

**AUDIT REPORT  
&  
BALANCE SHEET AS AT 31.03.2018  
OF  
KANPUR ORGANICS PRIVATE LIMITED  
KANPUR**

**AUDITORS :  
MANEESH AVNEESH & CO.  
CHARTERED ACCOUNTANTS  
OFFICE NO. 310,3<sup>RD</sup> FLOOR, KALPANA PLAZA,  
BIRHANA ROAD, KANPUR.  
Mobile : 9984169645**

**Independent Auditor's Report**  
**To the Members of**  
**Kanpur Organics Private Limited**

**Report on the Financial Statements**

We have audited the accompanying financial statements of **Kanpur Organics Private Limited** which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance 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 Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules madethereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are



appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its Profit/Loss and its Cash Flow for the year ended on that date.

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 purpose 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 statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.



- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**AnnexureB**".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For and on behalf of  
**MANEESH AVNEESH & CO**  
*Chartered Accountants*  
FRN: 008433C

  
**AVNEESH SRIVASTAVA**  
*Partner*

Membership number: 402380

Place: Kanpur  
Date: 24.05.2018



## **"Annexure A" to the Independent Auditors' Report**

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31,2018 :

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
- (c) The title deeds of immovable properties are held in the name of the company.
- 2) (a) The management has conducted the physical verification of inventory at reasonable intervals and in our opinion frequency of verification is reasonable.
- b) There were no material discrepancies noticed on physical verification of the inventory as compared to books records.
- 3) 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 Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable in the instant case.
- 6) As informed to us, the maintenance of Cost Records has been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company is not applicable in the instant case.



- 7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2018 for a period of more than six months from the date on when they become payable.
- b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to Central Bank of India, Narsinghpur Branch, Madhya Pradesh from which the company has taken secured Term Loan of Rs 12500000/-. Further, the Company has not taken any loan from the government and has not issued any debentures.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.



- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 16) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For and on behalf of  
**MANEESH AVNEESH & CO**  
*Chartered Accountants*  
FRN: 008433C

*Avneesh Srivastava*



**AVNEESH SRIVASTAVA**  
*Partner*  
Membership number: 402380  
Place: Kanpur  
Date: 24.05.2018

**"Annexure B" to the Independent Auditor's Report of even date on the Standalone Financial Statements of Kanpur Organics Private limited**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of section 143 of the Companies Act, 2013 ("theAct")**

We have audited the internal financial controls over financial reporting of Kanpur Organics Private Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance note on Audit of Internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India. 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.





### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

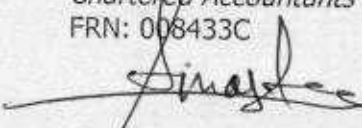
### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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 and on behalf of  
**MANEESH AVNEESH & CO**  
Chartered Accountants  
FRN: 008433C

