

**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, 2020, 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 made thereunder.

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, 2020, and its Profit/Loss and its Cash Flow for the year ended on that date.

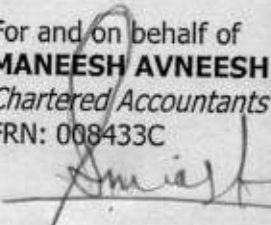
### Report on Other Legal and Regulatory Requirements

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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 "**Annexure B**".
- 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: 13.07.2020

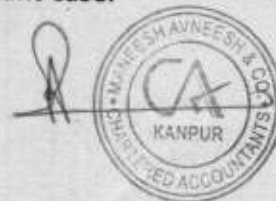




## **"Annexure A" to the Independent Auditors' Report**

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, 2020 :

- 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, 2020 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: 13.07.2020



**"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 ("the Act")**

We have audited the internal financial controls over financial reporting of Kanpur Organics Private Limited ("the Company") as of March 31, 2020 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, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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



**AVNEESH SRIVASTAVA**  
Partner  
Membership number: 402380

Place: Kanpur  
Date : 13.07.2020



**KANPUR ORGANICS PRIVATE LIMITED**  
**BALANCE SHEET AS AT 31.03.2020**

| Particulars  | Note No | Amount (Rs.)     |                 |
|--|---------|------------------|-----------------|
|  |         | 2019-20          | 2018-19         |
| <b>EQUITY &amp; LIABILITIES</b>                      |         |                  |                 |
| <b>(1) Shareholder's Funds</b>                       |         |                  |                 |
| (a) Share Capital                                    | 1       | 1915000          | 1915000         |
| (b) Reserve & Surplus                                | 2       | 65546592         | 42322213        |
| (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       | 0                | 792566          |
| (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       | 17050000         | 0               |
| (b) Trade payable                                    | 3       | 23993740         | 44998701        |
| (c) Other current Liabilities                        | 3       | 48500            | 210778          |
| (d) Short Term provisions                            | 4       | 36000            | 5976000         |
| <b>TOTAL</b>   |         | <b>108589832</b> | <b>96215258</b> |
| <b>II. ASSETS</b>                                    |         |                  |                 |
| <b>(1) Non Current Assets</b>                        |         |                  |                 |
| <b>(a) Fixed Assets</b>                              |         |                  |                 |
| (i) Tangible assets                                  | 5       | 12508474         | 12438277        |
| (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       | 0                | 0               |
| (c) Deferred Tax Assets (net)                        |         | 316172           | 299553          |
| (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       | 27814269         | 9704727         |
| (c) Trade Receivables                                | 10      | 2561264          | 24481052        |
| (d) Cash & cash equivalents                          | 9       | 2511223          | 373904          |
| (e) Short term loans and advances                    | 11      | 58983312         | 294500          |
| (f) Other current assets                             | 11      | 3895118          | 48623245        |
| <b>TOTAL</b>   |         | <b>108589832</b> | <b>96215258</b> |

