694	8,416,406
Intangible assets		232,215	385,123
Non-current investments	2.8	42,554,000	42,554,000
Deferred tax assets (net)	2.9	74,936,245	4,095,980
Long-term loans and advances	2.10	3,030,212	3,008,712
		<u>128,698,366</u>	<u>58,460,221</u>
Current assets			
Inventories	2.11	174,858,162	1,912,619,006
Trade receivables	2.12	140,905,691	109,082,165
Cash and bank balance	2.13	12,608,881	17,193,007
Short-term loans and advances	2.14	413,332,268	194,865,956
Other current assets	2.15	13,431,353	30,372,590
		<u>755,136,355</u>	<u>2,264,132,723</u>
TOTAL		<u>883,834,721</u>	<u>2,322,592,944</u>

Significant accounting policies and notes to the financial statements.

1 & 2

As per our report of even date attached.

For Mukesh Chechani & Co.
Chartered Accountants
Firm Registration No.: 007589C

Prakash Chechani
Partner
Membership No.: 104203

Mumbai
03 Dec 2020



For and on behalf of the Board of Directors

Durga Prasad Jhawar
Director
DIN: 02005091

Deepak Kumar Agrawal
Director
DIN: 07362004

Proventus AgroCom Private Limited

(Formerly Known as Manthan AgroCom Private Limited)

Statement of Profit and Loss

(Currency: Indian Rupees)

	Note	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue from operations			
Income from treasury operations	2.16	2,410,919	4,028,920
Interest income	2.17	1,061,169	1,841,682
Other operating revenue	2.18	42,966,501	71,564,662
Other income	2.19	343,125	18,744,863
Sale of commodities/Shares		8,905,909,991	5,165,281,174
Total revenue		8,952,691,705	5,261,461,301
Expenses			
Purchases of commodities/Shares		6,641,172,275	4,844,902,466
Changes in inventories of stock-in-trade		1,737,760,843	(152,096,577)
Employee benefit expenses	2.20	32,794,107	34,942,766
Finance costs	2.21	112,336,002	123,362,018
Depreciation	2.7	3,681,631	3,525,252
Other expenses	2.22	711,593,019	240,847,832
Total expenses		9,239,337,877	5,095,483,757
Profit/(Loss) before tax		(286,646,172)	165,977,544
Tax expense:			
Income tax		-	52,515,817
Income tax excess provision for earlier years.		3,245,039	-
Deferred tax benefit		(70,840,266)	(3,601,884)
Profit/(Loss) for the year		(219,050,946)	117,063,611
Earnings per equity share:			
Basic and diluted (Face value of Rs. 10 each)	2.29	(79.49)	42.48
Significant accounting policies and notes to the financial statements.	1 & 2		

As per our report of even date attached.

For Mukesh Chechani & Co.

Chartered Accountants

Firm Registration No.: 007589C

Prakash Chechani
Partner

Membership No.: 104203

Mumbai
03 Dec 2020



For and on behalf of the Board of Directors

Durga Prasad Jhawar
Director
DIN: 02005091

Deepak Kumar Agrawal
Director
DIN: 07362004

Proventus AgroCom Private Limited

(Formerly Known as Manthan AgroCom Private Limited)

Cash flow statement for the period ended 31 March 2020

(Currency: Indian Rupees)

	For the year ended 31 March 2020	For the year ended 31 March 2019
A Cash flow from operating activities		
Profit/(Loss) before taxation	(286,646,172)	165,977,544
Depreciation	3,681,631	3,525,252
Dividend on investment	-	(109,500)
Interest expense	110,217,889	120,935,071
Operating cash flow before working capital changes	(172,746,652)	290,328,369
Adjustments for working capital changes		
Increase in trade receivables	(31,823,526)	77,277,182
Increase in inventories	1,737,760,843	(152,096,577)
Increase in loans and advances	(218,466,312)	255,484,279
Increase in other current assets	16,941,237	60,219,408
Increase in Long-term loans and advances	(21,500)	189,000
Increase in trade payable	12,003,602	(127,182,486)
Increase in liabilities and provisions	(135,216,536)	(141,897,202)
Cash used in operations	1,208,431,156	262,321,971
Income tax paid	(20,923,068)	(39,940,053)
Net cash used in operating activities - A	1,187,508,088	222,381,919
B Cash flow from investing activities		
Purchase of fixed assets(including WIP)	(3,058,011)	(6,015,305)
Purchase of investments	-	(40,373,000)
Dividend received	-	109,500
Net cash (used in)/generated from investing activities - B	(3,058,011)	(46,278,805)
C Cash flow from financing activities		
Re-payment of long term borrowings	(238,907)	912,928
Proceeds / (Re-payment of) from short term borrowings (refer note 2)	(1,078,577,407)	(42,752,387)
Interest expenses	(110,217,889)	(120,935,071)
Net cash generated from financing activities - C	(1,189,034,203)	(162,774,531)
Net increase in cash and cash equivalents (A+B+C)	(4,584,126)	13,328,583
Cash and cash equivalents as at the beginning of the year / period	17,193,007	3,864,423
Cash and cash equivalents as at the end of the year / period (refer note 1)	12,608,881	17,193,007