  
**AVNEESH SRIVASTAVA**  
Partner  
Membership number: 402380



Place: Kanpur  
Date : 24.05.2018

**KANPUR ORGANICS PRIVATE LIMITED**  
**BALANCE SHEET AS ON 31.03.2018**

Particulars	Note No	Amount (Rs.)	
		2017-18	2016-17
<b>EQUITY &amp; LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	1915000	1915000
(b) Reserve & Surplus	2	20907797	16240682
(c) Money Received against share warrants		0	0
(d) Minority Interest		0	0
<b>(2) Share application money pending allotment</b>		0	0
<b>(3) Non- Current Liabilities</b>			
(a) Long Term borrowings	3	950000	4171500
(b) Deferred tax liabilities		0	0
(c) Other long term liabilities	3	0	0
(d) Long term provisions	4	0	0
<b>(4) Current liabilities</b>			
(a) Short term borrowings	3	5447331	4797643
(b) Trade payable	3	0	4959910
(c) Other current Liabilities	3	0	5683
(d) Short Term provisions	4	1146000	1267250
<b>TOTAL</b>		<b>30366128</b>	<b>33357668</b>
<b>II. ASSETS</b>			
<b>(1) Non Current Assets</b>			
<b>(a) Fixed Assets</b>			
(i) Tangible assets	5	13601404	16269908
(ii) Intangible assets		0	0
(iii) Capital work in progress	5	0	0
(iv) Intangible assets under development		0	0
(b) Non- current investments	6	8931557	8259374
(c) Deferred Tax Assets (net)		212391	381456
(d) Long term loans & advances	11	0	0
(e) Other non-current assets	11	0	0
<b>(2). Current assets</b>			
(a) Current investment	7	0	0
(b) Inventories	8	987054	1064215
(c) Trade Receivables	10	1923888	3497857
(d) Cash & cash equivalents	9	3277313	2062802
(e) Short term loans and advances	11	0	0
(f) Other current assets	11	1432521	1822056
<b>TOTAL</b>		<b>30366128</b>	<b>33357668</b>

**Notes to Accounts**

18.

I. Figures have been rounded off to the nearest rupee  
"As per our report of even date attached".

For Maneesh Avneesh & co.  
Chartered Accountants

(Avneesh Srivastava)  
Partner  
M.No: 402380  
FRNo.008433C



For and on behalf of the Board

*Raj Kumar Agarwal*  
Raj Kumar Agarwal  
DIRECTOR  
DIN :- 06691235

*Rahul Sachan*  
Rahul Sachan  
DIRECTOR  
DIN :- 03405499

Place : Kanpur  
Date : 24.05.2018

**KANPUR ORGANICS PRIVATE LIMITED**  
**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2018**

Particulars	Note No.	Amount (Rs.)	
		2017-18	2016-17
I. Revenue from operations	12	30300054	38457483
II. Other Income	13	746870	776462
<b>III.Total Revenue(I+II)</b>		<b>31046924</b>	<b>39233945</b>
<b>IV. EXPENSES:</b>			
Cost of material consumed		12705990	11038079
Purchase of Stock- In-Trade	14A -	0	0
Changes in inventories of finished goods, work in progress and stock-in- Trade	14B	78051	377057
Employee benefit expense	15	684686	494020
Financial Cost	16	656654	874425
Depreciation and amortization expense	5	2699504	3263172
Other Expenses	17	8218407	16832048
<b>IV.Total Expenses</b>		<b>25043292</b>	<b>32878801</b>
V. Profit before exceptional and extraordinary items and tax	(III-IV)	6003632	6355144
VI. Exceptional Items		0	0
VII. Profit before extraordinary items and tax	(V-VI)	6003632	6355144
VIII. Extraordinary Items		0	0
IX. Profit before tax	(VII-VIII)	<b>6003632</b>	<b>6355144</b>
X. Tax Expense:			
(1) Current Tax		1125000	1250000
(2) Deferred Tax		169065	(150942)
XI. Profit(Loss) from the period continuing operations	(IX-X)	4709567	5256086
XII. Profit/(Loss) from discontinuing operations		0	0
XIII. Tax expense of discontinuing operations		0	0
XIV. Profit/(Loss) from discontinuing operations	(XII-XIII)	0	0
XV. Profit/(loss) for the period	(XI+ XIV)	4709567	5256086
XVI. Share of results of Associates		0	0
XVII. Minority Interest		0	0
XVIII. Profit/(loss) for the period	(XV+XVI+XVII)	<b>4709567</b>	<b>5256086</b>
XIX. Earning per equity share:			
(1) Basic		24.59	27.45
(2) Diluted		24.59	27.45

**Notes to Accounts**

1. Figures have been rounded off to the nearest rupee  
"As per our report of even date attached".

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For Maneesh Avneesh & co.  
Chartered Accountants