**Notes to Accounts**

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

For Maneesh Avneesh & co.  
Chartered Accountants

(Ayneesh 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 : 13.07.2020

**KANPUR ORGANICS PRIVATE LIMITED**  
**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2020**

| Particulars  | Note No.      | Amount (Rs.)     |                  |
|--|---------------|------------------|------------------|
|  |               | 2019-20          | 2018-19          |
| I. Revenue from operations   | 12            | 242750556        | 131125170        |
| II. Other Income   | 13            | 543159           | 727756           |
| <b>III.Total Revenue(I+II)</b>   |               | <b>243293715</b> | <b>131852926</b> |
| <b>IV. EXPENSES:</b>   |               |                  |                  |
| Cost of material consumed  | 14A           | 67641686         | 97143410         |
| Purchase of Stock- in-Trade  |               | 152684414        | 0                |
| Changes in inventories of finished goods, work in progress and stock-in- Trade | 14B           | -16550172        | (9542073)        |
| Employee benefit expense   | 15            | 1634333          | 737180           |
| Financial Cost   | 16            | 46324            | 352804           |
| Depreciation and amortization expense  | 5             | 2273871          | 2610365          |
| Other Expenses   | 17            | 11648518         | 13200839         |
| <b>IV.Total Expenses</b>   |               | <b>219378974</b> | <b>104502525</b> |
| V. Profit before exceptional and extraordinary items and tax                   | (III-IV)      | 23914741         | 27350401         |
| VI. Exceptional Items  |               | 0                | 0                |
| VII. Profit before extraordinary items and tax                                 | (V-VI)        | 23914741         | 27350401         |
| VIII. Extraordinary Items  |               | 0                | 0                |
| IX. Profit before tax  | (VII-VIII)    | <b>23914741</b>  | <b>27350401</b>  |
| X. Tax Expense:  |               |                  |                  |
| (1) Income Tax - Current Tax   |               | 6645620          | 5925000          |
| - Adjustment of Previous Years   |               | -5938639         | 0                |
| (2) Deferred Tax   |               | -16619           | -87162           |
| XI. Profit(Loss) from the period continuing operations                         | (IX-X)        | 23224379         | 21512563         |
| 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)     | 23224379         | 21512563         |
| XVI. Share of results of Associates  |               | 0                | 0                |
| XVII. Minority Interest  |               | 0                | 0                |
| XVIII. Profit/(loss) for the period  | (XV+XVI+XVII) | <b>23224379</b>  | <b>21512563</b>  |
| XIX. Earning per equity share:   |               |                  |                  |
| (1) Basic  |               | 121.28           | 112.34           |
| (2) Diluted  |               | 121.28           | 112.34           |

**Notes to Accounts**

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

For Maneesh Avneesh & co.  
 Chartered Accountants

(Ayneesh 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 : 13.07.2020

**KANPUR ORGANICS PRIVATE LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31 MARCH, 2020**

| PARTICULARS  | 2019-20<br>AMOUNT (Rs) | 2018-19<br>AMOUNT (Rs) |
|--|------------------------|------------------------|
| <b>A. Cash flows from operating activities</b>                         |                        |                        |
| Profit before taxation   | 23914741               | 27350401               |
| <b>Adjustments for:</b>  |                        |                        |
| Depreciation   | 2273871                | 2610365                |
| Investment income  | 0                      | 0                      |
| Finance cost   | 46324                  | 352804                 |
| 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>26234936</b>        | <b>30313570</b>        |
| <b>Working capital changes:</b>  |                        |                        |
| Adjustment for (increase)/ decrease in operating assets                |                        |                        |
| Inventories  | -18109542              | -8717673               |
| Trade receivables  | 21919788               | -22557164              |
| Short-term loans and advances  | -58688812              | -294500                |
| Long-term loans and advances   | 0                      | 0                      |
| Other current assets   | 44728127               | -47190724              |
| Other non-current assets   | 0                      | 0                      |
| <b>Adjustments for increase / (decrease) in operating liabilities:</b> |                        |                        |
| Trade payables   | -21004961              | 44998701               |
| Other current liabilities  | -162278                | 210778                 |
| Other long-term liabilities  | 0                      | 0                      |
| Short-term provisions  | -5940000               | 4830000                |
| Long-term provisions   | 0                      | 0                      |
| <b>Cash generated from operations</b>                                  | <b>-11022742</b>       | <b>1592988</b>         |
| Income taxes paid  | -706981                | -6023147               |
| <b>Net cash from operating activities (A)</b>                          | <b>-11729723</b>       | <b>-4430159</b>        |
| <b>B. Cash flow from investing activities</b>                          |                        |                        |
| Capital expenditure on fixed assets,                                   | -2344068               | -1447238               |
| Purchase of long-term investments                                      | 0                      | 8931557                |
| Proceeds from sale of long-term investments                            | 0                      | 0                      |
| <b>Net cash flow from / (used in) investing activities (B)</b>         | <b>-2344068</b>        | <b>7484319</b>         |
| <b>C. Cash flow from financing activities</b>                          |                        |                        |
| Proceeds from long-term borrowings                                     | -792566                | -157434                |
| Proceeds from other short-term borrowings                              | 17050000               | -5447331               |
| Finance cost   | -46324                 | -352804                |
| Cash flow from extraordinary items                                     | 0                      | 0                      |
| <b>Net cash flow from / (used in) financing activities (C)</b>         | <b>16211110</b>        | <b>-5957569</b>        |
| <b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>  | <b>2137319</b>         | <b>-2903409</b>        |
| <b>Cash and cash equivalents at beginning of period</b>                | <b>373904</b>          | <b>3277313</b>         |
| <b>Cash and cash equivalents at end of period</b>                      | <b>2511223</b>         | <b>373904</b>          |