Notes:

1 Cash and cash equivalents include the following:

Cash in hand

8,344

35,634

Balances with scheduled banks:

In current accounts

12,600,537

17,157,373

Total of cash and cash equivalents

12,608,881

17,193,007

2 Net figures have been reported on account of volume of transactions.

As per our report of even date attached.

For Mukesh Chechani & Co.
Chartered Accountants
Firm Registration No.: 007589C

Prakash Chechani
Partner
Membership No.: 104203

Mumbai
03 Dec 2020



For and on behalf of the Board of Directors

Durga Prasad Jhawar
Director
DIN: 02005091

Deepak Kumar Agrawal
Director
DIN: 07362004

Proventus AgroCom Private Limited

(Formerly known as Manthan AgroCom Private Limited)

Notes to the financial statements for the period ended 31 March 2020

1. Significant accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with generally accepted accounting principles in India ('Indian GAAP') under the historical cost convention on an accrual basis except for certain financial instruments which are measured at fair values in compliance with all material aspect of the Accounting Standard (AS) Notified under section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules 2014, the provisions of the Companies Act, 2013 (to the extent notified). The financial statements are presented in Indian rupees.

1.2 Use of estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on date of the financial statements. Actual results could differ from the estimates. Any revision to the accounting estimates is recognised prospectively in current and future periods.

1.3 Current-non-current classification

All assets and liabilities are classified into current and non-current

Assets

An Asset is classified as current when it satisfies any of the following criteria:

- a. It is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle;
- b. It is held primarily for the purpose of being traded;
- c. It is expected to be realized within 12 months after the reporting date; or
- d. It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current Assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- a. It is expected to be settled in the company's normal operating cycle.
- b. It is held primarily for the purpose of being traded;
- c. It is due to be settled within 12 months after the reporting date; or
- d. The company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of the liability that could, at the option of the counterparty, results in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.



Proventus AgroCom Private Limited

(Formerly known as Manthan AgroCom Private Limited)

Notes to the financial statements for the year ended 31 March 2020 (Continued)

1. Significant accounting policies (continued)

1.4 Revenue recognition

- Income from treasury operations comprises of profit/loss on sale of securities and profit/loss on equity derivatives, commodity derivatives and currency derivative instruments.
 - i) Profit/loss on sale of securities is determined based on the weighted average cost of the securities sold.
 - ii) Realised profit/ loss on closed positions of derivative instruments is recognised on final settlement on squaring-up of the contracts. Outstanding derivative contracts in the nature of forwards / futures / options are measured at fair value as at the balance sheet date. Fair value is determined using quoted market prices in an actively traded market, for the instrument, wherever available, as the best evidence of fair value. In the absence of quoted market prices in an actively traded market, a valuation technique is used to determine the fair value. In most cases the valuation techniques use observable market data as input parameters in order to ensure reliability of the fair value measure.
- Profit/loss earned on sale of investments is recognised on trade date basis. Profit/loss on sale of investments is determined based on the weighted average cost of the investments sold.
- Interest income is recognised on accrual basis.
- Dividend income is recognised when the right to receive payment is established.
- Sale of commodity is recognized when all the significant risks and rewards have been passed to the buyer.

1.5 Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired based on internal/external factors. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of the depreciable historical cost.

1.6 Foreign currency transactions

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of the transaction. Exchange differences, if any arising out of transactions settled during the year are recognised in statement of profit and loss of the year.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date. The exchange differences, if any, are recognised in statement of profit and loss of the year and related assets and liabilities are accordingly restated in the balance sheet.

