

NAME OF ASSESSEE

Prov Foods Private Limited

PAN NO.

AAKCP8919N

A.Y.2021-2022

COMPUTATION OF TOTAL INCOME

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

1. Income from Business or Profession

Net Profit as per Profit & Loss Account	3,994,566		
Add - Expenses Disallowed			
Depreciation as per co. act	4,302,125		
Roc Expenses & Stamp duty on increasing capital	444,608		
Late Fees on Prof Tax	200	8,741,499	
Less - Expenses allowed			
Depreciation as per I T act	1,985,766		
Roc Exp. & Stamp duty on increasing cap. Preliminary Exp. All. (1/5 of 4,44,608) 1st year	88,922	2,074,688	
		6,666,811	
Set of Business Loss A.Y.2020-2021		(22,523)	
Gross Taxable Income			<u>6,644,288</u>
Rounded off			<u>6,644,290</u>
Total Tax Liability			1,140,160
Less:-TCS		183,811	
TDS		131,250	315,061
Less:-Advance Tax on 15.03.2021			825,099
Net Tax Payable			<u>(500,000)</u>
Add:-Interest u/s 234-B			325,099
Add:-Interest u/s 234-C			16,255
Total Tax Payable			<u>36,668</u>
			<u>378,022</u>

**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.

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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, 2021, 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, 2021, its profits 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

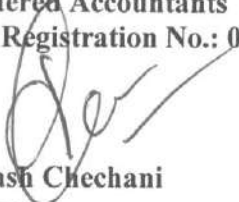
1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent 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 2021, taken on record by the Board of Directors, none of the directors is



disqualified as on 31 March 2021, 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: 06 August 2021
UDIN: 21104203AAAAAW1502

Annexure A to the Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of Prov Foods Private Limited ('the Company') on the financial statements for the year ended 31 March 2021, 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 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 granted unsecured loan of Rs.11,75,000/- to M/s Prov Nova Bio Technologies Private Limited which is the subsidiary of the company parties covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion the terms and condition of the loan given is not presuicidal to the interest of the company.
- (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.

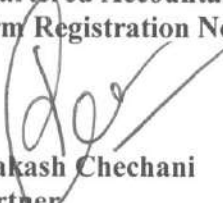
According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, sales tax, service tax, goods and service tax, value added tax, cess, duty of custom and other material statutory dues were outstanding, at the year end, for a period of more than six months 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 banks financial institutions and government during the year. Accordingly, paragraph 3 (viii) of the order is not applicable.
- (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 made preferential allotment of shares during the year and in respect of which the Company complied with section 42 of the Act and amount raised have been applied for the purposes for which the funds are raised.



- (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: 06 August 2021
UDIN : 21104203AAAAAW1502

Prov Foods Private Limited

Balance Sheet

(Currency: Indian Rupees)

	Note	As at 31 March 2021	As at 31 March 2020
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.1	2,580,000	100,000
Reserves and surplus	2.2	30,765,483	(18,658)
		<u>33,345,483</u>	<u>81,342</u>
Current liabilities			
Short-term borrowings	2.3	60,008,219	-
Trade payables			
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		3,186,036	1,696,964
Other current liabilities	2.4	15,343,666	20,169,616
		<u>78,537,921</u>	<u>21,866,580</u>
TOTAL		<u><u>111,883,404</u></u>	<u><u>21,947,922</u></u>
ASSETS			
Non-current assets			
Fixed assets	2.5	16,993,825	-
Capital work-in-progress		-	16,171,265
		<u>16,993,825</u>	<u>16,171,265</u>
Deferred tax assets (net)	2.6	458,523	3,865
Current assets			
Current investments		51,000	-
Inventories	2.7	12,119,327	-
Trade receivables	2.8	73,502,094	-
Cash and cash equivalents	2.9	184,588	114,659
Short-term loans and advances	2.10	8,574,047	5,658,133
		<u>94,431,056</u>	<u>5,772,792</u>
TOTAL		<u><u>111,883,404</u></u>	<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
Place : Mumbai
Date : 06 August 2021



For and on behalf of the Board of Directors

For and on behalf of the Board of Directors


Durga Prasad Jhawar
Director
DIN: 02005091


Shalin Khanna
Director
DIN: 06734684

Prov Foods Private Limited

Statement of Profit and Loss

(Currency: Indian Rupees)

Note	For the period ended 31 Mar 2021	For the year ended 31 March 2020
Revenue from operations		
Sale of commodities	270,378,132	-
Total revenue	270,378,132	-
Expenses		
Purchases of commodities	256,307,554	-
Changes in inventories of stock-in-trade	(12,119,327)	-
Employee benefit expenses	617,817	-
Finance costs	594,035	-
Depreciation	4,302,125	-
Other expenses	16,681,362	22,523
Total expenses	266,383,566	22,523
Profit/ (Loss) before tax	3,994,566	(22,523)
Tax expense:		
Income tax	1,193,083	-
Deferred tax benefit	(454,658)	(3,865)
Profit/(loss) for the period	3,256,141	(18,658)
Earnings per equity share:		
Basic and diluted (Face value of Rs. 10 each)	69.74	(1.87)

