

NAME OF ASSESSEE

**Prov Foods Private Limited**

PAN NO.

**AAKCP8919N**

**A.Y.2020-2021**

**COMPUTATION OF TOTAL INCOME**

**Amount (Rs.) Amount (Rs.) Amount (Rs.) Amount (Rs.)**

**1. Income from Business or Profession**

Net Profit as per Profit & Loss Account

(22,523)

Add - Expenses Disallowed

Preliminary Expenditure W/o

Less - Expenses allowed

Gross Taxable Income

(22,523)

Rounded off

(22,523)

**Total Tax Liability**

(22,523)

**MUKESH CHECHANI & CO.  
CHARTERED ACCOUNTANTS**

Mukesh Chechani  
F.C.A., B. Com.  
Prakash Chandra Chechani  
F.C.A., I.C.M.A., B. Com.  
Navratan Soni  
F.C.A., B. Com.

403, Green Court CHS,  
Azad Lane, Off S.V. ROAD  
Andheri (West),  
Mumbai 400 058  
Tel:9820216026  
Email : prakashchechani@rediffmail.com

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**Independent Auditors' Report**

**To**  
**The Members of Prov Foods Private Limited**

**Report on the Audit of Financial Statements**

**Opinion**

We have audited the accompanying financial statements of **Prov Foods 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.

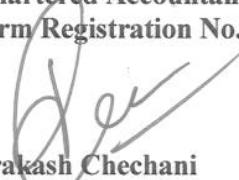
### **Report on Other Legal and Regulatory Requirements**

1. This report does not include a statement on the matters specified in Paragraph 3 and 4 of the Companies (Auditor's Report) Order, 2015 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, since in our opinion and according to the information and explanations given to us, the reporting requirements are not applicable to the Company for the current period.
1. 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. In accordance with the notification dated 13/06/2017 the company is under exemption from reporting on Internal Financial Control.
  - 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: 01 December 2020

**UDIN : 20104203AAAABJ4855**

# Prov Foods Private Limited

## Balance sheet

(Currency: Indian Rupees)

	Note	As at 31 March 2020
<b>EQUITY AND LIABILITIES</b>		
<b>Shareholders' funds</b>		
Share capital	2.1	100,000
Reserves and surplus	2.2	<u>(18,658)</u>
		81,342
<b>Non-current liabilities</b>		
<b>Current liabilities</b>		
Trade payables		
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,696,964
Other current liabilities	2.3	<u>20,169,616</u>
		21,866,580
<b>TOTAL</b>		<u><u>21,947,922</u></u>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Fixed assets		
Capital work-in-progress		<u>16,171,265</u>
		16,171,265
Deferred tax assets (net)	2.4	3,865
<b>Current assets</b>		
Cash and cash equivalents	2.5	114,659
Short-term loans and advances	2.6	5,658,133
		<u>5,772,792</u>
<b>TOTAL</b>		<u><u>21,947,922</u></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  
01 Dec 2020



For and on behalf of the Board of Directors

  
Durga Prasad Jhavar  
Director  
DIN: 02005091

  
Deepak Kumar Agrawal  
Director  
DIN: 07362004

# Prov Foods Private Limited

## Statement of Profit and Loss

(Currency: Indian Rupees)

Total revenue

**Expenses**

Other expenses

Total expenses

Loss before tax

**Tax expense:**

Income tax

Deferred tax benefit

Loss for the year

Earnings per equity share:

Basic and diluted (Face value of Rs. 10 each)

Significant accounting policies and notes to the financial statements.

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

01 Dec 2020



Note

For the year ended 31  
March 2020

2.7

22,523

22,523

(22,523)

(3,865)

(18,658)

2.11

(1.87)

1 & 2

For and on behalf of the Board of Directors

Durga Prasad Jhawar

Director

DIN: 02005091

Deepak Kumar Agrawal

Director

DIN: 07362004

Prov Foods Private Limited

Cash flow statement for the period ended 31 March 2020

(Currency: Indian Rupees)

For the year ended 31  
March 2020

<b>A</b>	<b>Cash flow from operating activities</b>	
	Loss before taxation	(22,523)
	<b>Operating cash flow before working capital changes</b>	<b>(22,523)</b>
	Adjustments for working capital changes	
	Increase Non-Current Assets	(5,658,133)
	Increase in trade payable	1,696,964
	Increase Other Current Liabilities	20,169,616
	<b>Cash used in operations</b>	<b>16,185,924</b>
	Income tax paid	-
	<b>Net cash generated from/used in operating activities - A</b>	<b>16,185,924</b>
<b>B</b>	<b>Cash flow from investing activities</b>	
	Purchase of fixed assets( Including WIP)	(16,171,265)
	<b>Net cash (used in)/generated from investing activities - B</b>	<b>(16,171,265)</b>
<b>C</b>	<b>Cash flow from financing activities</b>	
	Proceeds from issue of share capital	100,000
	<b>Net cash generated from financing activities - C</b>	<b>100,000</b>
	<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>114,659</b>
	Cash and cash equivalents as at the beginning of the period	-
	<b>Cash and cash equivalents as at the end of the period (refer note 1)</b>	<b>114,659</b>

Notes:

1 Cash and cash equivalents include the following:

Cash in hand

Balances with scheduled banks:

In current accounts

Total of cash and cash equivalents

114,659  
**114,659**

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  
01 Dec 2020

For and on behalf of the Board of Directors

Durga Prasad Jhawar

Director  
DIN: 02005091

Deepak Kumar Agrawal  
Director  
DIN: 07362004



# Prov Foods Private Limited

## Notes to the financial statements for the year 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 Rule 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 primary 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.



# Prov Foods Private Limited

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

### 1. Significant accounting policies (continued)

#### 1.4 Revenue recognition

Income is recognised on accrual basis.