1.7 Inventories

- Inventories which comprise stock-in-trade in the form of commodities are valued at cost or net realisable value, whichever is lower.



Proventus AgroCom Private Limited

(Formerly known as Manthan AgroCom Private Limited)

Notes to the financial statements for the year ended 31 March 2020 (Continued)

1. Significant accounting policies (continued)

1.8 Investments

- Investments are classified into long term investments and current investments. Investments which are intended to be held for one year or more are classified as long term investments and investments which are intended to be held for less than one year are classified as current investments.
- Long term investments are carried at cost less diminution in value which is other than temporary, determined separately for each investment.
- Current investments are carried at lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investment. In case of investments in mutual funds, the net asset value of units declared by the mutual funds is considered as the fair value.

1.9 Earnings per share

The Company reports basic and diluted earnings per share in accordance with Accounting Standard 20 - Earnings Per Share prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. Basic earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders by the weighted average number of equity shares outstanding for the year.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares and dilutive potential equity shares outstanding during the year.

1.10 Fixed assets and depreciation

Tangible fixed assets

Fixed assets are stated at cost less accumulated depreciation. The cost of fixed assets comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation is provided on a written down value basis from the date the asset is ready for its intended use or put to use whichever is earlier. In respect of assets sold, depreciation is provided upto the date of disposal.

As per the requirement of Schedule II of the Companies Act, 2013, the Company has evaluated the useful lives of the respective fixed assets which are as per the provisions of Part C of the Schedule for calculating the depreciation. The useful lives of the fixed assets are as follows:

Nature of assets	Useful Life
Motor vehicles	8 years
Office equipment	5 years
Furniture & Fixture	10 years
Leasehold Improvement	5 years
Computers and data processing units - End user devices, such as desktops, laptops, etc (other then server).	3 years



Proventus AgroCom Private Limited

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Notes to the financial statements for the year ended 31 March 2020 (Continued)

1. Significant accounting policies (continued)

Intangible fixed assets

Intangible fixed assets are recorded in consideration paid for the acquisition of such assets and are carried at cost less accumulated amortization and impairment, if any.

Intangibles such as software is amortised over a period of 3 years or its estimated useful life whichever is shorter.

1.11 Taxation

Tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the Income Tax Act, 1961) and deferred tax charge or credit (reflecting the tax effect of timing differences between accounting income and taxable income for the period).

Current tax

Provision for income tax is recognised based on estimated tax liability computed after adjusting for allowances, disallowances and exemptions in accordance with the Income Tax Act, 1961.

Deferred taxation

The deferred tax charge or credit and the corresponding deferred tax liabilities and assets are recognized using the tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the asset can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of the assets. Deferred tax assets are reviewed at each balance sheet date and written down or written-up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised.

Minimum Alternative Tax (MAT) credit

MAT credit asset is recognized where there is convincing evidence that the asset can be realized in future. MAT credit assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably certain to be realised.

1.12 Provisions and contingencies

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and related income are recognised in the period in which the change occurs.



Proventus AgroCom Private Limited

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Notes to the financial statements for the year ended 31 March 2020 (Continued)

1. Significant accounting policies (continued)

1.13 Operating leases

Lease payments for assets taken on operating lease are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.



Proventus AgroCom Private Limited

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Notes to the financial statements (Continued)

(Currency: Indian Rupees)