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

Place : Mumbai

Date : 06 August 2021



For and on behalf of the Board of Directors

Durga Prasad Jhavar Shalin Khanna
Director Director
DIN: 02005091 DIN: 06734684

Prov Foods Private Limited

Cash flow statement for the period ended 31 March 2021

(Currency: Indian Rupees)

	For the period ended 31 March 2021	For the year ended 31 March 2020
A Cash flow from operating activities		
Profit before taxation	3,994,566	(22,523)
Depreciation	4,302,125	-
Interest expense	8,219	-
Operating cash flow before working capital changes	8,304,910	(22,523)
Adjustments for working capital changes		
Increase in trade receivables	(73,502,094)	-
Increase in inventories	(12,119,327)	-
Increase Short-term loans and advances	(2,915,914)	(5,658,133)
Increase in trade payable	1,489,072	1,696,964
Increase in Short-term borrowings	60,008,219	-
Decrease Other Current Liabilities	(5,203,972)	20,169,616
Cash used in operations	(23,939,106)	16,185,924
Income tax paid	(815,061)	-
Net cash generated from/used in operating activities - A	(24,754,167)	16,185,924
B Cash flow from investing activities		
Purchase of fixed assets(Including WIP)	(5,124,685)	(16,171,265)
Purchase of investments	(51,000)	-
Net cash (used in)/generated from investing activities - B	(5,175,685)	(16,171,265)
C Cash flow from financing activities		
Proceeds from issue of share capital	30,008,000	100,000
Interest expenses	(8,219)	-
Net cash generated from financing activities - C	29,999,781	100,000
Net increase in cash and cash equivalents (A+B+C)	69,929	114,659
Cash and cash equivalents as at the beginning of the period	114,659	-
Cash and cash equivalents as at the end of the period (refer note 1)	184,588	114,659

Notes:

1 Cash and cash equivalents include the following:

Cash in hand	-	-
Balances with scheduled banks:		
In current accounts	184,588	114,659
Total of cash and cash equivalents	184,588	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



For and on behalf of the Board of Directors

Durga Prasad Jhavar
Director
DIN: 02005091

Shalin Khanna
Director
DIN: 06734684

Mumbai
06 August 2021

Prov Foods Private Limited

Notes to the financial statements for the period ended 31 March 2021

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.



Prov Foods Private Limited

Notes to the financial statements for the period ended 31 March 2021 (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.



Prov Foods Private Limited

Notes to the financial statements for the period ended 31 March 2021 (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
Factory Building (Leasehold Improvement)	5 years
Office equipment	5 years
Furniture & Fixture	10 years
Plant & Machinery	15 years
Computers and data processing units - End user devices, such as desktops, laptops, etc (other then server).	3 years



Prov Foods Private Limited

Notes to the financial statements for the period ended 31 March 2021 *(Continued)*

1. Significant accounting policies (continued)

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.

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.



Prov Foods Private Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees)

	As at 31 March 2021	As at 31 March 2020
2.1 Share capital		
Authorised:		
30,00,000 equity shares of Rs. 10 each	30,000,000	100,000
	<u>30,000,000</u>	<u>100,000</u>
Issued, subscribed and paid up:		
258,000(P.Y. 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)	2,580,000	100,000
	<u>2,580,000</u>	<u>100,000</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 year	10,000	-
Shares issued during the year	248,000	10,000
Number of shares at the end of the year	<u>258,000</u>	<u>10,000</u>
Reconciliation of share capital:	Amount	Amount
Share capital at the beginning of the year	100,000	-
Share capital issued during the year	2,480,000	100,000
Share capital at the end of the year	<u>2,580,000</u>	<u>100,000</u>
Details of shareholders holding more than 5% shares	31 March 2021	31 March 2020
Name of the shareholders	Percentage	Percentage
Proventus AgroCom Private Limited	100.00%	100.00%
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		-
Add : Additions during the year	27,528,000	-
Closing balance	<u>27,528,000</u>	<u>-</u>
Statement of profit and loss opening balance	(18,658)	-
Add: Profit/(Loss) for the year	3,256,141	(18,658)
	<u>3,237,483</u>	<u>(18,658)</u>
Total reserves and surplus	<u>30,765,483</u>	<u>(18,658)</u>



Prov Foods Private Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees)

	As at 31 March 2021	As at 31 March 2020
2.3 Short-term borrowings		
<i>Secured</i>		
(Due within one year, unless otherwise stated)		
Cash Credit against Hypothecation of Stock and Book Debts	60,008,219	-
	60,008,219	-
2.4 Other current liabilities		
Withholding tax and other statutory dues payable	291,034	85,320
Payable to directors, related party	14,674,610	20,084,296
Provision for taxation (net of advance tax and tax deducted at source)	378,022	-
	15,343,666	20,169,616