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

|                    |                |               |
|--------------------|----------------|---------------|
| Cash               | 2120069        | 115182        |
| Balance with banks | 391154         | 258722        |
| Cheques in hand    | 0              | 0             |
| <b>Total</b>       | <b>2511223</b> | <b>373904</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 Manish 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 :- 6691235

*Rahul Sachan*  
Rahul Sachan  
DIRECTOR  
DIN :- 3405499

Place : Kanpur  
Date : 13.07.2020



**DEPRECIATION CHART AS PER COMPANIES ACT  
FOR THE FINANCIAL YEAR 2019-20**

| Particulars                  | GROSS BLOCK     |                |           | DEPRECIATION    |                | NET BLOCK       |                 |
|------------------------------|-----------------|----------------|-----------|-----------------|----------------|-----------------|-----------------|
|                              | 01.04.19        | ADDITION       | SALE/ADJ. | Total           | During the Yr. | 31.03.20        | 31.03.19        |
| A) Intangibles:              | 0               | 0              | 0         | 0               | 0              | 0               | 0               |
| B) Tangibles                 |                 |                |           |                 |                |                 |                 |
| Building                     | 4079380         | 0              | 0         | 4079380         | 256694         | 2445349         | 2702043         |
| Computer                     | 31000           | 7627           | 0         | 38627           | 7923           | 7310            | 7606            |
| Car                          | 1135713         | 0              | 0         | 1135713         | 245130         | 539787          | 784917          |
| Office Equipment             | 0               | 338136         | 0         | 338136          | 83694          | 254442          | 0               |
| Plant & Machinery            | 23641296        | 0              | 0         | 23641296        | 1589783        | 7193550         | 8783333         |
| Tractor                      | 355000          | 0              | 0         | 355000          | 31553          | 69482           | 101035          |
| Trolley                      | 160000          | 0              | 0         | 160000          | 10671          | 48287           | 58958           |
| Watch (Rolex)                | 0               | 1998305        | 0         | 1998305         | 48423          | 1949882         | 0               |
| Furniture & Fixture          | 10240           | 0              | 0         | 10240           | 0              | 385             | 385             |
| <b>TOTAL</b>                 | <b>29412629</b> | <b>2344068</b> | <b>0</b>  | <b>31756697</b> | <b>2273871</b> | <b>12508474</b> | <b>12438277</b> |
| <b>Total (Previous Year)</b> | <b>26015291</b> | <b>0</b>       | <b>0</b>  | <b>26015291</b> | <b>3263172</b> | <b>16269908</b> | <b>19533080</b> |



Notes Forming part of the Financial Statements

Note 1 :- Share Capital

| Particulars  | 2019-20 | 2018-19 |
|--|---------|---------|
| <b>Authorized Shares</b><br>250000 (50000)Nos. Equity Shares of Rs.10/- each       | 2500000 | 2500000 |
|  | 2500000 | 2500000 |
| <b>Issued ,Subscribed &amp; Fully Paid</b><br>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)<br>Particulars | 31 Mar 20     |                | 31 Mar 19     |                |
|---|---------------|----------------|---------------|----------------|
|   | 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.<br>(Holding Company) | 181500               | 94.78%         |



**Note 2:- Reserve & surplus**

| Particulars                                     |  | 2019-20         | 2018-19         |
|---|--|-----------------|-----------------|
| (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>(b) General Reserve</b>                      |  | <b>5765000</b>  | <b>5765000</b>  |
|   | As per last Balance Sheet                                      | 0               | 0               |
|   | Add: Any other adjustments                                     | 0               | 0               |
|   | less: Any other adjustments                                    | 0               | 0               |
| <b>(c) Foreign Currency Translation Reserve</b> |  | <b>0</b>        | <b>0</b>        |
|   |  | 0               | 0               |
| (d)   | <b>Surplus in the statement of Profit &amp; Loss Account</b>   |                 |                 |
|   | As per last Balance Sheet                                      | 36557213        | 15142797        |
|   | Add : Profit for the year                                      | 23224379        | 21512563        |
|   | Less : Income tax paid   | 0               | 98147           |
|   | Less : Appropriations  | 0               | 0               |
|   | 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>59781592</b> | <b>36557213</b> |
|   | <b>Total Reserve &amp; Surplus</b>                             | <b>65546592</b> | <b>42322213</b> |