	As at 31 March 2020	As at 31 March 2021
2.1 Share capital		
Authorised:		
5,000,000 equity shares of Rs. 10 each	50,000,000	50,000,000
	<u>50,000,000</u>	<u>50,000,000</u>
Issued, subscribed and paid up:		
24,55,768 (P.Y. 24,55,768) equity shares of Rs. 10 each, fully paid-up	24,557,680	24,557,680
300,000 (P.Y. 3,00,000) equity shares of Rs. 10 each & Rs.1/-each share partly paid-up	300,000	300,000
	<u>24,857,680</u>	<u>24,857,680</u>
a. Movement in share capital:		
Reconciliation of number of shares outstanding:	No. of shares	No. of shares
Number of shares outstanding at the beginning of the period/year	2,755,768	2,755,768
Shares issued during the period/year	-	-
Number of shares at the end of the period/year	<u>2,755,768</u>	<u>2,755,768</u>
Reconciliation of share capital:	Amount	Amount
Share capital at the beginning of the period/year	24,857,680	24,857,680
Share capital issued during the period/year	-	-
Share capital at the end of the period/year	<u>24,857,680</u>	<u>24,857,680</u>
Details of shareholders holding more than 5% shares	31 March 2020	31 March 2019
Name of the shareholders	Percentage	Percentage
Shree JMD Investment Advisors LLP	91.57%	91.57%
b. Terms/rights attached to equity shares:		
The Company has only one class of equity shares having a par value of Rs. 10. Each holder of equity shares is entitled to one vote per share held. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.		
2.2 Reserves and surplus		
Securities premium account - Opening balance	483,242,816	483,242,816
Add : Additions during the period/year	-	-
Closing balance	<u>483,242,816</u>	<u>483,242,816</u>
Surplus in statement of profit and loss - Opening balance	224,997,775	107,934,164
Add: Profit/(loss) for the year/period	<u>(219,050,946)</u>	<u>117,063,611</u>
	5,946,829	224,997,775
Total reserves and surplus	<u>489,189,645</u>	<u>708,240,591</u>



Proventus AgroCom Private Limited

(Formerly Known as Manthan AgroCom Private Limited)

Notes to the financial statements (Continued)

(Currency: Indian Rupees)

	As at 31 March 2020	As at 31 March 2021
2.3 Long-term borrowings		
<i>Secured</i>		
Vehicles loan	674,021	912,928
	<u>674,021</u>	<u>912,928</u>
Note:		
Secured against mortgage of car		
The loan from NBFC is a fixed interest @ 9%, shall be repaid in equated monthly instalments as per the repayment schedule		
2.4 Short-term borrowings		
<i>Secured</i>		
(Due within one year, unless otherwise stated)		
Bank overdraft	7,691,856	7,194,040
Loan from banks	79,214,015	548,412,309
Loan from Others	10,659,571	644,465,218
	<u>97,565,442</u>	<u>1,200,071,567</u>
Note:		
Secured against pledge of Physical Warehouse receipt/(WR)/Storage Receipt (SR) and Contract Lot Numbers.		
i) The loan from Banks is an interest range from 9.30 to 11.30% shall be repaid as per the repayment schedule		
ii) The loan from NBFC is an interest range from @ 9.50 to 14.00%, shall be repaid as per the repayment schedule		
<i>Unsecured</i>		
Loan from director	74,347,234	50,447,234
Loan & Advances from Others	28,718	-
	<u>74,375,952</u>	<u>50,447,234</u>
	<u>171,941,394</u>	<u>1,250,518,801</u>
2.5 Other current liabilities		
Vehicles loan	238,907	218,418
Other payables	-	589,335
Accrued salaries and benefits	525,349	8,035,000
Withholding tax and other statutory dues payable	10,594,444	2,507,875
Advance from customers	126,002,062	261,228,586
Payable to directors, related party	1,916	-
	<u>137,362,678</u>	<u>272,579,214</u>
2.6 Short-term provisions		
Provision for taxation (net of advance tax and tax deducted at source)	-	17,678,029
	<u>-</u>	<u>17,678,029</u>



Proventus AgroCom Private Limited
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Notes to the financial statements (Continued)

(Currency: Indian Rupees)

2.7 Fixed assets

Description of assets	Gross block			Depreciation			Net block		
	Opening	Additions during the year	Deductions during the year	As at 31 March 2020	Opening	Additions during the year	Deductions during the year	As at 31 March 2020	As at 31 March 2019
Tangible assets									
Factory & Building	1,631,879	179,000	-	1,810,879	417,321	597,569	-	1,014,890	1,214,558
Leasehold improvements	4,230,173	-	-	4,230,173	3,367,620	408,617	-	3,776,237	862,553
Plant and Equipment	2,726,368	1,691,268	-	4,417,636	413,255	752,384	-	1,165,639	2,313,113
Furniture and Fixtures	1,178,809	332,500	-	1,511,309	407,982	265,856	-	673,838	770,827
Vehicles	5,363,931	461,725	-	5,825,656	2,727,976	927,951	-	3,655,927	2,635,955
Office equipments	932,310	144,533	-	1,076,843	663,199	162,884	-	826,083	269,111
Computers	1,770,250	78,639	-	1,848,889	1,419,962	243,116	-	1,663,078	350,288
Total:	17,833,721	2,887,665	-	20,721,386	9,417,315	3,358,377	-	12,775,692	8,416,406
B) Intangible assets									
Computer software	1,072,459	170,346	-	1,242,805	687,336	323,254	-	1,010,590	385,123
Total : B	1,072,459	170,346	-	1,242,805	687,336	323,254	-	1,010,590	385,123
Grand total [A+B]	18,906,180	3,058,011	-	21,964,191	10,104,651	3,681,631	-	13,786,282	8,801,529
Previous year	11,832,476	7,096,066	22,362	18,906,180	6,584,768	3,525,252	5,369	10,104,651	5,247,708