Prov Foods Private Limited
Notes to the financial statements (Continued)

(Currency: Indian Rupees)

2.5 Fixed assets

Description of assets	Gross block		Depreciation		Net block	
	Opening	Additions during the year	Deductions during the year	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020
Tangible assets						
Factory Building	-	9,865,363	-	3,215,712	6,649,651	-
Plant and Equipment	-	11,367,368	-	1,076,928	10,290,440	-
Furniture and Fixtures	-	63,220	-	9,485	53,735	-
Total :	-	21,295,950	-	4,302,125	16,993,825	-
Previous year	-	-	-	-	-	-



Prov Foods Private Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees)

	As at 31 March 2021	As at 31 March 2020
2.6 Deferred tax assets		
Deferred tax assets		
Tax effect of timing differences on account of:		
Preliminary expenses & loss	61,036	-
Depreciation	397,487	-
Accumulated losses	-	3,865
	<u>458,523</u>	<u>3,865</u>
2.7 Inventories		
Commodities		
Commodities /Packing Material	12,119,327	-
	<u>12,119,327</u>	<u>-</u>
2.8 Trade receivables		
Unsecured, considered good		
Debtors outstanding for a period exceeding six months	-	-
Other debts	73,502,094	-
	<u>73,502,094</u>	<u>-</u>
2.9 Cash and cash equivalents		
Balances with banks		
- in current accounts	184,588	114,659
	<u>184,588</u>	<u>114,659</u>
2.10 Short-term loans and advances		
Advances to others	1,175,000	-
GST Assets	4,698,717	2,569,581
Supplier advances	144,103	650,000
Prepaid Expenses	108,727	32,552
Deposit-Rent Deposit	2,447,500	2,406,000
	<u>8,574,047</u>	<u>5,658,133</u>



Prov Foods Private Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees)

	For the period ended 31 March 2021	For the year ended 31 March 2020
2.11 Employee benefit expenses		
Salaries and wages	617,817	-
	<u>617,817</u>	<u>-</u>
2.12 Finance costs		
Interest on Cash Credit	8,219	-
Bank charges	1,970	-
Interest on GST	10,246	-
Bank Processing Charges	573,600	-
	<u>594,035</u>	<u>-</u>
2.13 Other expenses		
Commission and brokerage	182,235	-
Communication	29,661	-
Electricity charges	747,438	-
Insurance	43,141	-
Labour Charges	3,178,143	-
Printing and stationery	186,295	-
Packing Expenses	6,921,894	-
Rates and taxes	8,711	-
Rent	1,758,650	-
Repairs and maintenance - Building	181,496	-
Repairs and maintenance - others	47,500	-
Security Charges	310,000	-
Transportation charges	2,069,577	-
Testing and inspection Charges	108	-
Auditors' remuneration (refer note below)	55,000	10,800
Legal and professional fees	408,000	4,000
Office Expenses	108,906	5,692
Preliminary Expenses W/off	444,608	2,031
	<u>16,681,362</u>	<u>22,523</u>
Note:-		
Auditors' remuneration:		
As auditor	55,000	10,800
	<u>55,000</u>	<u>10,800</u>



Prov Foods Private Limited

Notes to the financial statements for the year ended 31 March 2021 (continued)

(Currency: Indian Rupees)

2.15 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

2.16 Capital commitments and contingent liabilities

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

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

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
a) Commodities		
Opening stock		
Agri	NIL	NIL
Subtotal	NIL	NIL
Purchase		
Agri	25,63,07,554	NIL
Subtotal	25,63,07,554	NIL
Sale		
Agri	27,03,78,132	NIL
Subtotal	27,03,78,132	NIL
Closing stock		
Agri	1,21,19,327	NIL
Subtotal	1,21,19,327	NIL



Prov Foods Private Limited

Notes to the financial statements for the year ended 31 March 2021 (continued)

(Currency: Indian Rupees)

2.18 Earnings per share

	Particulars	For the Year ended 31 March 2021	For the Year ended 31 March 2020
(a)	Profit/Loss after tax (as per statement of profit and loss)	32,56,141	(18,658)
	Less: Dividend on preference share capital	-	-
	Net Profit/loss for the period attributable to equity shareholders	32,56,141	(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	248,000	10,000
	Total number of equity shares outstanding at the end of the year	258,000	10,000
	Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	46,690	10,000
(c)	Basic and diluted earnings per share (in rupees) (a)/(b)	69.74	(1.87)

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

2.19 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.

2.20 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)



Prov Foods Private Limited

Notes to the financial statements for the year ended 31 March 2021 *(continued)*

(Currency: Indian Rupees)


2.21 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

For and on behalf of the Board of Directors


Prakash Chechani
Partner
Membership No.: 104203
Mumbai
Date 06 August 2021




Durga Prasad Jhavar
Director
DIN: 02005091


Shalin Khanna
Director
DIN: 06734684