(Avneesh Srivastava)  
Partner  
M.No: 402380  
FRNo.008433C



For and on behalf of the Board

*Raj Kumar Agarwal*  
Raj Kumar Agarwal  
DIRECTOR  
DIN :- 06691235

*Rahul Sachan*  
Rahul Sachan  
DIRECTOR  
DIN :- 03405499

Place : Kanpur  
Date : 24.05.2018

**KANPUR ORGANICS PRIVATE LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31 MARCH, 2018**

PARTICULARS	2017-18 AMOUNT (Rs)	2016-17 AMOUNT (Rs)
<b><u>A. Cash flows from operating activities</u></b>		
Profit before taxation	6003632	6355144
<b>Adjustments for:</b>		
Depreciation	2699504	3263172
Investment income	0	0
Finance cost	656654	874425
Preliminary exp w/o	0	0
Profit / (Loss) on the sale of property, plant & equipment	0	0
<b>Operating Profit/(Loss) before working capital changes</b>	<b>9359790</b>	<b>10492741</b>
<b>Working capital changes:</b>		
Adjustment for (increase)/ decrease in operating assets		
Inventories	77161	1452077
Trade receivables	1573969	-307333
Short-term loans and advances	0	2185811
Long-term loans and advances	0	0
Other current assets	389535	-817019
Other non-current assets	0	0
<b>Adjustments for increase / (decrease) in operating liabilities:</b>		
Trade payables	-4959910	1722802
Other current liabilities	-5683	-4317
Other long-term liabilities	0	0
Short-term provisions	-1246250	14304
Long-term provisions	0	0
<b>Cash generated from operations</b>	<b>5188612</b>	<b>14739066</b>
Income taxes paid	-42452	-1203058
<b>Net cash from operating activities (A)</b>	<b>5146160</b>	<b>13536008</b>
<b><u>B. Cash flow from investing activities</u></b>		
Capital expenditure on fixed assets,	-31000	0
Purchase of long-term investments	-672183	-621486
Proceeds from sale of long-term investments	0	0
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>-703183</b>	<b>-621486</b>
<b><u>C. Cash flow from financing activities</u></b>		
Proceeds from long-term borrowings	-3221500	-15942000
Proceeds from other short-term borrowings	649688	-1148821
Finance cost	-656654	-874425
Cash flow from extraordinary items	0	0
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>-3228466</b>	<b>-17965246</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>1214511</b>	<b>-5050724</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>2062802</b>	<b>7113526</b>
<b>Cash and cash equivalents at end of period</b>	<b>3277313</b>	<b>2062802</b>



**Note 1: Cash and cash equivalents consist of cash on hand and balances with banks.**

Cash	143456	89386
Balance with banks	3133857	1973416
Cheques in hand	0	0
<b>Total</b>	<b>3277313</b>	<b>2062802</b>

2. The above statement has been prepared under the indirect method as set out in Accounting Standard 3, Cash Flow Statement.

3. Figures have been rounded off to the nearest rupee

\*As per our report of even date

For Maneesh Avneesh & co  
Chartered Accountants

(Aneesh Srivastava)  
Partner  
M.No: 402380  
FRNo.008433C



For and on behalf of the Board

Raj Kumar Agarwal  
Raj Kumar Agarwal  
DIRECTOR  
DIN :- 06691235

Rahul Sachan  
Rahul Sachan  
DIRECTOR  
DIN :- 03405499

Place : Kanpur  
Date : 24.05.2018

**Notes Forming part of the Financial Statements**

**Note 1 :- Share Capital**

Particulars	2017-18	2016-17
<b>Authorized Shares</b> 250000 (250000)Nos. Equity Shares of Rs.10/- each	2500000	2500000
	2500000	2500000
<b>Issued ,Subscribed &amp; Fully Paid</b> 191500 Equity Shares of Rs.10/- each	1915000	1915000
<b>Total Issued ,Subscribed &amp; Fully Paid</b>	1915000	1915000