Proventus AgroCom Private Limited

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Notes to the financial statements (Continued)

(Currency: Indian Rupees)

	As at 31 March 2020	As at 31 March 2019
2.8 Non-current investments - at cost		
Others (unquoted)		
Investment in equity instruments of subsidiary companies (fully paidup)		
Proventus Securities Private Limited	-	100,000
Proventus Retail Private Limited	100,000	100,000
Proventus Commodities Dmcc	42,354,000	42,354,000
Proventus Prov Foods Private Limited	100,000	-
	<u>42,554,000</u>	<u>42,554,000</u>
Aggregate of unquoted investment		
- At book value	42,554,000	42,554,000
2.9 Deferred tax assets/(liabilities) (net)		
Deferred tax assets		
Tax effect of timing differences on account of:		
Preliminary expenses	118,302	130,476
Unrealised loss on equity/derivative instruments (net)	301,856	3,197,480
Difference between book and tax depreciation	1,409,551	1,268,426
Carried forward losses	73,106,537	158,580
	<u>74,936,245</u>	<u>4,754,963</u>
Deferred tax liabilities		
Unrealised gain on equity/derivative instruments (net)	-	658,983
	<u>74,936,245</u>	<u>4,095,980</u>
2.10 Long-term loans and advances		
Rental deposits	3,030,212	3,008,712
	<u>3,030,212</u>	<u>3,008,712</u>



Proventus AgroCom Private Limited

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Notes to the financial statements (Continued)

(Currency: Indian Rupees)

2.11 Inventories

Commodities

Agricultural products

	As at 31 March 2020	As at 31 March 2019
	174,858,162	1,912,619,006
	<u>174,858,162</u>	<u>1,912,619,006</u>



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Notes to the financial statements (Continued)

(Currency: Indian Rupees)

	As at 31 March 2020	As at 31 March 2019
2.12 Trade receivables		
<i>Unsecured, considered good</i>		
Debtors outstanding for a period exceeding six months	13,280,283	9,453,428
Other debts	127,625,408	99,628,737
	<u>140,905,691</u>	<u>109,082,165</u>
2.13 Cash and bank balances		
Cash and cash equivalents		
Cash in hand	8,344	35,634
Balances with banks		
- in current accounts	549,232	13,415,160
Other balances with banks		
- in fixed deposits	12,051,305	3,742,213
(Held as margin money or security against borrowings, guarantees)		
	<u>12,608,881</u>	<u>17,193,007</u>
Note: For < 3 months and > 3 months, maturity from date of acquisition should be taken (and not from reporting period)		
2.14 Short-term loans and advances		
<i>Unsecured, considered good</i>		
Other loans and advances		
Advances to others	43,210,916	10,655,797
Deposits - others	20,000	20,000
Prepaid expenses	12,302,832	4,915,849
Loans and advances to employees	395,053	39,938
Supplier advances	313,433,118	107,139,808
GST/VAT assets	31,055,176	72,094,564
Advance tax and tax deducted at source (net of provision for taxation)	12,915,173	-
	<u>413,332,268</u>	<u>194,865,956</u>
2.15 Other current assets		
Receivable from Govt., exchange / clearing house (net)	4,112,767	4,112,767
Equity index/stock options premium account	1,843,350	170,000
Margin placed with broker	7,475,236	26,089,823
	<u>13,431,353</u>	<u>30,372,590</u>



Proventus AgroCom Private Limited

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Notes to the financial statements (Continued)

(Currency: Indian Rupees)