#### 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 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.

#### 1.7 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 current 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.



# Prov Foods Private Limited

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

### 1.8 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.



# Prov Foods Private Limited

## Notes to the financial statements (Continued)

(Currency: Indian Rupees)

	As at 31 March 2020
<b>2.1 Share capital</b>	
<b>Authorised:</b>	
10,000 equity shares of Rs. 10 each	100,000
	<u>100,000</u>
<b>Issued, subscribed and paid up:</b>	
10,000 equity shares of Rs. 10 each, fully paid-up (The entire share capital is held by Proventus AgroCom Private Limited, the holding company)	100,000
	<u>100,000</u>
<b>a. Movement in share capital:</b>	
<b>Reconciliation of number of shares outstanding:</b>	<b>No. of shares</b>
Number of shares outstanding at the beginning of the year	-
Shares issued during the year	<u>10,000</u>
Number of shares at the end of the year	<u>10,000</u>
<b>Reconciliation of share capital:</b>	<b>Amount</b>
Share capital at the beginning of the year	
Share capital issued during the year	<u>100,000</u>
Share capital at the end of the year	<u>100,000</u>
<b>Details of shareholders holding more than 5% shares</b>	<b>31 March 2020</b>
<b>Name of the shareholders</b>	<b>Percentage</b>
Proventus AgroCom Private Limited	100.00%
<b>b. Terms/rights attached to equity shares:</b>	
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.	
<b>2.2 Reserves and surplus</b>	
Statement of profit and loss opening balance	-
Add: Loss for the year	<u>(18,658)</u>
	<u>(18,658)</u>



# Prov Foods Private Limited

## Notes to the financial statements (Continued)

(Currency: Indian Rupees)

	As at 31 March 2020
<b>2.3 Other current liabilities</b>	
Withholding tax and other statutory dues payable	85,320
Payable to directors, related party	20,084,296
	<u>20,169,616</u>
<b>2.4 Deferred tax assets</b>	
<b>Deferred tax assets</b>	
Tax effect of timing differences on account of:	
Accumulated losses	3,865
	<u>3,865</u>
<b>2.5 Short-term loans and advances</b>	
GST Assets	2,569,581
Supplier advances	650,000
Prepaid Expenses	32,552
Deposit-Rent Deposit	2,406,000
	<u>5,658,133</u>
<b>2.6 Cash and cash equivalents</b>	
<b>Balances with banks</b>	
- in current accounts	114,659
	<u>114,659</u>



# Prov Foods Private Limited

## Notes to the financial statements (Continued)

(Currency: Indian Rupees)

For the year ended 31  
March 2020

### 2.7 Other expenses

Auditors' remuneration (refer note below)	10,800
Legal and professional fees	4,000
Office Expenses	5,692
ROC expenses	2,031
	<hr/>
	22,523
	<hr/> <hr/>

Note:-

Auditors' remuneration:

As auditor

10,800

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10,800

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# Prov Foods Private Limited

## Notes to the financial statements (Continued)

(Currency: Indian Rupees)

For the year ended 31  
March 2020

### 2.7 Other expenses

Auditors' remuneration (refer note below)	10,800
Legal and professional fees	4,000
Office Expenses	5,692
ROC expenses	2,031
	<hr/>
	22,523
	<hr/>

Note:-

Auditors' remuneration:

As auditor

10,800

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10,800

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# Prov Foods Private Limited

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

(Currency: Indian Rupees)

### 2.8 Related Parties

#### i. List of related parties and relationship:

Name of related parties by whom control is exercised	Proventus Agrocom Private Limited (Holding 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:	D. P. Jhawar Shalin Khanna Deepak Agrawal

#### ii. Transactions with related parties :

Nature of Transaction	Related Party Name	2019-20
Allotment of Equity Shares	Proventus Agrocom Private Limited	100,000
<b>Balances with related parties</b> <i>Other Current Liabilities</i>	Proventus Agrocom Private Limited	20,084,296





# Prov Foods Private Limited

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

(Currency: Indian Rupees)

### 2.9 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

### 2.10 Capital commitments and contingent liabilities

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

### 2.11 Earnings per share

	Particulars	For the Year ended 31 March 2020
(a)	Loss after tax (as per statement of profit and loss)	(18,658)
	Less: Dividend on preference share capital	-
	Net loss for the period attributable to equity shareholders	(18,658)
(b)	Calculation of weighted average number of equity Shares of Rs. 10 each	
	Number of shares outstanding at the beginning of the year	10,000
	Number of Shares issued during the year	-
	Total number of equity shares outstanding at the end of the year	10,000
	Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	10,000
(c)	Basic and diluted earnings per share (in rupees) (a)/(b)	(1.87)

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



# Prov Foods Private Limited

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

(Currency: Indian Rupees)

## 2.12 Earning and expenditure in foreign currency

The company did not have any earning or expenditure in foreign currency during the reporting year. (Previous year Rs. Nil)

## 2.13 Previous year comparatives

The Company was incorporated on 25 November 2019. This is first financial year; hence comparatives of previous financial year have not been given.

**As per our report of even date attached.**


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

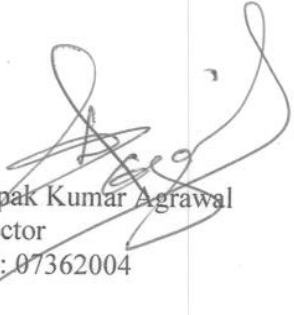
  
Prakash Chechani  
Partner

Membership No.: 104203  
Mumbai  
01 December 2020



For and on behalf of the Board of Directors

  
Durga Prasad Jhawar  
Director  
DIN: 02005091

  
Deepak Kumar Agrawal  
Director  
DIN: 07362004