Share Capital Schedule (No. of shares Outstanding) Particulars	31 Mar 18		31 Mar 17	
	No's	Amount	No's	Amount
Opening number of Shares Outstanding	191500	1915000	191500	1915000
Add: Allotment During the Year	0	0	0	0
Less: buyback during the year	0	0	0	0
<b>outstanding shares at the end of the year</b>	<b>191500</b>	<b>1915000</b>	<b>191500</b>	<b>1915000</b>

**Detail of Shareholders Holding more than 5 percent Shares**

Name of the Shareholders	No. Of Equity Shares	% Shareholding
Raghuvansh Agrofarms Ltd.	181500	94.78%

**Detail of Share held by Holding Company**

Name of the Shareholders	No. Of Equity shares	% Shareholding
Raghuvansh Agrofarms Ltd. (Holding Company)	181500	94.78%



**Note 2:- Reserve & surplus**

	Particulars	2017-18	2016-17
(a)	<b>Securities Premium</b>		
	As per last Balance sheet	5765000	5765000
	Add: received during the year	0	0
	less: utilised during the year	0	0
		<b>5765000</b>	<b>5765000</b>
(b)	<b>General Reserve</b>		
	As per last Balance Sheet	0	0
	Add: Any other adjustments	0	0
	less: Any other adjustments	0	0
		0	0
(c)	Foreign Currency Translation Reserve	0	0
(d)	<b>Surplus in the statement of Profit &amp; Loss Account</b>		
	As per last Balance Sheet	10475682	5172654
	Add : Profit for the year	4709567	5256086
	Less : Income tax paid	0	0
	Less : Appropriations	42452	-46942
	Proposed Dividend	0	0
	Tax on dividend	0	0
	Transfer to general reserve	0	0
	<b>Net surplus in the statement of profit and loss account</b>	<b>15142797</b>	<b>10475682</b>
	<b>Total Reserve &amp; Surplus</b>	<b>20907797</b>	<b>16240682</b>



**Note 3**

Liabilities	Current		Non-Current	
	2017-18	2016-17	2017-18	2016-17
<b>a) Borrowings</b>				
<b>Secured</b>				
i. Loans				
-From banks;	5447331	4797643	950000	0
-From other parties	0	0	0	4171500
ii. Loans and advances from related Parties				
Raghuvansh Agrofarms Ltd.	0	0	0	0
iii. Deposits	0	0	0	0
<b>Unsecured</b>				
Other Loans and advances	0	0	0	0
	<b>5447331</b>	<b>4797643</b>	<b>950000</b>	<b>4171500</b>
<b>b) Trade payables</b>	0	4959910	0	0
<b>c) Other Liabilities</b>	0	0	0	0
Unpaid Dividends	0	0	0	0
Other Payables	0	5683	0	0
	<b>0</b>	<b>5683</b>	<b>0</b>	<b>0</b>

**Note 4**

Provisions	Current		Non-Current	
	2017-18	2016-17	2017-18	2016-17
Audit Fees Payable	21000	17250	0	0
- Provision for Taxation	1125000	1250000	0	0
	<b>1146000</b>	<b>1267250</b>	<b>0</b>	<b>0</b>





**DEPRECIATION CHART AS PER COMPANIES ACT  
FOR THE FINANCIAL YEAR 2017-18**

Particulars	GROSS BLOCK			DEPRECIATION		NET BLOCK		
	01.04.17	ADDITION	SALE/ADJ.	Total	During the Yr.	Total	31.03.18	31.03.17
A) Intangibles:	0	0	0	0	0	0	0	0
B) Tangibles								
Building	4079380	0	0	4079380	313414	1093697	2985683	3299097
Computer	0	31000	0	31000	10353	10353	20647	0
Plant & Machinery	21410671	0	0	21410671	2293061	11034887	10375784	12668845
Tractor	355000	0	0	355000	66719	208083	146917	213636
Trolley	160000	0	0	160000	15909	88012	71988	87897
Furniture & Fixture	10240	0	0	10240	48	9855	385	433
<b>TOTAL</b>	<b>26015291</b>	<b>31000</b>	<b>0</b>	<b>26046291</b>	<b>2699504</b>	<b>12444887</b>	<b>13601404</b>	<b>16269908</b>
<b>Total (Previous Year)</b>	<b>26015291</b>	<b>0</b>	<b>0</b>	<b>26015291</b>	<b>3263172</b>	<b>9745383</b>	<b>16269908</b>	<b>19533080</b>