	For the year ended 31 March 2020	For the year ended 31 March 2019
2.16 Income from treasury operations and investments		
Profit/loss on sale of securities (net)	2,410,919	4,508,576
Profit/loss on trading in derivative instruments (net)	-	(589,156)
Dividend on investments	-	109,500
	<u>2,410,919</u>	<u>4,028,920</u>
2.17 Interest income		
On margin with brokers	781,553	1,583,336
On Fixed Deposits	279,616	258,346
	<u>1,061,169</u>	<u>1,841,682</u>
2.18 Other operating revenue		
Interest income on overdue accounts (for non-finance company)	35,941,916	65,323,169
Commission and Brokergae Income	283,833	2,958,572
Premium on License	6,740,752	1,152,714
Processing Charges	-	2,130,207
	<u>42,966,501</u>	<u>71,564,662</u>
2.19 Other income		
Foreign exchange gain	311,231	17,822,196
Miscellaneous income	31,894	922,667
	<u>343,125</u>	<u>18,744,863</u>



Proventus AgroCom Private Limited

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Notes to the financial statements (Continued)

(Currency: Indian Rupees)

	For the year ended 31 March 2020	For the year ended 31 March 2019
2.20 Employee benefit expenses		
Salaries and wages	30,485,899	33,907,596
Contribution to provident and other funds	72,195	169,424
Gratuity	1,874,329	686,656
Staff welfare expenses	361,684	179,090
	32,794,107	34,942,766
2.21 Finance costs		
Interest expense	110,217,889	120,935,071
Financial and bank charges	2,118,112	2,426,947
	112,336,002	123,362,018
2.22 Other expenses		
Advertisement and business promotion	262,650	1,556,223
Auditors' remuneration (refer note below)	210,000	210,000
Balances written off/Discount	168,936	-
Commission and brokerage	11,276,344	8,765,095
Communication	816,233	1,181,492
Computer expenses	339,647	190,828
Travelling and conveyance expenses	3,582,228	3,401,947
Clearing and custodian charges	400,871,916	162,195,735
Car expenses	302,074	142,071
Donation	1,101,101	1,593,600
Electricity charges	1,472,803	577,823
Insurance	1,846,864	1,321,728
Loss on trading in derivative instruments (net)	190,615,606	-
Legal and professional fees	1,238,536	307,114
Loss on sale of fixed assets	-	6,434
Labour Charges	26,120,301	16,262,928
Loading & Unloading	6,529,520	1,401,622
Membership and subscription	664,374	670,170
Office expenses	896,528	516,588
Postage and courier	117,017	42,559
Printing and stationery	304,275	279,888
Packing Expenses	3,451,147	2,742,437
Rates and taxes	702,174	127,972
Rent	10,954,204	7,336,724
Repairs and maintenance - Building	369,889	358,299
Repairs and maintenance - others	476,599	500,451
ROC expenses	11,790	20,720
Legal Expenses	8,080	7,890
Exchange trading expenses	13,295,371	6,950,684
Transportation charges	8,105,113	1,779,851
Warehousing charges	24,886,668	19,838,616
Trade settlement charges	-	264,558
Housekeeping and security charges	264,000	264,000
Preliminary expenses written off	322,531	-
Testing and inspection Charges	8,500	31,785
	711,593,019	240,847,832
Note:-		
Auditors' remuneration:		
As auditor	210,000	210,000
	210,000	210,000



Proventus AgroCom Private Limited

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Notes to the financial statements for the period ended 31 March 2020 (Continued)

(Currency: Indian Rupees)

2.23 Related Parties

i. List of related parties and relationship:

Name of related parties by whom control is exercised	Shree JMD Investment Advisors LLP
Name of related parties over whom control is exercised	Proventus Securities Private Limited (Subsidiary company) Proventus Retail Private Limited (Subsidiary company) Proventus Commodities DMCC (Subsidiary company) Prov Foods Private Limited (Subsidiary company)
Individuals owning, directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise:	Durga Prasad Jhavar Shalin Khanna Deepak Agrawal
Name of related parties over whom control is exercised by the above persons	JMD Holdings Private Limited

ii. Transactions with related parties :