**Note 3**

| Liabilities  | Current         |               | Non-Current |               |
|--|-----------------|---------------|-------------|---------------|
|  | 2019-20         | 2018-19       | 2019-20     | 2018-19       |
| <b>a) Borrowings</b>                               |                 |               |             |               |
| <b>Secured</b>                                     |                 |               |             |               |
| <b>i. Loans</b>                                    |                 |               |             |               |
| -From banks;                                       | 0               | 0             | 0           | 792566        |
| -From other parties                                | 0               | 0             | 0           | 0             |
| <b>ii. Loans and advances from related Parties</b> | 0               | 0             | 0           | 0             |
| <b>iii. Deposits</b>                               | 0               | 0             | 0           | 0             |
| <b>Unsecured</b>                                   |                 |               |             |               |
| Other Loans and advances                           | 17050000        | 0             | 0           | 0             |
|  | <b>17050000</b> | <b>0</b>      | <b>0</b>    | <b>792566</b> |
| <b>b) Trade payables</b>                           | 23993740        | 44998701      | 0           | 0             |
| <b>c) Other Liabilities</b>                        |                 |               |             |               |
| Unpaid Dividends                                   | 0               | 0             | 0           | 0             |
| Other Payables                                     | 0               | 0             | 0           | 0             |
|  | 48500           | 210778        | 0           | 0             |
|  | <b>48500</b>    | <b>210778</b> | <b>0</b>    | <b>0</b>      |

**Note 4**

| Provisions               | Current      |                | Non-Current |          |
|--------------------------|--------------|----------------|-------------|----------|
|                          | 2019-20      | 2018-19        | 2019-20     | 2018-19  |
| Audit Fees Payable       | 36000        | 51000          | 0           | 0        |
| - Provision for Taxation | 0            | 5925000        | 0           | 0        |
|                          | <b>36000</b> | <b>5976000</b> | <b>0</b>    | <b>0</b> |



**Note 6**

| <b>Non Current Investments</b>              | <b>2019-20</b> | <b>2018-19</b> |
|---|----------------|----------------|
| <i>a) Investment Property</i>               | 0              | 0              |
| <i>b) Investments in Equity Instruments</i> | 0              | 0              |
| Quoted Investments                          | 0              | 0              |
| Other unquoted investments                  | 0              | 0              |
| <i>c) FDR with banks</i>                    | 0              | 0              |
|   | <b>0</b>       | <b>0</b>       |

|   |   |   |
|---|---|---|
| Aggregate amount of quoted investment(Market Value) | 0 | 0 |
| Aggregate amount of Unquoted investment             | 0 | 0 |
| Value of Investment Property                        | 0 | 0 |

**Note 7**

| <b>Current Investments</b>                  | <b>2019-20</b> | <b>2018-19</b> |
|---|----------------|----------------|
| <i>a) Investment Property</i>               | 0              | 0              |
| <i>b).Other investments</i>                 | 0              | 0              |
| <i>c) Investments in Equity Instruments</i> |                |                |
| 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 |          |
|----------------------|-----------------|----------------|--------------|----------|
|                      | 2019-20         | 2018-19        | 2019-20      | 2018-19  |
| a) Raw Materials     | 1572120         | 12750          | 0            | 0        |
| b) Work- in progress | 0               | 0              | 0            | 0        |
| c) Finished goods    | 1329985         | 530665         | 0            | 0        |
| d) Stock in trade    | 24912164        | 9161312        | 0            | 0        |
| e) Stores & Spares   | 0               | 0              | 0            | 0        |
| f) Loose Tools       | 0               | 0              | 0            | 0        |
| <b>TOTAL</b>         | <b>27814269</b> | <b>9704727</b> | <b>0</b>     | <b>0</b> |