**Note 6**

<b>Non Current Investments</b>	<b>2017-18</b>	<b>2016-17</b>
<b>a) Investment Property</b>	0	0
<b>b) Investments in Equity Instruments</b>	0	0
Quoted Investments		
Other unquoted investments	0	0
<b>C) FDR with banks</b>	8931557	8259374
	<b>8931557</b>	<b>8259374</b>

Aggregate amount of quoted investment(Market Value)	0	0
Aggregate amount of Unquoted investment	8931557	8259374
Value of Investment Property	0	0

**Note 7**

<b>Current Investments</b>	<b>2017-18</b>	<b>2016-17</b>
<b>a) Investment Property</b>	0	0
<b>b).Other investments</b>	0	0
<b>c) Investments in Equity Instruments</b>		
Quoted Investments	0	0
Other unquoted investments	0	0
	<b>0</b>	<b>0</b>

Aggregate amount of quoted investment(Market Value)	0.00	0.00
Aggregate amount of Unquoted investment	0.00	0.00



**Note 8**

Inventories	Current		Non- Current	
	2017-18	2016-17	2017-18	2016-17
a) Raw Materials	649590	836260	0	0
b) Work- in progress	187560	118935	0	0
c) Finished goods	149904	109020	0	0
d) Stock in trade	0	0	0	0
e) Stores & Spares	0	0	0	0
f) Loose Tools	0	0	0	0
<b>TOTAL</b>	<b>987054</b>	<b>1064215</b>	<b>0</b>	<b>0</b>

**Note 9**

Cash & Cash Equivalents	Current		Non- Current	
	2017-18	2016-17	2017-18	2016-17
<b>a) Balances with Banks</b>				
On current accounts	1214757	54316	0	0
On Margin Money	0	0	0	0
On unpaid dividend account	0	0	0	0
On Account of Subsidy Received	1919100	1919100	0	0
Deposits with banks maturity less than 12 months	0	0	0	0
	<b>3133857</b>	<b>1973416</b>	<b>0</b>	<b>0</b>
<b>b) Cheques, drafts on hands</b>	0	0	0	0
<b>c) Cash on Hand</b>	143456	89386	0	0
	<b>3277313</b>	<b>2062802</b>	<b>0</b>	<b>0</b>



**Note 10**

Trade Receivable	Current		Non- Current	
	2017-18	2016-17	2017-18	2016-17
Unsecured considered good	0	0	0	0
Outstanding exceeding six months	0	0	0	0
Others	1923888	3497857	0	0
	0	0	0	0
Less: Provision for doubtful debts	0	0	0	0
<b>TOTAL</b>	<b>1923888</b>	<b>3497857</b>	<b>0</b>	<b>0</b>

**Note 11**

Loans & Advances	Current		Non-current	
	2017-18	2016-17	2017-18	2016-17
<b>a) Loans &amp; Advances to Related parties</b>	0	0	0	0
<b>b) Other Advances</b>				
Advances, secured considered good	0	0	0	0
Advances, unsecured considered good				
Advance Lease Rent	0	0	0	0
Hans Metal Ltd	0	0	0	0
others	0	0	0	0
Less: Provision for doubtful advance	0	0	0	0
	0	0	0	0
Advance income Tax	1426721	1822056	0	0
Advance Indirect Taxes	5800	0	0	0
<b>Others</b>	0	0	0	0
Commision Receivable	0	0	0	0
Capital Advances	0	0	0	0
Deposits secured, considered goods	0	0	0	0
Deposits unsecured, considered good	0	0	0	0
<b>TOTAL</b>	<b>1432521</b>	<b>1822056</b>	<b>0</b>	<b>0</b>