Nature of Transaction	Related Party Name	2020-21	2019-20
Capital account transactions			
Allotment of equity shares (including securities premium)	Shree JMD Investment Advisors LLP		-
Investment in equity shares of	Proventus Foods Private Limited	100,000	-
Current account transactions			
Loans taken from	D. P. Jhavar	27,300,000	57,100,000
Loans repaid	D. P. Jhavar	3,400,000	11,652,766
Remuneration paid to	D. P. Jhavar	8,164,224	4,968,548
	Shalin Khanna	5,182,204	3,858,891
	Deepak Agrawal	5,598,932	3,803,396
Sales including taxes	Proventus Retail Private Limited	407,506,341	31,662,983
Purchases including taxes	Proventus Retail Private Limited	9,164,315	983,463
Amount paid	Proventus Retail Private Limited	11,322,611	7,720,148
	Proventus Securities Private Limited	-	14,500
	Proventus Cashew Processing Private Limited	-	65,130
	Prov Foods Private Limited	20,084,296	-
Received Back	Proventus Retail Private Limited	4,999,211	826,352
	Proventus Securities Private Limited	-	45,000
	Proventus Cashew Processing Private Limited	-	74,230
Trade Receivable	Proventus Retail Private Limited	20,714,975	6,601,957
Balances with related parties			
<i>Other liabilities</i>			
Short Term Borrowing Payable			
Loan from Director	D. P. Jhavar	74,347,234	50,447,234
Other Payable	D. P. Jhavar	1,916	-
Receivable	Proventus Retail Private Limited	-	9,954,233
	Proventus Securities Private Ltd	-	64,077
	Prov Foods Private Limited	20,084,296	-
Investment in equity shares	Proventus Securities Private Ltd	-	100,000
	Proventus Retail Private Limited	100,000	100,000
	Proventus Foods Private Limited	100,000	-
	Proventus Commodities DMCC	42,354,000	42,354,000



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Notes to the financial statements for the ended 31 March 2020 (continued)

(Currency: Indian Rupees)

2.24 Segment reporting

The Company has operated only in one business segment during the year viz. capital based business comprising of trading and investment activities. Therefore, the Company has only one reportable business segment, the results of which are disclosed in the financial statements. Since business operations of the Company are concentrated in India, the Company is considered to operate only in domestic segment and therefore there is no reportable geographic segment.

2.25 The following commodities futures have open interests as on the balance sheet date:

Open interests in commodities future as on the balance sheet date

Sr. No.	Name of future	For the year ended 31 March 2020	
		Number of contracts	Number of units involved
1	Short position CASTOR	120	600

The following equity index/stock futures have open interests as on the balance sheet date:

Sr. no.	Name of equity index / stock future	For the year ended 31 March 2020	
		Number of contracts	Number of units involved
1	USDINR	1500	1500000

2.26 Details of dues to micro, small and medium enterprises

Trade Payables includes Rs. Nil payable to "Suppliers" registered under the Micro, Small and Medium Enterprises Development Act, 2006. No interest has been paid/is payable by the Company during the period to "Suppliers" registered under this act. The aforementioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the said act.



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Notes to the financial statements for the ended 31 March 2020 (continued)

(Currency: Indian Rupees)

2.27 Details of purchase, sale and change in stock in trade:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
a) Commodities		
Opening stock		
Agri	1,912,619,006	1,760,522,429
Subtotal	1,912,619,006	1,760,522,429
Purchase		
Agri/Shares	6,641,172,275	4,844,902,466
Subtotal	6,641,172,275	4,844,902,466
Sale		
Agri/Shares	8,905,909,991	5,165,281,174
Subtotal	8,905,909,991	5,165,281,174
Closing stock		
Agri	174,858,162	1,912,619,006
Subtotal	174,858,162	1,912,619,006

2.28 Capital commitments and contingent liabilities

The Company has no capital commitments and contingent liabilities as at the balance sheet.

2.29 Foreign currency transaction

The Company has undertaken the following transactions in foreign currency:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Expenditure incurred in foreign currency (on accrual basis)		



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Notes to the financial statements for the ended 31 March 2020 (continued)

(Currency: Indian Rupees)

Import purchase	2,399,852,674	1,186,811,871
Ocean Freight	1,15,30,345	24,51,796
Marine Insurance	NIL	1,96,981
Membership Fees	379,443	412,917
Foreign Travelling Expenses	8,53,305	10,67,712