**Note 9**

| Cash & Cash Equivalents                          | Current        |               | Non- Current |          |
|--|----------------|---------------|--------------|----------|
|  | 2019-20        | 2018-19       | 2019-20      | 2018-19  |
| <b>a) Balances with Banks</b>                    |                |               |              |          |
| On current accounts                              | 391154         | 258722        | 0            | 0        |
| On Margin Money                                  | 0              | 0             | 0            | 0        |
| On unpaid dividend account                       | 0              | 0             | 0            | 0        |
| On Account of Subsidy Received                   | 0              | 0             | 0            | 0        |
| Deposits with banks maturity less than 12 months | 0              | 0             | 0            | 0        |
|  | <b>391154</b>  | <b>258722</b> | <b>0</b>     | <b>0</b> |
| <b>b) Cheques, drafts on hands</b>               | 0              | 0             | 0            | 0        |
| <b>c) Cash on Hand</b>                           | 2120069        | 115182        | 0            | 0        |
|  | <b>2511223</b> | <b>373904</b> | <b>0</b>     | <b>0</b> |





**Note 10**

| Trade Receivable                   | Current        |                 | Non- Current |          |
|------------------------------------|----------------|-----------------|--------------|----------|
|                                    | 2019-20        | 2018-19         | 2019-20      | 2018-19  |
| Unsecured considered good          | 0              | 0               | 0            | 0        |
| Outstanding exceeding six months   | 0              | 0               | 0            | 0        |
| Others                             | 2561264        | 24481052        | 0            | 0        |
| Less: Provision for doubtful debts | 0              | 0               | 0            | 0        |
|                                    | 0              | 0               | 0            | 0        |
| <b>TOTAL</b>                       | <b>2561264</b> | <b>24481052</b> | <b>0</b>     | <b>0</b> |

**Note 11**

| Loans & Advances                                  | Current         |                 | Non-current |          |
|---|-----------------|-----------------|-------------|----------|
|   | 2019-20         | 2018-19         | 2019-20     | 2018-19  |
| <b>a) Loans &amp; Advances to Related parties</b> | 0               | 45785000        | 0           | 0        |
| <b>b) Other Advances</b>                          |                 |                 |             |          |
| Advances, secured considered good                 | 0               | 0               | 0           | 0        |
| Advances, unsecured considered good               | 58688812        |                 |             |          |
| others  | 294500          | 294500          | 0           | 0        |
| Less: Provision for doubtful advance              | 0               | 0               | 0           | 0        |
|   | <b>58983312</b> | <b>294500</b>   | <b>0</b>    | <b>0</b> |
| Advance income Tax                                | 724055          | 1168694         | 0           | 0        |
| Advance Indirect Taxes                            | 3171063         | 1669551         | 0           | 0        |
| <b>Others</b>                                     |                 |                 |             |          |
| 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>3895118</b>  | <b>48917745</b> | <b>0</b>    | <b>0</b> |



**Note 12**

| Revenue from Operations    | 2019-20          | 2018-19          |
|----------------------------|------------------|------------------|
| a) Other operating revenue | 242750556        | 131125170        |
|                            | <b>242750556</b> | <b>131125170</b> |

**Note 13**

| Other Income             | 2019-20       | 2018-19       |
|--------------------------|---------------|---------------|
| a) Commission & Discount | 35            | 2             |
| b) Interest              | 543124        | 727754        |
|                          | <b>543159</b> | <b>727756</b> |

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

| Particulars                   | 2019-20         | 2018-19         |
|-------------------------------|-----------------|-----------------|
| Opening Stock                 | 12750           | 837150          |
| Add- Purchase During the Year | 69201056        | 96319010        |
| Less:-Closing Stock           | 1572120         | 12750           |
|                               | <b>67641686</b> | <b>97143410</b> |

**Note 14 B**

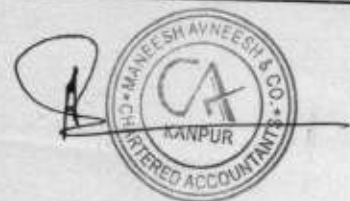
| Changes in inventory of Stock in trade         | 2019-20          | 2018-19         |
|--|------------------|-----------------|
| At the beginning of the year<br>Stock in trade | 9691977          | 149904          |
| At the end of the year<br>Stock in trade       | 26242149         | 9691977         |
|  | <b>-16550172</b> | <b>-9542073</b> |