**Note 12**

Revenue from Operations	2017-18	2016-17
a) Other operating revenue	30300054	38457483
	<b>30300054</b>	<b>38457483</b>

**Note 13**

Other Income	2017-18	2016-17
a) Commission & Discount	0	85922
b) Interest	746870	690540
c) Balance w/o	0	0
	<b>746870</b>	<b>776462</b>

**Note 14 A****Cost Of Material Consumed**

Particulars	2017-18	2016-17
Opening Stock	836260	1911280
Add- Purchase During the Year	12706880	9963059
Less:-Closing Stock	837150	836260
	<b>12705990</b>	<b>11038079</b>

**Note 14 B**

Changes in inventory of Stock in trade	2017-18	2016-17
At the beginning of the year Stock in trade	227955	605012
At the end of the year Stock in trade	149904	227955
	<b>78051</b>	<b>377057</b>

**Note 15**

Employee benefit expenses	2017-18	2016-17
a) Salaries & wages	566500	420000
b) Staff welfare	118186	74020
	<b>684686</b>	<b>494020</b>

**Note 16**

Finance Cost	2017-18	2016-17
a) Interest Expense	649688	847441
b) Bank Charges & other finance cost	6966	26984
c) Net gain/loss on foreign currency transaction	0	0
	<b>656654</b>	<b>874425</b>



**Note 17**

<b>Other Expenses</b>	<b>2017-18</b>	<b>2016-17</b>
Advertisement Expenses	372390	488851
Auditors Remuneration	21000	17250
Freight & cartage	668198	9848991
JCB Hire Charges	0	283750
Filing Fee	2000	0
Manure Processing Charges	6090486	5058798
Miscellaneous expenses	0	234972
Power & Fuel	676560	357699
Professional & Legal Expenses	22700	7200
Rent : Building	117600	215000
Generator	180000	0
Repair and maintenance	0	4000
Telephone expenses	40954	23726
Travelling Expenses	20719	245000
VAT paid	5800	46811
	<b>8218407</b>	<b>16832048</b>

**Auditors Remuneration is as Under:**

<b>Particulars</b>	<b>2017-18</b>	<b>2016-17</b>
Audit fees	15000	11250
Tax Audit fees	6000	6000
Certificate & Tax Services	0	0
Reimbursement of Exp	0	0
<b>Total</b>	<b>21000</b>	<b>17250</b>



## KANPUR ORGANICS PRIVATE LIMITED

(Annexed to and forming part of the Balance Sheet for the year ended 31.03.2018)

Note No: - 18 NOTES ON ACCOUNTS

### ACCOUNTING POLICIES

#### 1. ACCOUNTING CONVENTION:-

THE FINANCIAL STATEMENTS ARE PREPARED UNDER THE HISTORICAL COST OF CONVENTION & REVENUE AND EXPENSES ARE ACCOUNTED FOR ON THEIR ACCRUAL WITH NECESSARY PROVISION FOR KNOWN LIABILITIES AND LOSSES.

2. LAST YEARS FIGURES HAVE BEEN GROUPED & REGROUPED HAS BEEN PROVIDED WHEREVER FOUND NECESSARY.

3. IN THE OPINION OF THE DIRECTORS AND TO THE BEST OF THEIR KNOWLEDGE AND BELIEF THE VALUE ON THE REALISATION OF LOANS, ADVANCES AND CURRENT ASSETS IN THE ORDINARY COURSE OF BUSINESS WILL NOT BE LESS THAN THE AMOUNT AT WHICH THEY ARE STATED IN THE BALANCE SHEET.