2.30 Earnings per share

	Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
(a)	Profit after tax (as per statement of profit and loss)	(219,050,946)	117,063,611
	Less: Dividend on preference share capital	-	-
	Net profit for the period attributable to equity shareholders	(219,050,946)	117,063,611
(b)	Calculation of weighted average number of equity Shares of Rs. 10 each		
	Number of shares outstanding at the beginning of the period	27,55,768	27,55,768
	Number of Shares issued during the period	-	-
	Total number of equity shares outstanding at the end of the period	27,55,768	27,55,768
	Weighted average number of equity shares outstanding during the period (based on the date of issue of shares)	27,55,768	2,755,768
(c)	Basic and diluted earnings per share (in rupees) (a)/(b)	(79.49)	42.48

The basic and diluted earnings per share are the same as there are no dilutive potential equity shares.

2.31 Operating leases

The Company has taken premise on operating lease. Gross rental expenses for the year ended 31 March 2020 aggregated to Rs. 1,09,54,204/- (Previous year: Rs. 73,36,724/-)



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which has been included under the head Operating expenses – Rent under note 2.22 in the statement of profit and loss.

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Minimum lease payments for non-cancellable lease		
- not later than one year	22,71,752	41,00,251
- later than one year and not later than five years	125,000	8,96,752
- later than five years	-	-

2.32 Disclosure pursuant to Accounting Standard 15 (Revised) - Employee benefits:

A) Defined contribution plan (gratuity):

Amount of Rs. 18,74,329/- (Previous period: 6,86,656/-) is recognised as expenses and included in "employee benefit" – Notes 2.20 in the statement of profit and loss.

(B) Defined benefit plan (gratuity):

The following tables summarise the components of the net employee benefit expenses recognised in the statement of profit and loss and amounts recognised in the balance sheet for the gratuity benefit plan.

Statement of profit and loss of the year/period

Net employee benefits expenses (recognised in employee cost):

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Current service cost	519,107	401,344
Interest on defined benefit obligation	95,640	50,532



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Actuarial loss/(gain)	12,59,582	117,994
Recognised Past Service Cost-Vested	-	29,197
Recognised Past Service Cost-Unvested	-	87,589
Total included in employee benefit expenses	18,74,329	686,656

Balance sheet

Details of provision for gratuity:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Liability at the end of the year/period	31,10,079	12,35,750
Amount in balance sheet	31,10,079	12,35,750

Changes in the present value of the defined benefit obligation are as follows:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Liability at the beginning of the year/period	12,35,750	549,094
Transfer in/(out)	-	-
Interest cost	-	-
Current service cost	18,74,329	686,656
Benefits Paid	-	-
Actuarial (gain)/loss on obligations	-	-
Liability at the end of the year/period	31,10,079	12,35,750

Non-current liability at the end of the year

31,01,824/- (Previous Year 12,32,379)

Current liability at the end of the year

8,255/- (Previous Year 3,371)



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2.33 Disclosure pursuant to Accounting Standard 15 (Revised) - Employee benefits (continued)

Amount recognised in the balance sheet:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Liability at the end of the year/period	31,10,079	12,35,750
Fair value of plan assets at the end of year/period	-	-
Amount recognized in balance sheet	31,10,079	12,35,750

Experience adjustment:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
On plan liabilities (gain)/loss	10,01,985	137,970
Actuarial loss/(gain) due to change in financial assumptions	2,62,536	(19,976)
On plan assets (gain)/loss	(4,939)	-
Estimated contribution for next year/period	-	-
Net actuarial loss/ (gain) for the year	12,59,582	117,994

Principle actuarial assumptions at the balance sheet date:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Discount rate current	6.85%	7.75%
Salary escalation current	8.00%	8.00%
Employees attrition rate	1%-10%	1%-10%



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Notes to the financial statements for the ended 31 March 2020 (continued)

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2.34 Previous year comparatives

Previous year's figures have been regrouped wherever necessary.

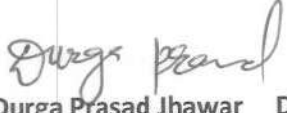
As per our report of even date attached.


For Mukesh Chechani & Co.
Chartered Accountants
Firm Registration No.: 007589C


Prakash Chechani
Partner
Membership No.: 104203
Mumbai
03 Dec 2020



For and on behalf of the Board of Directors


Durga Prasad Jhavar
Director
DIN: 02005091


Deepak Kumar Agrawal
Director
DIN: 07362004