**Note 15**

| Employee benefit expenses | 2019-20        | 2018-19       |
|---------------------------|----------------|---------------|
| a) Salaries & wages       | 1449703        | 582000        |
| b) Staff welfare          | 184630         | 155180        |
|                           | <b>1634333</b> | <b>737180</b> |

**Note 16**

| Finance Cost                         | 2019-20      | 2018-19       |
|--------------------------------------|--------------|---------------|
| a) Interest Expense                  | 3291         | 332753        |
| b) Bank Charges & other finance cost | 43033        | 20051         |
|                                      | <b>46324</b> | <b>352804</b> |



**Note 17**

| <b>Other Expenses</b>         | <b>2019-20</b>  | <b>2018-19</b>  |
|-------------------------------|-----------------|-----------------|
| Advertisement Expenses        | 0               | 0               |
| Auditors Remuneration         | 40000           | 30000           |
| Freight & cartage             | 6036630         | 6882085         |
| Commission                    | 0               | 876480          |
| Legal Fee                     | 3000            | 1000            |
| Manure Processing Charges     | 3161281         | 3720335         |
| Miscellaneous expenses        | 0               | 1733            |
| Power & Fuel                  | 327600          | 176000          |
| Security Expenses             | 165000          | 169250          |
| Professional & Legal Expenses | 31500           | 27000           |
| Rent : Building               | 660002          | 480000          |
| Generator                     | 900000          | 555000          |
| Room Rent                     | 0               | 49500           |
| Repair and maintenance        | 155488          | 38472           |
| Telephone expenses            | 38120           | 40330           |
| Travelling Expenses           | 129457          | 153654          |
| VAT / GST paid                | 440             | 0               |
|                               | <b>11648518</b> | <b>13200839</b> |

**Auditors Remuneration is as Under:**

| <b>Particulars</b>         | <b>2019-20</b> | <b>2018-19</b> |
|----------------------------|----------------|----------------|
| Audit fees                 | 40000          | 30000          |
| Tax Audit fees             | 0              | 0              |
| Certificate & Tax Services | 0              | 0              |
| Reimbursement of Exp       | 0              | 0              |
| <b>Total</b>               | <b>40000</b>   | <b>30000</b>   |





**KANPUR ORGANICS PRIVATE LIMITED**

(Annexed to and forming part of the Balance Sheet for the year ended 31.03.2020)

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. 9000  |
| STATUTORY AUDIT FEES                                | Rs. 31000 |
|   | <hr/>     |
|   | Rs. 40000 |
| 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 31.03.2020 (PREVIOUS YEAR 2018-19 Rs.Nil) 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:-**

| <b><u>S.NO.PARTICULARS</u></b>         | <b><u>NO. OF SHARES NOMINAL VALUE</u></b> |          | <b><u>TOTAL VALUE</u></b> |
|--|---|----------|---------------------------|
| <b>1. AUTHORISED CAPITAL</b>           | 250000                                    | 10/-EACH | 2500000/-                 |
| <b>2. ISSUED CAPITAL</b>               | 191500                                    | 10/-EACH | 1915000/-                 |
| <b>3. SUBSCRIBED AND FULLY PAID UP</b> | 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    |
| 2018-19 | 2271873           | 2610365             | 338492     | 0                          | 338492            | 87162        | 299553    |
| 2019-20 | 2300691           | 2273871             | 26820      | 0                          | 26820             | 16619        | 316172    |

11. RELATED PARTY DICLOSURES AS-18: DURING THE YEAR UNDER REPORT COMPANY HAS ENTERED INTO TRANSACTION OF PURCHASE/SALE WITH RELATED PARTY.

RAGHUVANSH AGROFARMS LIMITED  
SANJEEVANI FERTILISERS AND CHEMICALS PVT. LTD.

- PURCHASES - Rs. 1,09,42,432/-  
- RENT PAID - Rs. 1,20,000/-

For Maneesh Avneesh & Co.  
CHARTERED ACCOUNTANTS

Avneesh Srivastava  
Partner  
M.No.:402380



FOR KANPUR ORGANICS PRIVATE LIMITED

*Raj Kumar Agrawal*

(Director)

*Rahul Seehra*

(Director)

PLACE: KANPUR  
DATE: 13.07.2020