4. DETAILS OF THE PAYMENTS TO THE AUDITORS ARE AS FOLLOWS:

A. TAX AUDIT FEES	Rs. 6000
STATUTORY AUDIT FEES	Rs. 15000
	<u>Rs.21000</u>
B. IN ANY OTHER CAPACITY (TAXATION & OTHER MATTERS)	Rs. NIL

5. CONTINGENT LIABILITIES: DURING THE FINANCIAL YEAR COVERED UNDER AUDIT NO CONTINGENT LIABILITIES EXISTED.

6. THE COMPANY HAS ACCEPTED UNSECURED LOAN AS AGGREGATE OF Rs. Nil OUTSTANDING AS ON 31.03.2018 (PREVIOUS YEAR 2016-17 Rs. 41,71,500/-) DUE FROM THE HOLDING COMPANY RAGHUVANSH AGROFARMS LIMITED.

7. DURING THE YEAR UNDER AUDIT COMPANY HAS PAID REMUNERATION OF THE DIRECTOR AMOUNTING TO Rs. NIL.

#### 8. DISCLOSURE OF SHARE CAPITAL:-

<u>S.NO.PARTICULARS</u>	<u>NO. OF SHARES</u>	<u>NOMINAL VALUE</u>	<u>TOTALVALUE</u>
1. AUTHORISED CAPITAL	250000	10/-EACH	2500000/-
2. ISSUED CAPITAL	191500	10/-EACH	1915000/-
3. SUBSCRIBED AND FULLY PAID UP	191500	10/-EACH	1915000/-



9. OUT OF THE TOTAL NO. OF SHARES, SHARE HOLDERS HAVING SHARE MORE THAN 5% OF THE SHARE HOLDING ARE AS UNDER:-

S. No.	NAME OF THE SHAREHOLDERS	NO. OF SHARES	IN %
1	RAGHUVANSH AGROFARMS LIMITED	181500	94.78%

10. ACCOUNTING FOR TAXES ON INCOME AS-22: DURING THE YEAR THE AUDITEE COMPANY HAS RECOGNISED DEFERRED TAX ASSETS/LIABILITIES AS PER FOLLOWING:

F.Y	DEP AS PER IT ACT	DEP AS PER CO's Act	DIFFERENCE	PRELIMINARY EXP DISALLOWED	TIMING DIFFERENCE	DEFERRED TAX	DTA (DTL)
2007-08	1024	1853	829	0	829	256	256
2008-09	922	1518	596	0	596	184	440
2009-10	829	1243	414	0	414	128	568
2010-11	747	1018	271	0	271	84	652
2011-12	672	834	162	0	162	50	702
2012-13	605	683	78	0	78	24	726
2013-14	544	559	15	43471	43486	13437	14164
2014-15	2924873	2732749	-192124	-11722	-203846	-62988	-48825
2015-16	3126956	3741753	614797	0	614797	189972	141147
2016-17	2458655	3263172	804517	0	804517	240309	381456
2017-18	2364888	2699504	334616	0	334616	-169065	212391

11. RELATED PARTY DISCLOSURES AS-18: DURING THE YEAR UNDER REPORT COMPANY HAS NOT ENTERED INTO ANY TRANSACTION OF PURCHASE/SALE WITH RELATED PARTY. HOWEVER THE FOLLOWING EQUITY SHARES ARE HELD BY RAGHUVANSH AGROFARM LIMITED(RELATED PARTY AS PER AS-18).

S. No.	NAME OF THE SHAREHOLDERS	NO. OF SHARES	IN %
1	RAGHUVANSH AGROFARMS LIMITED	181500	94.78%

For Maneesh Avneesh & Co.  
CHARTERED ACCOUNTANTS

  
Avneesh Srivastava  
Partner  
M.No.:402380



FOR KANPUR ORGANICS PRIVATE LIMITED

  
(Director)

  
(Director)

PLACE: KANPUR  
DATE: 24.05.2018